

BILL NO. _____

ORDINANCE NO. 23-37

AN ORDINANCE AUTHORIZING THE CITY OF FREDERICKTOWN, MISSOURI, TO ENTER INTO A LEASE PURCHASE TRANSACTION TO FINANCE CERTAIN CAPITAL IMPROVEMENTS; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City Fredericktown, Missouri (the "**City**"), finds and determines that it is advantageous and in the best interests of the City to enter into certain transactions with First State Community Bank (the "**Bank**"), on behalf of itself and New Era Bank, to provide funds to (1) acquire, construct, remodel, renovate, equip, and furnish a fire station (the "**Project**") and (2) pay certain costs in connection with the execution and delivery of documents approved herein; and

WHEREAS, the City owns certain real property upon which the Project is to be completed (the "**Leased Property**"), as further described in the Base Lease (as herein defined); and

WHEREAS, to facilitate the foregoing and to pay the cost thereof, it is necessary and desirable for the City to enter into the following documents (collectively, the "**City Documents**"):

1. Base Lease (the "**Base Lease**") with the Bank, pursuant to which the City will lease the Leased Property to the Bank;
2. Lease Purchase Agreement (the "**Lease**") with the Bank, pursuant to which the City will lease the Leased Property from the Bank with an option to purchase the Bank's interest therein;
3. Tax Compliance Agreement, to set forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Lease and of certain other related money, to establish and maintain the exclusion from gross income for federal income tax purposes of the Interest Portion (as defined in the Lease) of the Rental Payments (as defined in the Lease) to be paid by the City, and to provide guidance for complying with the arbitrage rebate provisions of the Internal Revenue Code § 148(f); and
4. Account Control Agreement with the Bank, pursuant to which proceeds of the Lease will be deposited in a project account and disbursed to pay costs of the Project.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF FREDERICKTOWN, MISSOURI, AS FOLLOWS:

Section 1. Approval of the City Documents. The City Documents are hereby approved in substantially the forms submitted to and reviewed by the Board of Aldermen on the date hereof, with such changes therein as are approved by the officers of the City executing the City Documents, such execution thereof to be conclusive evidence of the approval thereof. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the City Documents on behalf of and as the act and deed of the City.

Section 2. Prop P Sales Tax Appropriation. The City hereby appropriates for the current fiscal year not to exceed \$_____ from its Prop P Sales Tax receipts to pay the Rental Payments under the Lease for the current fiscal year. Such Prop P Sales Tax receipts shall be deposited in a separate, restricted account held by the Bank and used for such purpose without further presentation or demand. Furthermore, subject to annual appropriation and renewal by the City, during the term of the Lease, the City will deposit Prop P Sales Tax receipts up to the Rental Payments coming due during the

then-current fiscal year in the separate, restricted account to be used to pay that fiscal year's Rental Payments. After sufficient funds have been deposited in the separate, restricted account for the then-current fiscal year, the City may retain any remaining Prop P Sales Tax receipts for the remainder of the fiscal year for any other permitted use by the City. Nothing herein shall be deemed to be a pledge of any Prop P Sales Tax receipts beyond the fiscal year in which such appropriation has been made.

Section 3. Further Authority. The City will, and the officials and agents of the City, including the City Administrator, are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the City Documents. Without limiting the foregoing, the Board of Aldermen specifically authorizes and directs the prompt payment of all closing costs relating to the City Documents.

Section 4. Severability. The sections of this Ordinance shall be severable. If any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that: (a) the valid sections are so essential to and inseparably connected and dependent upon the void section that it cannot be presumed that the Board of Aldermen has or would have enacted the valid sections without the void ones, and (b) the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent. The invalid provision shall be omitted, and this Ordinance shall be amended to the extent possible to conform to the original intent of the City.

Section 5. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 6. Effective Date. This Ordinance shall take effect and be in full force immediately after its adoption by the Board of Aldermen.

[Remainder of this page intentionally left blank.]

THIS ORDINANCE having been read by title only the first time on the 24th day of October, 2023, the Board of Aldermen voted as follows:

Brown	<u>absent</u>	Long	<u>aye</u>
Shankle	<u>aye</u>	Miller	<u>aye</u>
Polete	<u>aye</u>	Jones	<u>aye</u>

THIS ORDINANCE having been read by title only the second time on the 24th day of October, 2023, the Board of Aldermen voted as follows:

Brown	<u>absent</u>	Long	<u>aye</u>
Shankle	<u>aye</u>	Miller	<u>aye</u>
Polete	<u>aye</u>	Jones	<u>aye</u>

PASSED AND APPROVED this 24th day of October 2023, by 5 ayes, 0 nays, 0 abstentions, and 1 absentees.



Mayor

[Seal]

ATTEST:



City Clerk

(Space above reserved for Recorder's use)

TITLE OF DOCUMENT:	BASE LEASE
DATE OF DOCUMENT:	October 1, 2023
GRANTOR(S) NAME AND MAILING ADDRESS:	CITY OF FREDERICKTOWN, MISSOURI 124 West Main Street Fredericktown, Missouri 63645 Attention: City Administrator
GRANTEE(S) NAME AND MAILING ADDRESS:	FIRST STATE COMMUNITY BANK 201 E. Columbia Farmington, Missouri 63640 Attention: President
RETURN DOCUMENTS TO:	Mark D. Grimm Gilmore & Bell, P.C. 211 North Broadway, Suite 2000 St. Louis, Missouri 63102
LEGAL DESCRIPTION:	See Schedule 1

BASE LEASE

BASE LESSOR: **CITY OF FREDERICKTOWN, MISSOURI**, a fourth-class municipality and political subdivision organized and existing under of the laws of the State of Missouri

BASE LESSEE: **FIRST STATE COMMUNITY BANK**, a state-chartered bank

DATE: **OCTOBER 1, 2023**

THIS BASE LEASE (the "**Base Lease**"), dated as of the date set forth above, by and between the Base Lessor named above (together with its successors and assigns, "**Base Lessor**"), and the Base Lessee named above (together with its successors, "**Base Lessee**"),

WITNESSETH:

WHEREAS, to carry out the essential governmental and proprietary functions of Base Lessor, the Board of Aldermen of Base Lessor deems it necessary, desirable and in the best interest of the Base Lessor to acquire and construct the hereinafter defined Project; and

WHEREAS, Base Lessor is the owner of the real estate described on **Schedule 1** including the existing buildings and improvements thereon (the "**Leased Property**"); and

WHEREAS, Base Lessee proposes to lease the Leased Property from Base Lessor and to provide funds in the aggregate amount stated in the hereinafter defined Lease to pay costs of constructing, remodeling, renovating, equipping, and furnishing a fire station on the Leased Property (the "**Project**") and has offered to lease the Leased Property back to Base Lessor pursuant to a Lease Purchase Agreement dated as of the date hereof (as amended or supplemented from time to time, the "**Lease**") by and between Base Lessee, as lessor, and Base Lessor, as lessee; and

WHEREAS, Base Lessor desires to lease the Leased Property to Base Lessee for the rentals and upon the terms and conditions herein set forth and to lease the Leased Property from Base Lessee upon the terms and conditions set forth in the Lease;

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

Section 1. Representations by Base Lessor. Base Lessor represents, warrants and covenants as follows:

(a) Base Lessor is a fourth-class municipality and political subdivision established and existing under and pursuant to the laws of the State of Missouri (the "**State**");

(b) The lease of the Leased Property to Base Lessee, as provided herein, and the lease of the Leased Property by Base Lessee to Base Lessor, as provided in the Lease, are necessary, desirable and in the public interest, and Base Lessor hereby declares its current need for the Leased Property and the Project;

(c) Base Lessor, pursuant to an ordinance passed by the Board of Aldermen, has full power and authority to enter into this Base Lease and the Lease and the transactions contemplated by this Base Lease and the Lease and to carry out its obligations hereunder and thereunder, has been

duly authorized to execute and deliver this Base Lease and the Lease and by proper action has duly authorized the execution and delivery of this Base Lease and the Lease;

(d) To the Base Lessor's knowledge, neither the execution and delivery of this Base Lease nor the Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Base Lessor is now a party;

(e) Base Lessor has good and merchantable fee simple title to the Leased Property;

(f) The Leased Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance that would prohibit or materially interfere with the use of the Leased Property, as contemplated by the Lease;

(g) The Leased Property is currently exempt from property taxes, assessments or impositions of any kind with respect to the Leased Property;

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

Section 2. Lease. Base Lessor hereby leases to Base Lessee, and Base Lessee hereby rents and leases from Base Lessor, the Leased Property on the terms and conditions hereinafter set forth.

Section 3. Term. The term of this Base Lease shall commence as of the date of the delivery hereof, and shall end on October 1, 2063, unless such term is extended or sooner terminated as hereinafter provided but in no event will the term of this Base Lease end prior to the stated termination date unless the Principal Portion and the Interest Portion of the Rental Payments are no longer outstanding (as those terms are defined in the Lease). Upon the payment in full of the Rental Payments, all of the Base Lessee's right, title and interest in the Leased Property under this Base Lease shall revert to the Base Lessor without the requirement of any action by the Base Lessor.

Section 4. Rental. As and for rental hereunder and in consideration for the leasing of the Leased Property to Base Lessee, Base Lessee shall:

(a) Simultaneously with the delivery of this Base Lease, enter into the Lease; and

(b) Deposit not to exceed \$2,800,000 in the Project Account established under the Account Control Agreement.

Section 5. Assignments and Subleases. Base Lessee may assign this Base Lease and its rights hereunder or lease or sublease the Leased Property without the written consent of Base Lessor (i) in connection with any assignment of its rights under the Lease, (ii) if the Lease is terminated for any reason, or (iii) if an Event of Default as defined in the Lease has occurred.

Section 6. Termination.

(a) This Base Lease will terminate upon the completion of the term set forth in **Section 3** hereof; provided, however, that if the Base Lessor pays the Purchase Price or all of the rental payments

provided for in **Article IV** of the Lease and exercises its option to purchase Base Lessee's interest in the Leased Property pursuant to **Article XI** of the Lease, then this Base Lease will be considered assigned to Base Lessor and terminated through merger of the leasehold interest hereunder with the fee interest of a Base Lessor if Base Lessor is the owner of the fee interest.

(b) If an Event of Default under the Lease occurs or if Base Lessor terminates the Lease pursuant to **Section 3.3** of the Lease, Base Lessee shall have the right to possession of the Leased Property for the remainder of the term of this Base Lease and shall have the right to sublease the Leased Property or sell its interest in the Leased Property and this Base Lease upon whatever terms and conditions it deems prudent; provided, however, that Base Lessee shall provide Base Lessor with adequate public liability insurance covering the premises for the remainder of the term and will furnish Base Lessor with evidence thereof.

Section 7. Default. Base Lessor shall not have the right to exclude Base Lessee from the Leased Property or take possession of the Leased Property (other than pursuant to the Lease) or to terminate this Base Lease prior to the expiration of its term upon any default by Base Lessee hereunder, except that if, upon the exercise of the option to purchase Base Lessee's interest in the Leased Property granted to Base Lessor in **Article XI** of the Lease and after the payment of the Purchase Price specified therein and other sums payable under the Lease, Base Lessee fails to convey its interest in the Leased Property to Base Lessor pursuant to said option, then Base Lessor shall have the right to terminate this Base Lease, such termination to be effective thirty (30) days after delivery of written notice of such termination to Base Lessee. In the event of any default by Base Lessee hereunder, however, Base Lessor may maintain an action for damages or, if permitted in equity, for specific performance.

Section 8. Quiet Enjoyment. At all times during the term of this Base Lease, Base Lessee shall peaceably and quietly have, hold and enjoy all of the Leased Property, subject to the rights of Base Lessor under the Lease.

Section 9. No Merger. No union of the interests of Base Lessor and Base Lessee herein shall result in a merger of this Base Lease and the title to the Leased Property or any part thereof, except as and to the extent provided in **Section 6** hereof.

Section 10. Taxes and Assessments. Base Lessor covenants and agrees to pay any and all assessments of any kind or character and all taxes levied or assessed upon the Leased Property.

Section 11. Warranty and Indemnity Regarding Environmental Matters.

(a) Base Lessor hereby warrants and represents that (i) there has not been any "release" (as defined in 42 U.S.C. § 9601(22)) or threat of a "release" of any "hazardous substances" (as defined in 42 U.S.C. § 9601(14)) on or about any of the Leased Property, (ii) no part of the Leased Property is or may be a "facility" (within the meaning of 42 U.S.C. § 9607(a)), and (iii) the Leased Property and the use thereof are in compliance with all applicable laws, statutes, ordinances, rules and regulations of any governmental or quasi-governmental authority, specifically including without limitation the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation and Liability Act, both as amended, and all other environmental protection or toxic waste or hazardous substance handling, treatment, storage or disposal laws, statutes, ordinances, rules and regulations.

(b) Base Lessor agrees to provide Base Lessee with copies of any notifications of releases of oil or hazardous materials or substances or of any environmental hazards or potential hazards which are given by or on behalf of Base Lessor to any federal, state or local agencies or authorities or which are received by Base Lessor from any federal, state or local agencies or authorities with respect to the Leased

Property. Such copies shall be sent to Base Lessee concurrently with their being mailed or delivered to the governmental agencies or authorities or within 10 days after they are received by Base Lessor.

(c) Base Lessor agrees to provide Base Lessee with copies of all emergency and hazardous chemical inventory forms (hereinafter "Notices") with respect to the Leased Property previously given, as of the date hereof, to any federal, state or local governmental authority or agency as required pursuant to the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C.A. Section 1101 *et seq.*, and to provide Base Lessee with copies of all such Notices subsequently sent to any such governmental authority or agency as required pursuant to the Emergency Planning and Community Right-to-Know Act of 1986. Such copies of subsequent Notices shall be sent to Base Lessee concurrently with their being mailed to any such governmental authority or agency.

(d) Base Lessor hereby covenants and agrees, to the extent permitted by law, to indemnify, protect and hold harmless Base Lessee from and against any and all claims, demands, liabilities and costs, including without limitation attorneys' fees, arising from (a) any "release" (as defined above) or threat of a "release," actual or alleged, of any "hazardous substances" (as defined above) upon or about the Leased Property or respecting any products or materials previously or now located upon, delivered to or in transit to or from the Leased Property regardless of whether such release or threat of a release or alleged release or threat of release has occurred prior to the date hereof and hereafter occurs and regardless of whether such release or threat of a release or alleged release or threat of a release occurs as the result of the negligence or misconduct of Base Lessor or any third party or otherwise, or (b) any violation, actual or alleged, of any other liability under or in connection with any law, statute, ordinance, rule or regulation of any governmental or quasi-governmental authority, specifically including without limitation the Resource Conservation and Recovery Act and the Comprehensive Environmental Response Compensation and Liability Act, both as amended, or any other environmental protection or toxic waste or hazardous substance handling, treatment, storage or disposal laws, statutes, ordinances, rules or regulations upon or about the Leased Property or respecting any products or materials previously or now located upon, delivered to or in transit to or from the Leased Property, regardless of whether such violation or alleged violation has occurred prior to the date hereof or hereafter occurs and regardless of whether such violation or alleged violation occurs as a result of the negligence or misconduct of Base Lessor or any third party or otherwise. Notwithstanding the foregoing, Base Lessor shall not be obligated to indemnify and hold harmless Base Lessee from and against any claims, demands, liabilities and costs, including without limitation attorneys' fees, which arise solely as a result of the negligence or misconduct of Base Lessee.

Section 12. Waiver of Personal Liability.

(a) All liabilities under this Base Lease on the part of Base Lessee are solely corporate liabilities of Base Lessee as a corporation, and, to the extent permitted by law, Base Lessor hereby releases each and every director and officer of Base Lessee of and from any personal or individual liability under this Base Lease. No director or officer of Base Lessee shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by Base Lessee hereunder. The Base Lessee will not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(b) All liabilities under this Base Lease on the part of Base Lessor are solely corporate liabilities of Base Lessor as a municipal corporation, and, to the extent permitted by law, Base Lessee hereby releases each and every official, member, employee or agent of Base Lessor of and from any personal or individual liability under this Base Lease. No official, member, employee or agent of Base Lessor will at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by Base Lessor hereunder.

Section 13. Eminent Domain.

(a) In the event the whole or any part of the Leased Property is taken by eminent domain proceedings, the interest of the Base Lessee shall be recognized. The proceeds of said condemnation shall be applied as provided in **Article XII** of the Lease. Under State statutes, the Base Lessor has the power to condemn property for its purposes, and the Base Lessor acknowledges that if the Base Lessor condemned the Leased Property, such action could adversely affect the continuation of this Base Lease. The Base Lessor further acknowledges that condemnation of the Leased Property would adversely affect the Base Lessee and that without the Base Lessee's interest in the Leased Property, the Base Lessee might not lease the Leased Property to the Base Lessor pursuant to the Lease.

(b) The Base Lessor and the Base Lessee have reached agreement on the terms of the acquisition of the Leased Property, at Base Lessor's option, and to the use of the Leased Property, all as set forth in the Lease. Any acquisition of the Base Lessee's interest in the Leased Property or rights to its use by the Base Lessor (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Rental Payments and the applicable Purchase Price (as defined and set forth in the Lease). If the Base Lessor allows the Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the Maximum Lease Term or failure to cure an Event of Default as those terms are defined in the Lease), that action shall constitute an irrevocable determination by the Base Lessor that the Leased Property is not required by it for any public purpose for the term of this Base Lease.

(c) The Base Lessor hereby covenants and agrees, to the extent it may lawfully do so, that if for any reason it exercises the power of eminent domain with respect to the Leased Property, the appraisal value of the Leased Property shall not be less than the Rental Payments then due plus the then applicable Purchase Price as defined and set forth in the Lease.

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

Section 14. Leaseback to Base Lessor. Contemporaneously herewith Base Lessee and Base Lessor will execute the Lease whereby Base Lessee subleases back to Base Lessor and Base Lessor subleases from Base Lessee the Leased Property, all in accordance therewith. Title to the Leased Property shall remain in Base Lessor at all times. The Lease includes in **Article XI** thereof the option of Base Lessor, upon payment of the Purchase Price, to purchase Base Lessee's interest in the Leased Property.

Section 15. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Base Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Base Lease shall be affected thereby, and each provision of this Base Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 16. Notices. All written notices to be given under this Base Lease shall be given by mail to the party entitled thereto at its address set forth in the Lease, or at such address as the party may provide to the other party in writing from time to time. Any such notice shall be deemed to have been received 48 hours after deposit in the United States mail in registered form, with postage fully prepaid.

Section 17. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Base Lease.

Section 18. Amendments, Changes and Modifications. This Base Lease may not be effectively amended, changed, modified, altered or supplemented except with the written consent of both Base Lessee and Base Lessor. Any waiver of any provision of this Base Lease or any right or remedy hereunder must be affirmatively and expressly made in writing and shall not be implied from in action, course of dealing or otherwise.

Section 19. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State.

Section 20. Execution; Electronic Transactions. This Base Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same Base Lease. It is also agreed that separate counterparts of this Base Lease may be executed by Base Lessee and Base Lessor all with the same force and effect as though the same counterpart had been executed by both Base Lessee and Base Lessor. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The parties agree that the transaction described herein may be conducted and related documents may be sent, stored and received by electronic means.

Section 21. Successors. This Base Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 22. Complete Agreement. This written agreement is a final expression of the agreement between the parties hereto and such agreement may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement between the parties hereto. No unwritten oral agreement between the parties exists.

Section 23. Definitions of Words and Terms. Except as otherwise defined herein, all capitalized terms in this Base Lease that are not otherwise defined herein shall have the meaning set forth in the Lease.

Section 24. Anti-Discrimination Against Israel Act.

(a) The State of Missouri has adopted the "Anti-discrimination Against Israel Act," Section 34.600, Revised Statutes of Missouri (the "Act"), which provides that "[a] public entity shall not enter into a contract with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract includes a written certification that the company is not currently engaged in and shall not, for the duration of the contract, engage in a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel." The Act provides that any contract that fails to comply with the Act's provisions shall be void as against public policy.

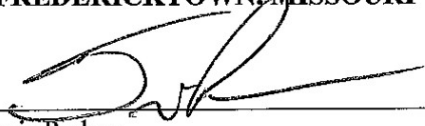
(b) The Base Lessee hereby certifies and agrees that, to the extent the Act is applicable to the this Base Lease, the Lease and the Account Control Agreement, the Base Lessee is not currently engaged in and shall not, for the duration of this Base Lease, engage in a boycott of goods or services from the State of Israel, companies doing business in or with Israel or authorized by, licensed by or organized under the laws of the State of Israel or persons or entities doing business with the State of Israel, in all respects within the meaning of the Act.

(c) The foregoing certification shall not be deemed an admission or agreement that the Act is applicable to this Base Lease, the Lease or the Account Control Agreement but the foregoing certification is provided if the Act is applicable. If the Act is initially deemed or treated as applicable to this Base Lease, the Lease or the Account Control Agreement, but it is subsequently determined not to apply thereto for any reason including the repeal or amendment of the Act or any ruling of a court of competent jurisdiction as to the unenforceability or invalidity of the Act, then the foregoing certification shall cease and not exist.

[Remainder of this page intentionally left blank.]


IN WITNESS WHEREOF, Base Lessor and Base Lessee have caused this Base Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF FREDERICKTOWN, MISSOURI

By: 
Name: Travis Parker
Title: Mayor

[Seal]

ATTEST:

By: 
Name: Theresa Harbison
Title: City Clerk

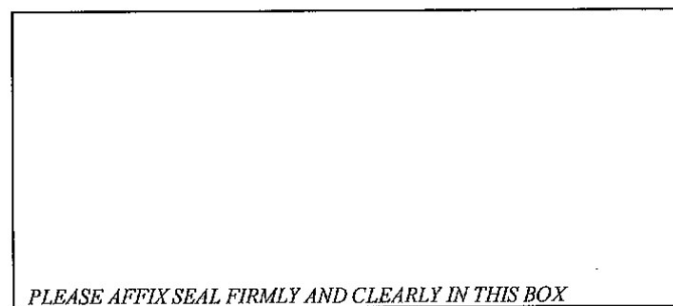
ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS
COUNTY OF MADISON)

On this ____ day of October, 2023, before me, the undersigned, a Notary Public, appeared **TRAVIS PARKER**, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the **CITY OF FREDERICKTOWN, MISSOURI**, a fourth-class municipality and political subdivision of the State of Missouri, and that said instrument was signed and sealed on behalf of said City by authority of its Board of Aldermen, and said individual acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

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

Notary Public in and for said State
Commission Expires: _____



PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

FIRST STATE COMMUNITY BANK

[NO SEAL]

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF ST. FRANCOIS)

On this ____ day of October, 2023, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, to me personally known, who, being by me being before me duly sworn did say that he is an authorized officer of **FIRST STATE COMMUNITY BANK**, a state chartered bank organized and existing under the laws of the State of Missouri, and that said instrument was signed on behalf of said company by authority of its board of directors, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company, and that the company has no seal.

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

Notary Public in and for said State
Commission Expires: _____

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

SCHEDULE 1 TO BASE LEASE

DESCRIPTION OF THE LEASED PROPERTY

The following described real estate situated in the County of Madison, State of Missouri, together with all improvements now or hereafter situated thereon:

(Space above reserved for Recorder's use)

TITLE OF DOCUMENT:	LEASE PURCHASE AGREEMENT
DATE OF DOCUMENT:	October 1, 2023
GRANTOR(S) NAME AND MAILING ADDRESS:	FIRST STATE COMMUNITY BANK 201 E. Columbia Farmington, Missouri 63640 Attention: President
GRANTEE(S) NAME AND MAILING ADDRESS:	CITY OF FREDERICKTOWN, MISSOURI 124 West Main Street Fredericktown, Missouri 63645 Attention: City Administrator
RETURN DOCUMENTS TO:	Mark D. Grimm Gilmore & Bell, P.C. 211 North Broadway, Suite 2000 St. Louis, Missouri 63102
LEGAL DESCRIPTION:	See Schedule 1

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LEASE PURCHASE AGREEMENT

LESSOR: FIRST STATE COMMUNITY BANK, a state-chartered bank

LESSEE: CITY OF FREDERICKTOWN, MISSOURI, a fourth-class municipality and political subdivision organized and existing under of the laws of the State of Missouri

DATE: OCTOBER 1, 2023

THIS LEASE PURCHASE AGREEMENT, dated as of the date set forth above, by and between the Lessor named above (together with its successors and assigns, "**Lessor**"), and the Lessee named above (together with its successors, "**Lessee**"),

WITNESSETH:

WHEREAS, Lessor proposes to take the following actions:

(a) Lease from Lessee, the real property described in **Schedule 1** including the existing buildings and improvements thereon (the "**Leased Property**");

(b) Provide funds in an amount not to exceed the Maximum Authorized Amount listed on **Exhibit B** to pay the Costs of the Project, as further described on **Exhibit B**, and Lessee will repay such funds subject to the terms and conditions set forth in this Lease; and

(c) Lease its interest in the Leased Property to Lessee for the rentals and upon the terms and conditions hereinafter set forth; and

WHEREAS, Lessee, pursuant to the foregoing proposals of Lessor, desires to lease the Leased Property from Lessor, for the rentals and upon the terms and conditions hereinafter set forth,

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

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions of Words and Terms. In addition to words and terms defined herein, the following words and terms as used in the Base Lease and this Lease shall have the following meanings, unless some other meaning is plainly intended:

"**Account Control Agreement**" means the Account Control Agreement, dated as of the date hereof, among Lessor, Lessee and Deposit Bank

"**Additional Rent**" means those payments required to be made by Lessee by **Section 4.2** hereof.

"**Available Revenues**" means, for any Fiscal Year, any balances of the Lessee from previous Fiscal Years encumbered to make Rental Payments, amounts budgeted or appropriated by the Lessee for such Fiscal Year, plus any unencumbered balances of the Lessee from previous Fiscal Years that are legally available to make Rental Payments during such Fiscal Year, plus all moneys and investments. Available

Revenues will include the Prop P Sales Tax receipts that are appropriated by the Board of Aldermen for the purpose of making Rental Payments for any fiscal year.

“**Base Lease**” means the Base Lease dated as of the date hereof between Lessor and Lessee, as from time to time supplemented or amended in accordance with **Section 18** of the Base Lease.

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

“**Commencement Date**” is the date when the term of this Lease and Lessee’s obligation to pay rent commences, which date will be the date on which funds to pay the Costs of the Project are deposited in the Project Account.

“**Completion Date**” means the date of completion of the Project as that date shall be certified as provided in **Section 5.4** hereof.

“**Construction Contract**” means the construction contract(s) for the construction of the Project in accordance with the Plans and Specifications.

“**Cost**” or “**Costs**” means all reasonable or necessary expenses incidental to the acquisition, construction, installation, repair, alteration, improvement and extension of the Project, including the expenses of studies, surveys, land title and title policies, architectural and engineering services, recording fees, bank fees, legal and other special services and all other necessary and incidental expenses.

“**Counsel**” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either Lessee or Lessor.

“**Deposit Bank**” means First State Community Bank, the deposit bank under the Account Control Agreement, or any successor deposit bank under the Account Control Agreement.

“**Event of Default**” or “**Default**” means any Event of Default as defined in **Section 13.1** hereof.

“**Event of Nonappropriation**” means an Event of Nonappropriation as described in **Section 3.3** hereof.

“**Final Disbursement Date**” means the earlier of (i) the Completion Date or (ii) October 1, 2024, which will be the latest date on which a draw request for an advance of principal may be paid.

“**Fiscal Year**” means the fiscal year of Lessee for financial and budgetary purposes as set forth on **Exhibit B** hereto.

“**Impositions**” means those Impositions defined as such in **Article VII** hereof.

“**Initial Principal Advance**” means the initial deposit of \$_____ made to the Project Account.

“**Interest Portion**” means the Interest Portion of a Rental Payment identified as such in **Exhibit A** hereto.

“**Interest Rate**” means the interest rate identified as such in **Exhibit B** hereto, which is the rate at which the Interest Portions are calculated.

“**Issuance Year**” is the calendar year in which the Commencement Date occurs.

“Lease” means this Lease Purchase Agreement between Lessor and Lessee, as from time to time supplemented and amended in accordance with **Article XIV** hereof.

“Lease Term” means the Original Term and any Renewal Terms.

“Leased Property” means the real property described in **Schedule 1** including the existing buildings and improvements thereon.

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

“Lessor Representative” means the person or persons at the time designated to act on behalf of Lessor in matters relating to the Base Lease and this Lease as evidenced by a written certificate furnished to Lessee containing the specimen signature of such person or persons and signed on behalf of Lessor by its authorized officer. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Lessor Representative.

“Maximum Authorized Amount” means the maximum authorized amount specified on **Exhibit B**, to be paid by Lessor under this Agreement and to be applied to pay Costs of the Project.

“Maximum Lease Term” means the Original Term and all Renewal Terms through the final Rental Payment Date listed on **Exhibit A** hereto.

“Net Proceeds” when used with respect to any insurance proceeds or any condemnation award or amounts received from the sale of property under the threat of condemnation, means the amount remaining after deducting all expenses (including attorneys’ fees and any expenses of Lessee and Lessor) incurred in the collection of such proceeds or award from the gross proceeds thereof.

“Original Term” means the initial term of this Lease beginning as of the Commencement Date and ending on the last day of Lessee’s current Fiscal Year.

“Plans and Specifications” means the Plans and Specifications for the Project referred to in **Section 5.1**, any amendments and additions thereto, and any change orders thereto.

“Principal Portion” means the Principal Portion of a Rental Payment identified as such in **Exhibit A** hereto.

“Project” means renovating the Lessee’s existing library building, including upgrading the HVAC system and installing new floors and shelving units.

“Project Account” means the project account established under the Account Control Agreement.

“Project Documents” means this Lease, the Account Control Agreement, the Construction Contract, any bids received and accepted by the Lessee relating to the Project, and any other agreements, documents or certificates related to the foregoing or the Project.

“Purchase Price” means the amount designated as such on **Exhibit A** hereto that Lessee may, in its discretion, pay to Lessor to purchase the Leased Property, pursuant to **Section 11.1** hereof.

“Renewal Terms” means the renewal terms of this Lease during which the Lease Term is extended in accordance with **Section 3.2** hereof, each having a duration of one year and a term coextensive with Lessee’s Fiscal Year except as otherwise provided in said **Section 3.2**.

“Rental Payment Dates” means the dates during the Lease Term on which Rental Payments are due as set forth on **Exhibit A** hereto.

“Rental Payments” means those payments required to be made by Lessee by **Section 4.1** hereof.

“State” means the State of Missouri.

“Tax Compliance Agreement” means the Tax Compliance Agreement relating to this Lease, executed and delivered by Lessee and delivered to Lessor concurrently with this Lease.

Section 1.2. Rules of Construction.

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

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

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

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

Section 1.3. Section and Article Headings. The Section and Article headings herein are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions hereof.

Section 1.4. Execution of Counterparts. This Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

Section 1.5. Construction and Enforcement. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 1.6. Severability. In the event any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 1.7. Complete Agreement. This written agreement is a final expression of the agreement between the parties hereto and such agreement may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement between the parties hereto. No unwritten oral agreement between the parties exists.

Section 1.8. Accounting Terms. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed to such terms by generally accepted accounting principles as from time to time in effect.

ARTICLE II

REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants by Lessee. Lessee covenants as of the date of delivery hereof, as follows:

(a) Lessee is a fourth-class municipality and political subdivision organized and existing under and pursuant to the laws of the State with full power and authority to enter into each of the Project Documents and the transactions contemplated thereby and hereby and to perform all of its obligations thereunder and hereunder;

(b) The lease of the Leased Property by Lessor to Lessee, as provided in this Lease, is necessary, desirable and in the public interest, and Lessee hereby declares its current need for the Leased Property;

(c) The Project, when completed in accordance with the Project Documents and Plans and Specifications, will be in compliance with all applicable laws and regulations and Lessee's requirements;

(d) Lessee has estimated, and Lessee reasonably believes, that the total Costs of the Project, in accordance with the Project Documents and Plans and Specifications, will not exceed the Maximum Authorized Amount, together with other funds Lessee has available to pay such Costs;

(e) Lessee has duly authorized the execution and delivery of each of the Project Documents by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of each of the Project Documents;

(f) To the Lessee's knowledge, neither the execution and delivery of any Project Document, nor the fulfillment of or compliance with the terms and conditions thereof or hereof, nor the consummation of the transactions contemplated thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessee is a party;

(g) There is no proceeding pending and served and/or, to the Lessee's knowledge, threatened in any court or before any governmental authority or arbitration board or tribunal challenging the validity of the proceedings of the Board of Aldermen of Lessee authorizing any Project Document or the power or authority of Lessee to enter into any Project Document or the validity or enforceability of any Project Document or that, if adversely determined, would adversely affect the transactions contemplated by any Project Document or the interest of Lessor or its assigns under any Project Document;

(h) To Lessee's knowledge, Lessee has not made, done, executed or suffered, and covenants that it will not make, do, execute or suffer, any act or thing whereby Lessee's interests in

any property or other item which is needed in the Lease Property shall be exempted, changed or diminished in any manner whatsoever, except as so contemplated by the Base Lease and this Lease.

(f) Lessor shall acknowledge, no event or condition has occurred, or will occur, which is a violation of the lease or that of bona fide third parties, on behalf of the State of California.

(g) Lessor has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the calendar Fiscal Year to make any financial adjustments necessary during the Original Term. There shall be no further budgeting during the Original Term, and such funds have not been expended for other purposes.

(h) Lessor shall do whatever is deemed necessary, to provide for the safety of the Lease Property, its contents, equipment and people.

(i) Lessor has complied, or will comply, with such public bidding requirements as may be applicable during the Project Duration, and the acquisition of the Project.

(j) During the Lease Term, the Lease Property shall be used by Lessor and the Lessee exclusively for the purposes stated in the Lease and shall not be used for any other general purpose of the Lessee.

APPENDIX 1A

RENTAL PAYMENTS AND OTHER TERMS

Section 1.1. The nature of Leasehold. Lessor, by these provisions, hereby leases, to Lessee and Lessee to use the property, time, labor, and lessor's machinery, tools and fixtures for the Lease Property. The Leasehold shall be used for the purposes stated in the Lease.

Section 1.2. Lease term.

(a) The Original Term shall commence as of the date of delivery of the Lease and shall terminate on the last day of the calendar Fiscal Year. The Lease Term may be extended during the period of the lease as provided in the Original Term, any Renewal Term, or other provisions provided in the Lease. The Renewal Term shall not extend beyond December 31, 2017. At the end of the Original Term and at the end of each Renewal Term, if Lessor has appropriated funds for the Lease for the next Fiscal Year and as long as the Lease has not been terminated pursuant to Section 1.1.4, it shall be deemed to have been extended for another period, this Lease for the next Renewal Term. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except for any differences in the Rental Payments as provided in Section 1.3.

(b) Lessor covenants to comply with the provisions of Section 1.3 hereinafter in this Lease through the Maximum Lease Term and to pay the Rental Payments hereunder. Lessor covenants to believe that the funds available in its account sufficient to pay all Rental Payments during the Original Term and each of the Renewal Terms through the Maximum Lease Term are so provided. The maximum financial obligation of Lessor shall be fully satisfied within his or her power to obtain all the necessary funds which the Rental Payments are to be made, including making provision for such items. Payments in the event necessary in each proposed budget or appropriation request submitted for approval, according with applicable provisions of law and consistent with available resources and approved by the Board of the budget or appropriation request is not approved. The responsible financial officer of Lessor shall

any property now or hereafter included in the Leased Property shall be or may be impaired, changed or encumbered in any manner whatsoever, except as contemplated by the Base Lease and this Lease;

(i) To Lessee's knowledge, no event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof;

(j) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current Fiscal Year to make the Rental Payments scheduled to come due during the Original Term, if any, and to meet its other obligations for the Original Term, and such funds have not been expended for other purposes;

(k) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic;

(l) Lessee has complied, or will comply, with such public bidding requirements as may be applicable to any of the Project Documents and the acquisition of the Project; and

(m) During the Lease Term, the Leased Property will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.

ARTICLE III

GRANTING PROVISIONS; TERM

Section 3.1. Granting of Leasehold. Lessor, by these presents, hereby demises, leases, subleases and lets the Leased Property unto Lessee, and Lessee hereby rents, leases and hires the Leased Property from Lessor in accordance with this Lease for the Lease Term.

Section 3.2. Lease Term.

(a) The Original Term shall commence as of the date of delivery of this Lease and shall terminate on the last day of Lessee's current Fiscal Year. The Lease Term may be continued solely, at the option of Lessee, at the end of the Original Term or any Renewal Term for an additional one-year; provided that the final Renewal Term shall not extend beyond October 1, 2043. At the end of the Original Term and at the end of each Renewal Term, if Lessee has appropriated funds for the Rental Payments for the next Fiscal Year and so long as this Lease has not been terminated pursuant to **Section 11.1** hereof, Lessee will be deemed to have exercised its option to continue this Lease for the next Renewal Term. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except for any difference in the Rental Payments as provided on **Exhibit A** hereto.

(b) Lessee currently intends, subject to the provisions of **Section 3.3** hereof, to continue this Lease through the Maximum Lease Term and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to pay all Rental Payments during the Original Term and each of the Renewal Terms through the Maximum Lease Term can be obtained. The responsible financial officer of Lessee shall do all things lawfully within his or her power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such Rental Payments to the extent necessary in each proposed budget or appropriation request submitted for approval in accordance with applicable provisions of law and to exhaust all available reviews and appeals in the event such portion of the budget or appropriation request is not approved. The responsible financial officer of Lessee shall

include in each budget an appropriation from the Lessee's Prop P Sales Tax in an amount not to exceed the Rental Payments to be made in the applicable Fiscal Year. Such appropriation of the Prop P Sales Tax for such purpose shall not be a pledge of the Prop P Sales Tax and shall not be valid beyond the Fiscal Year for which such appropriation has been made. Any Prop P Sales Tax funds appropriated shall be deposited with Lessor in a separate bank account to be used solely to make the Rental Payments for the then current Fiscal Year. Notwithstanding the foregoing, the decision to budget and appropriate funds or to extend this Lease for any Renewal Term is to be made in accordance with Lessee's normal procedures for such decisions, and the then current Board of Aldermen of the Lessee.

Section 3.3. Nonappropriation. Lessee is obligated only to pay Rental Payments under this Lease as may lawfully be made from Available Revenues. If an Event of Nonappropriation occurs, this Lease will be deemed terminated at the end of the then-current Original Term or Renewal Term. An Event of Nonappropriation will be deemed to have occurred if Lessee fails to budget, appropriate or otherwise provide for the sufficient funds to pay Rental Payments to come due during the immediately following Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term.

Section 3.4. Enjoyment of Leased Property. Lessor will provide Lessee during the Lease Term with quiet use and enjoyment of the Leased Property. Lessee will, during the Lease Term, peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from Lessor, except as expressly set forth in this Lease. Lessee shall have the right to use the Leased Property for any governmental or proprietary purpose of Lessee, subject to the limitations contained in this Lease.

ARTICLE IV PROVISIONS FOR PAYMENT OF RENTAL PAYMENTS

Section 4.1. Rental Payments.

(a) Lessee shall promptly make Rental Payments, subject to **Sections 3.3** and **4.3** hereof, in lawful money of the United States of America to Lessor on each Rental Payment Date, in such amounts as are described on **Exhibit A** hereto. A portion of each Rental Payment is paid as, and represents payment of, interest, as set forth on **Exhibit A** hereto (said interest to be attributable to the various Principal Portions in accordance with the per annum rate set forth in **Exhibit B** hereto).

(b) On the Commencement Date, Lessor will advance, for deposit in the Project Account established under the Account Control Agreement, an amount equal to the Initial Principal Advance. Subsequently, Lessor will advance to the Project Account installments of principal aggregating not more than the Maximum Authorized Amount, upon receipt of a signed draw request in substantially the form set forth on **Exhibit B** attached to the Account Control Agreement, to pay Costs of the Project, provided that no draw requests may be made after the Final Disbursement Date. The City expects to make three (3) draw requests: the Initial Principal Advance, one draw request on or before April 1, 2024, and one draw request on or before October 1, 2024. However, the timing of the submission of the draw requests shall be determined by the Lessor and Lessee.

(c) As early as practicable after the earlier of (i) the date that Lessor has advanced the Maximum Authorized Amount, or (ii) the Final Disbursement Date, Lessor will calculate the Rental Payments due on each Rental Payment Date with respect to the Leased Property, in the manner described in **Exhibit A**, taking into account the amount of proceeds drawn by Lessee from time to time from the Commencement Date to and including the Final Disbursement Date. Lessor will provide Lessee with a

completed **Exhibit A** to be attached to this Agreement, calculated using the interest rates and accrual basis set forth on **Exhibit B**.

(d) Lessee will pay Lessor a charge on any Rental Payment not paid for three business days following the Rental Payment Date such Rental Payment is due at the rate of 10% per annum or the maximum amount permitted by law, whichever is less, from such date. Such late charge shall be payable by Lessee upon demand by Lessor and shall be deemed Additional Rent hereunder. Lessee acknowledges and agrees that the late charge (i) does not constitute interest, (ii) is an estimate of the costs Lessor will incur as a result of the late payment and (iii) is reasonable in amount. A portion of each Rental Payment is paid as, and represents payment of, interest, as set forth on **Exhibit A**.

Section 4.2. Additional Rent. Lessee shall pay, subject to the provisions of **Sections 3.3** and **4.3** hereof, as Additional Rent (i) all Impositions (as defined in **Article VII** hereof); (ii) all amounts required under **Sections 4.4** or **15.5** hereof and all other payments of whatever nature which Lessee has agreed to pay or assume under this Lease; and (iii) all expenses, including attorneys' fees, as permitted by law, incurred in connection with the enforcement of any rights under this Lease by Lessor. Amounts required to be paid under this Section shall be paid directly to the person or entity owed.

Section 4.3. Rental Payments and Additional Rent Constitute Current Expense. Notwithstanding any other provision hereof, Lessor and Lessee understand and intend that the obligation of Lessee to pay the Rental Payments and the Additional Rent and other amounts payable hereunder be limited to payment from Available Revenues and will constitute a current expense of Lessee. Such obligation will not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement, concerning the creation of indebtedness by Lessee, nor will anything contained herein constitute a pledge of the general tax revenues, funds or moneys of Lessee, and all this Lease shall be construed so as to give effect to such intent.

Section 4.4. Rental Payments and Additional Rent Payable Without Abatement or Set-Off; Lessee's Obligations.

(a) Subject to the provisions of **Section 3.3**, Lessee covenants and agrees that all payments of Rental Payments and Additional Rent shall be made by Lessee on or before the date the same become due, and Lessee shall perform all of its other obligations, covenants and agreements hereunder (including the obligation to pay Rental Payments and Additional Rent) without notice or demand and without abatement, deduction, setoff, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and irrespective of whether the acquisition, construction, equipping or installation of the Leased Property has been started or completed.

(b) Nothing in this Agreement shall be construed as a waiver by Lessee of any rights or claims Lessee may have against Lessor under this Agreement or otherwise, but any recovery upon such rights and claims shall be from Lessor separately, it being the intent of this Agreement that Lessee shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Agreement, including its obligation to pay Rental Payments and Additional Rent. Lessee may, however, at its own cost and expense and in its own name or in the name of Lessor, prosecute or defend any action or proceeding or take any other action involving third persons which Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event Lessor hereby agrees to cooperate fully with Lessee and to take all action necessary to effect the substitution of Lessee for Lessor in any such action or proceeding if Lessee shall so request.

Section 4.5. Advances. In the event Lessee fails to either maintain the insurance required by this Lease or keep the Leased Property in good repair, Lessor may, but is not obligated to, purchase the required insurance and pay the cost of the premiums therefor and maintain and repair the Leased Property and pay the cost thereof. All amounts so advanced by Lessor shall constitute Additional Rent for the then current Original Term or Renewal Term and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the due date advanced by Lessor until paid at the rate per annum equal to the prime rate plus 2% or the maximum amount permitted by law, whichever is less. In accordance with Section 427.120 of the Revised Statutes of Missouri, as amended, unless Lessee provides evidence of the insurance coverage required by this Lease, Lessor may purchase insurance at Lessee's expense to protect Lessor's interests hereunder. This insurance may, but need not, protect Lessee's interests. The coverage that Lessor may purchase may not pay any claim that Lessee may make or any claim that may be made against Lessee in connection with the Leased Property. Lessee may later cancel any insurance purchased by Lessor, but only after providing evidence that Lessee has obtained insurance as required by this Lease. If Lessor purchases insurance for the Leased Property, Lessee will be responsible for the costs of that insurance, including the insurance premium, interest and other reasonable charges Lessor may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance will be added as Additional Rent. The costs of the insurance may be more than the cost of insurance Lessee may be able to obtain on its own.

ARTICLE V

ACQUISITION, CONSTRUCTION, EQUIPPING AND INSTALLATION OF THE PROJECT

Section 5.1. Construction of Project.

(a) Lessee has entered, or will enter, into the Construction Contract providing for the construction of the Project and has provided, or will provide upon request, a copy of such Construction Contract to Lessor. Lessee shall cause the Project to be acquired, constructed, equipped and installed in accordance with the Plans and Specifications and the Construction Contract as promptly as practicable and with all reasonable dispatch.

(b) Concurrently with the delivery of this Lease, upon request of Lessor, Lessee shall file with Lessor the Plans and Specifications in the form in which they then exist (it being understood that the Plans and Specifications may not be complete at that time). Thereafter, pursuant to the requirements of **Section 5.3**, Lessee shall promptly file the completed Plans and Specifications and such additions and supplements thereto as the same are prepared.

Section 5.2. Payment for Acquisition, Construction, Equipping and Installation of the Project. Costs and expenses of every nature incurred in the acquisition, construction, equipping and installation of the Project, which qualify as Costs, will be paid from the Project Account in accordance with and subject to the terms and conditions set forth in the Account Control Agreement.

Section 5.3. Changes in the Plans and Specifications or Construction Contract or Modifications of the Project. Lessee may make any changes in or modifications of the Plans and Specifications subsequent to the date of this Lease and prior to the Completion Date, may make any changes in or modifications of the Construction Contract and may make any deletions from or substitutions or additions to the Project (such completion, changes, modifications, deletions, substitutions and additions being together herein called "change orders").

Section 5.4. Completion Date. The Completion Date of the Project shall be evidenced to Lessor upon receipt by Lessor of a completion certificate complying with the requirements of the Account Control Agreement.

Section 5.5. Design, Construction and Maintenance of the Project. Lessor shall have no responsibility in connection with the selection of the Project, any contractor, subcontractor or supplier, the Plans and Specifications or the design of the Project, their suitability for the use intended by Lessee, or the performance by any contractor, subcontractor or supplier in acquiring, constructing and installing the Project. Lessor shall have no obligation to acquire, construct, furnish, equip, install, erect, test, inspect, service or maintain the Project or any portion thereof under any circumstances, but such actions shall be the obligation of Lessee. Lessor's sole responsibility in connection with the Project is to deposit money in the Project Account to pay Costs in accordance with the terms and conditions specified in **Section 4(b)** of the Base Lease.

ARTICLE VI

WARRANTIES

Section 6.1. Warranties. Lessor hereby assigns to Lessee for and during the Lease Term, all of its interest in all warranties, guarantees or other contract rights against any contractor, subcontractor or supplier, expressed or implied, issued on or applicable to the Leased Property, and Lessor hereby authorizes Lessee to obtain the customary services furnished in connection with such warranties, guarantees or other contract rights at Lessee's expense. Lessee's sole remedy for the breach of such warranties, guarantees or other contract rights shall be against any contractor, subcontractor or supplier, and not against Lessor, nor shall such matter have any effect whatsoever on the rights of Lessor with respect to this Lease, including the right to receive full and timely Rental Payments, Additional Rent and other payments hereunder. Lessee expressly acknowledges that Lessor does not make nor has it made any representation or warranty whatsoever as to the existence or availability of such warranties, guarantees or other contract rights of the manufacturer or supplier of any portion of the Leased Property.

Section 6.2. DISCLAIMER OF WARRANTIES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY PART THEREOF, OR WARRANTY WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS LEASE OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF THE LEASED PROPERTY OR ANY PART THEREOF.

ARTICLE VII

IMPOSITIONS

Section 7.1. Impositions. Lessee shall bear, pay and discharge, before the delinquency thereof, as Additional Rent, all taxes and assessments, general and special, if any, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Leased Property, including any taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other

general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would impair the security of Lessor or encumber the Leased Property (all of the foregoing being herein referred to as "Impositions").

Section 7.2. Contest of Impositions. Lessee may, in its own name or in Lessor's name, to contest the validity or amount of any Imposition which Lessee is required to bear, pay and discharge pursuant to the terms of this Article by appropriate legal proceedings instituted at least 10 days before the contested Imposition complained of becomes delinquent and may permit the Imposition so contested to remain unpaid during the period of such contest and any appeal therefrom provided Lessee provides Lessor with either (a) in the opinion of Counsel, that by nonpayment of any such items the interest of Lessor in the Leased Property will be endangered or the Leased Property or any part thereof will not be subject to loss or forfeiture, or (b) a written certification of Lessee that by nonpayment of any such items the interest of Lessor will not be endangered or the Leased Property or any part thereof will not be subject to loss or forfeiture. If Lessee is unable to provide either of the above-described items, Lessee shall promptly pay such taxes, assessments or charges or provide Lessor with full security against any loss which may result from nonpayment, in form satisfactory to Lessor. Lessor agrees to cooperate with Lessee in connection with any and all administrative or judicial proceedings related to Impositions. Lessee shall hold Lessor whole and harmless from any costs and expenses Lessor may incur with respect to any Imposition.

ARTICLE VIII

INSURANCE; INDEMNITY

Section 8.1. Insurance Required.

(a) Lessee shall, during the Lease Term, cause the Leased Property to be kept continuously insured against such risks customarily insured against for facilities such as the Leased Property and shall pay (except as otherwise provided herein), as the same become due, all premiums in respect thereof, such insurance to include the following policies of insurance:

(i) Insurance insuring the Leased Property described on **Schedule 1** hereto against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State in an amount not less than the Principal Portion of the Rental Payments then outstanding by such insurance company or companies authorized to do business in the State as may be selected by Lessee. The policy or policies of such insurance will name Lessee as insured and loss payee and Lessor as an additional loss payee. All proceeds from such policies of insurance shall be applied as provided in **Article XII** hereof.

(ii) Commercial general liability insurance, under which Lessee is named as insured, providing for coverage of the injuries and damages for which Lessee, as a political subdivision, is legally obligated under Missouri law to pay, and shall name Lessor as an additional insured party, with limits of coverage in an amount equal to the current value of the limitation on awards as published annually in the Missouri Register pursuant to Section 537.610, RSMo., as amended.

(iii) Workers' compensation and unemployment coverages to the extent, if any, required by the laws of the State.

(iv) Unless the land that is part of the Leased Property is not located in an area designated as a flood-prone area, as defined by the Federal Emergency Management Agency pursuant to The Flood Disaster Protection Act of 1973, flood insurance in an amount not less than

the lesser of an amount equal to the full insurable value thereof or the then applicable Purchase Price under **Section 11.1** (subject to reasonable loss deductible clauses), the full insurable value to be determined from time to time as provided in subparagraph (a) of this Section.

(b) Certificates evidencing such insurance shall be delivered by Lessee to Lessor in accordance with the policy provisions. No later than 120 days after the end of each Fiscal Year, Lessee will provide to Lessor a current certificate evidencing that Lessee is in compliance with the requirements of this Section. To the extent reasonably attainable, all policies of such insurance, and all renewals thereof, shall contain a provision that such insurance may not be cancelled by the issuer thereof without providing written notice to Lessee and Lessor.

(c) Nothing in this Lease shall be construed as preventing Lessee from satisfying the insurance requirements herein set forth by using blanket policies of insurance provided each and all of the requirements and specifications of this Lease respecting insurance are complied with.

Section 8.2. Enforcement of Contract and Surety Bonds. In the event of material default of any contractor or subcontractor under the Construction Contract or any contract made in connection with the acquisition and installation of the Project, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, Lessee will promptly proceed, either separately or in conjunction with others, to pursue diligently the appropriate remedies of Lessee against the contractor or subcontractor in default and against each surety on a bond securing the performance of such contract. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery and after reimbursement to Lessee of any amounts theretofore paid by Lessee and not previously reimbursed to Lessee for correction or remedying of the default which gave rise to the proceedings against the contractor, subcontractor or surety, shall be held by Lessee in a separate account and not commingled with other funds of Lessee if received before the Completion Date, and, if received after the Completion Date, shall be appropriated solely for the purpose of paying Rental Payments under this Lease.

Section 8.3. Release and Indemnification. To the extent permitted by law, Lessee shall indemnify, protect, hold harmless, save and keep Lessor harmless from and against any and all liability, obligation, loss, claim, tax and damage whatsoever and all expenses in connection therewith (including without limitation, attorneys' fees and expenses) that are not caused by the negligence or willful misconduct of Lessor, its agents, directors, attorneys or employees, arising out of or as the result of (a) the entering into of the Base Lease or this Lease, (b) injury, actual or claimed, of whatsoever kind or character, to property or persons, occurring or allegedly occurring in, on or about the Leased Property during the Lease Term, and/or (c) the breach of any covenant by Lessee herein or any material misrepresentation by Lessee contained herein; provided that (1) Lessee may conduct Lessor's defense through counsel designated by Lessee and approved by Lessor, which approval shall not be unreasonably withheld, and (2) Lessor may retain separate counsel, at the expense of Lessee, if counsel selected by the Lessee fails to actively and competently pursue a defense available to it that are not available to Lessee or that are adverse to or in conflict with those available to Lessee or Lessor believes in good faith cannot be effectively asserted by common counsel. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of this Lease or the Base Lease for any reason.

ARTICLE IX

ASSIGNMENT AND SUBLEASING

Section 9.1. Assignment by Lessor. Lessor's right, title and interest in, to and under this Lease and the Leased Property may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any assignment shall not be effective until Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee. Lessee agrees to keep a record of all such notices of assignment and to execute all documents, including notices of assignment and financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in the Leased Property and in this Lease. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor.

Section 9.2. Assignment and Subleasing by Lessee. Except as set forth in this Section, none of Lessee's right, title and interest in, to and under this Lease and in the Leased Property may be assigned or encumbered by Lessee for any reason, except that Lessee may sublease all or part of the Leased Property if Lessee obtains the written opinion of nationally recognized counsel in the area of tax-exempt obligations of state and local governments that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income tax purposes. Any such sublease of all or part of the Leased Property will be subject to this Lease and the rights of Lessor in, to and under this Lease and the Leased Property.

ARTICLE X

MAINTENANCE, REPAIRS AND MODIFICATIONS

Section 10.1. Maintenance, Repairs and Modifications. Lessee shall, at its own expense, maintain, preserve and keep the Leased Property in good repair, working order and condition, and shall from time to time make all repairs, replacements and improvements necessary to keep the Leased Property in such condition. Lessor shall have no responsibility for any repairs, replacements or improvements. In addition, Lessee shall, at its own expense, have the right to remodel any portion of the Leased Property or to make additions, modifications and improvements thereto. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease; provided, however, that Lessee may install at its own expense any furniture, furnishings, trade fixtures and business equipment and such furniture, furnishings, trade fixtures and business equipment (specifically excluding lighting fixtures and heating, ventilating and air conditioning equipment and wiring within conduits) shall remain the property of Lessee and shall not be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Leased Property nor cause it to be used for purposes other than those permitted by this Lease and authorized under the provisions of municipal, state and federal law. The Leased Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value of the Leased Property immediately prior to the making of such additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section may be disposed of by Lessee in such manner and on such terms as are determined by Lessee. Lessee will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by Lessee pursuant to this Section; provided that if any such lien is established and Lessee shall first notify Lessor of Lessee's intention to do so, Lessee may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so

contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in the opinion of Counsel, by nonpayment of any such item the interest of Lessor in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide Lessor with full security against any such loss or forfeiture, in form satisfactory to Lessor. Lessor will cooperate fully with Lessee in any such contest, upon request and at the expense of Lessee.

Section 10.2. Liens. Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than the respective rights of Lessor and Lessee as herein and in the Base Lease provided. Except as expressly provided in this Article, Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 10.3. Granting of Easements. If no Event of Default or Event of Nonappropriation under this Lease shall have happened and be continuing, the Lessee may at any time or times (a) grant easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any part of the Leased Property, or (b) release existing easements, licenses, rights of way and other rights or privileges, all with or without consideration and upon such terms and conditions as provided in this Section. Lessor agrees that it will execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way or other right or privilege or any such agreement or other arrangement, upon receipt by the Lessor of: (1) a copy of the instrument of grant or release or of the agreement or other arrangement; (2) a written application signed by the Lessee Representative requesting such instrument; and (3) a certificate executed by the Lessee Representative, on which the Lessor shall be entitled to conclusively rely, stating that such grant or release is not detrimental to the proper conduct of the business of Lessee, will not impair the effective use or interfere with the efficient and economical operation of the Leased Property, and will not materially adversely affect the security intended to be given by or under this Lease. If the instrument of grant shall so provide, any such easement or right and the rights of such other parties thereunder shall be superior to the rights of the Lessor under this Lease and shall not be affected by any termination of this Lease or by default on the part of the Lessee hereunder. If no Event of Default or Event of Nonappropriation shall have happened and be continuing, any payments or other consideration received by the Lessee for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Lessee, but, in the event of the termination of this Lease subsequent to an Event of Default or an Event of Nonappropriation, all rights of Lessee then existing with respect to or under such grant shall inure to the benefit of and be exercisable by Lessor.

ARTICLE XI

LESSEE'S OPTION TO PURCHASE THE LEASED PROPERTY

Section 11.1. Lessee's Option to Purchase the Leased Property. Lessee may purchase Lessor's interest in the Leased Property, in whole, upon giving written notice to Lessor at least 30 days (unless a shorter notice is satisfactory to Lessor) before the date of purchase, at the following times and upon the following terms:

(a) On any date on or after October 1, 2028, upon payment in full of the Rental Payments and Additional Rent then due hereunder plus the then applicable Purchase Price to Lessor; or

(b) In the event of substantial damage to or destruction or condemnation (other than condemnation by Lessee or any entity controlled by or otherwise affiliated with Lessee) of, or loss of title to, substantially all of the Leased Property, or as a result of changes in the constitution of the State or legislative or administrative action by the State or the United States, the Base Lease or this Lease becomes unenforceable on the Rental Payment Date that Lessee specifies as the purchase date in Lessee's notice to Lessor of its exercise of the purchase option, upon payment in full of the Rental Payments then due hereunder plus all remaining Principal Portions of Rental Payments set forth on **Exhibit A** to Lessor.

Section 11.2. Partial Prepayment.

(a) The Lessee may prepay Rental Payments in part, at any time upon on or after October 1, 2028 by giving written notice to the Lessor at least 30 days before the date of such prepayment (unless a shorter notice is satisfactory to Lessor), and upon payment of the Principal Portions of the Rental Payments to be prepaid plus the Interest Portions of the Rental Payments accrued from the immediately preceding Rental Payment Date to such purchase date, without premium.

(b) In the event of a partial prepayment of Rental Payments, the Rental Payment Schedule on **Exhibit A** shall be revised by the Lessor. The Lessor shall provide Lessee with a copy of the revised Rental Payment Schedule.

Section 11.3. Determination of Fair Purchase Price. Lessee and Lessor hereby agree and determine that the Rental Payment hereunder during the Original Term and any Renewal Term represent the fair value of the use of the Leased Property and that the amount required to exercise Lessee's option to purchase Lessor's interest in the Leased Property pursuant to **Section 11.1** hereof represents, as of the end of the applicable Rental Payment Date, the fair purchase price of the Leased Property. Lessee hereby determines that the Rental Payments do not exceed a reasonable amount so as to place Lessee under an economic practical compulsion to renew this Lease or to exercise its option to purchase the Leased Property hereunder. In making such determinations, Lessee and Lessor have given consideration to the uses and purposes for which the Leased Property will be employed by Lessee, the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease and Lessee's option to purchase the Leased Property. Lessee hereby determines and declares that the Maximum Lease Term does not exceed the useful life of the Leased Property.

ARTICLE XII

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 12.1. Damage, Destruction and Condemnation. Unless Lessee shall have exercised its option to purchase the Leased Property and terminate this Lease as provided in **Article XI** hereof, if (i) any portion of the Leased Property is destroyed, in whole or in part, or is damaged by fire or other casualty or (ii) title to or the temporary use of the Leased Property or any part thereof will be nonexistent or deficient or taken under the exercise or threat of the power of eminent domain, by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee shall cause the Net Proceeds of any insurance claim, condemnation award or any sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Leased Property by Lessee. Any

balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee and will be held and appropriated by Lessee for the exclusive purpose of paying Rental Payments under this Lease.

If Lessee determines that the replacement, repair, restoration, modification or improvement of the Leased Property is not economically feasible or in the best interest of Lessee, then, in lieu of making such replacement, repair, restoration, modification or improvement and if permitted by law, Lessee shall promptly purchase the Lessor's interest in Leased Property pursuant to **Section 11.1(b)** hereof, by paying the Purchase Price to Lessor. The Net Proceeds shall be applied by Lessee to payment of the Purchase Price. Any balance of the Net Proceeds remaining after paying the Purchase Price to Lessor shall belong to Lessee.

Section 12.2. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in **Section 12.1** hereof and Lessee has not elected to purchase Lessor's interest in the Leased Property in accordance with **Section 11.1** hereof, Lessee shall complete such repair, restoration, modification or improvement and pay any cost thereof in excess of the amount of the Net Proceeds. If Lessee makes any payments pursuant to this **Section 12.2**, Lessee shall not be entitled to any reimbursement therefor from Lessor nor will Lessee be entitled to any diminution of any Rental Payment.

Section 12.3. Cooperation of Lessor. Lessor shall cooperate fully with Lessee, at the expense of Lessee, in filing any proof of loss with respect to any insurance policy covering the events described in **Section 12.1** hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property or any part thereof and will, to the extent it may lawfully do so, permit Lessee to litigate in any proceeding resulting therefrom in the name of and on behalf of Lessor. In no event will Lessor voluntarily settle, or consent to the settlement of, any proceedings arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Leased Property or any part thereof without the written consent of Lessee.

ARTICLE XIII

DEFAULT PROVISIONS

Section 13.1. Events of Default Defined. Any of the following shall constitute an "Event of Default" under this Lease:

(a) Subject to the provisions of **Section 3.3**, failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein;

(b) Subject to the provisions of **Section 3.3**, failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in clause (a) of this Section, for a period of 60 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor will agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor shall consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any representation or warranty made by Lessee in or pursuant to any Financing Document or any instrument or the execution, delivery, or performance thereof proves to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) Any provision of the Base Lease or this Lease at any time for any reason ceases to be valid and binding on Lessee, or is declared to be null and void by a court of competent jurisdiction, or the validity or enforceability thereof is contested by Lessee or any governmental agency or authority or jurisdiction if the loss of such provision would materially adversely affect the rights or security of Lessor; or

(e) Lessee becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee, receiver or custodian for Lessee or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed for Lessee or a substantial part of its property and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against Lessee and, if instituted against Lessee, is consent to or acquiesced in by Lessee or is not dismissed within 60 days.

Section 13.2. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its option and without any further demand or notice, to take any one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating this Lease, take possession of the Leased Property, sell Lessor's interest in the Base Lease, or lease the Leased Property or, for the account of Lessee, sublease the Leased Property and continue to hold Lessee liable for the difference between the Rental Payments, Additional Rents and other amounts payable by Lessee hereunder during the Original Term or then current Renewal Term, as the case may be, and the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under this Lease, including without limitation all expenses of taking possession, removing, storing, reconditioning and selling or leasing or subleasing the Leased Property and all brokerage, auctioneers and attorneys' fees and expenses); or

(c) Take whatever action at law or in equity necessary or desirable to enforce its rights under this Lease.

Section 13.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor or Lessee to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 13.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease shall be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XIV

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 14.1. Amendments, Changes and Modifications. This Lease may be amended, changed or modified in any manner by written agreement of Lessor and Lessee. Any waiver of any provision of this Lease or any right or remedy hereunder must be affirmatively and expressly made in writing and shall not be implied from inaction, course of dealing or otherwise.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Maintenance of Tax Exemption. Lessee shall not take any action or fail to take any action which action or failure would cause the Interest Portions of Rental Payments under this Lease to be includable in gross income for federal income tax purposes. Lessee will comply with all applicable provisions of the Code, including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder from time to time proposed or in effect in order to maintain the exclusion from gross income for purposes of federal income taxation of the Interest Portions of Rental Payments under this Lease. Without limiting the generality of the foregoing, Lessee hereby ratifies, confirms and incorporates herein, as though set forth in full at this place, the representations, covenants and warranties contained in the Tax Compliance Agreement.

Section 15.2. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Lease to be given or filed with Lessor or Lessee if the same shall be duly mailed by registered or certified mail with postage prepaid addressed as set forth on **Exhibit B** hereto. Lessor and Lessee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 15.3. Net Lease. It is the understanding and agreement of the parties hereto that, subject to **Sections 3.3** and **4.3** hereof, this is a clear "net" lease obligation and that Lessee shall bear all expenses and make all payments consistent with the principle of the "net" Lease. Lessee hereby assumes and agrees to perform all duties and obligations relating to the Leased Property, as well as the use, operation, and maintenance thereof, even though such duties and obligations may otherwise be construed to be those of Lessor.

Section 15.4. No Pecuniary Liability. No provision, covenant or agreement contained in this Lease or any obligation herein imposed upon Lessor, or the breach thereof, shall constitute or give rise to or impose upon Lessor a pecuniary liability.

Section 15.5. Access to Premises. Lessee agrees that Lessor or any agent or representative of Lessor shall have the right at all reasonable times to enter upon and to examine and inspect the Leased Property. Lessee further agrees that Lessor and any such agent or representative shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by Lessee to perform its obligations hereunder.

Section 15.6. Financial Statements. Throughout the Lease Term, Lessee shall deliver to Lessor, as soon as available, a copy of Lessee's annual audited financial statements.

Section 15.7. Title to the Leased Property. Lessee covenants that the title to the Leased Property is and shall remain in Lessee, subject to the rights of Lessor hereunder and under the Base Lease.

Section 15.8. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 15.9. Execution; Electronic Transactions. This Lease may be executed in any number of counterparts, each of which will be deemed to be an original, but all together will constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may be executed by Lessor and Lessee all with the same force and effect as though the same counterpart had been executed by both Lessor and Lessee. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The parties agree that the transaction described herein may be conducted and related documents may be sent, stored and received by electronic means.

Section 15.10. No Merger. Except as provided in Section 6 of the Base Lease, neither this Lease nor the Base Lease nor any provisions hereof or thereof shall be construed to effect a merger of the title of Lessee to the Leased Property under the Base Lease and Lessee's leasehold interest therein under this Lease.

Section 15.11. Waiver of Liability.

(a) All liabilities under this Lease on the part of Lessor are solely liabilities of Lessor, and, to the extent permitted by law, Lessee hereby releases each and every director, employee, agent, attorney, and officer of Lessor of and from any individual or personal liability under this Lease. No director, employee, agent, attorney or officer of Lessor will at any time or under any circumstances be individually or personally liable under this Lease for anything done or omitted to be done by Lessor hereunder. Lessor will not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful misconduct.

(b) All liabilities under this Lease on the part of Lessee or solely corporate liabilities of Lessee as a municipal corporation, and Lessor hereby releases each and every official, member, employee or agent of Lessee of and from any personal or individual liability under this Lease. No official, member, employee or agent of Lessee will at any time or under any circumstances be individually or personally liable under this Lease for anything done or omitted to be done by Lessee hereunder.

Section 15.11. Anti-Discrimination Against Israel Act.

(a) The State of Missouri has adopted the "Anti-discrimination Against Israel Act," Section 34.600, Revised Statutes of Missouri (the "Act"), which provides that "[a] public entity shall not enter into a contract with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract includes a written certification that the company is not currently engaged in and shall not, for the duration of the contract, engage in a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel." The Act provides that any contract that fails to comply with the Act's provisions shall be void as against public policy.

(b) The Lessor hereby certifies and agrees that, to the extent the Act is applicable to the this Lease, the Base Lease and the Account Control Agreement, the Lessor is not currently engaged in and shall not, for the duration of this Lease, engage in a boycott of goods or services from the State of Israel, companies doing business in or with Israel or authorized by, licensed by or organized under the laws of the State of Israel or persons or entities doing business with the State of Israel, in all respects within the meaning of the Act.

(c) The foregoing certification shall not be deemed an admission or agreement that the Act is applicable to this Lease, the Base Lease or the Account Control Agreement but the foregoing certification is provided if the Act is applicable. If the Act is initially deemed or treated as applicable to this Lease, the Base Lease or the Account Control Agreement, but it is subsequently determined not to apply thereto for any reason including the repeal or amendment of the Act or any ruling of a court of competent jurisdiction as to the unenforceability or invalidity of the Act, then the foregoing certification shall cease and not exist.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

FIRST STATE COMMUNITY BANK

[NO SEAL]

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

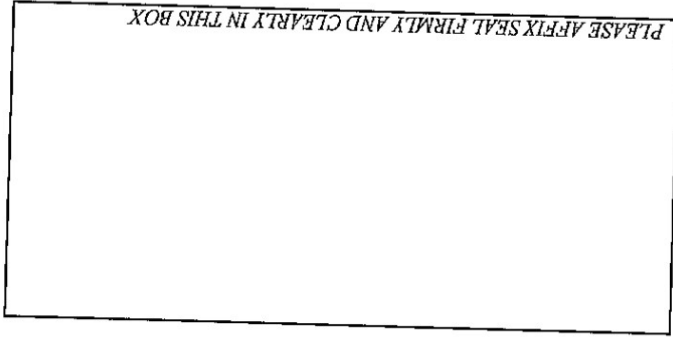
STATE OF MISSOURI)
) SS.
COUNTY OF ST. FRANCOIS)

On this ____ day of October, 2023, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, to me personally known, who, being by me being before me duly sworn did say that he is an authorized officer of **FIRST STATE COMMUNITY BANK**, a state chartered bank organized and existing under the laws of the State of Missouri, and that said instrument was signed on behalf of said company by authority of its board of directors, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company, and that the company has no seal.

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

Notary Public in and for said State
Commission Expires: _____

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX



Notary Public in and for said State
Commission Expires: _____

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

On this _____ day of October, 2023, before me, the undersigned, a Notary Public, appeared **TRAVIS PARKER**, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the **CITY OF FREDERICKTOWN, MISSOURI**, a fourth-class municipality and political subdivision of the State of Missouri, and that said instrument was signed and sealed on behalf of said City by authority of its Board of Aldermen, and said individual acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

STATE OF MISSOURI)
COUNTY OF MADISON)
SS)
)

ACKNOWLEDGMENT

By: *Theresa Harbison*
Name: Theresa Harbison
Title: City Clerk

ATTEST:

[Seal]

By: _____
Name: Travis Parker
Title: Mayor

CITY OF FREDERICKTOWN, MISSOURI

EXHIBIT A TO LEASE PURCHASE AGREEMENT

RENTAL PAYMENT SCHEDULE

Rental Payments will be made monthly on the 1st day of each month beginning on December 1, 2023 through the Maximum Lease Term. The Rental Payments through and including October 1, 2024, subject to modification as described in the below paragraph, will be equal to only the interest accrued at the Interest Rate set forth on **Exhibit B**, on the aggregate principal advanced and outstanding prior to such Rental Payment date.

Notwithstanding the foregoing, as soon as practical after the earlier of (a) the date that Lessor has advanced the Maximum Authorized Amount, or (b) the Final Disbursement Date, Lessor will provide an updated Rental Payment Schedule, with the Rental Payments being based upon the aggregate principal advanced, amortized for level payments at the Interest Rate set forth on **Exhibit B**, over the Maximum Lease Term. When either (a) or (b) above occurs, the interest only nature of the Rental Payments shall cease and Lessee shall begin to make the Rental Payments, which consist of a principal portion and interest portion, described in this paragraph. Lessor will provide an updated Rental Payment Schedule on each Reset Date for the next subsequent Reset Rate Period based on the Interest Rate then in effect, all as described on **Exhibit B**.

Notwithstanding anything in the Lease to the contrary, the Lessee agrees that, upon a Determination of Taxability, Rental Payments shall be adjusted to reflect that the interest rate used to calculate Interest Portions of Rental Payments will be increased by 100 basis points retroactive to the date that, according to the Determination of Taxability, the Interest Portions of Rental Payments are no longer excludable from gross income for federal income tax purposes. The Lessee agrees to promptly acknowledge an amended Payment Schedule. "*Determination of Taxability*" means (a) a determination by the commissioner or any Lessee director of the Internal Revenue Service, or (b) a determination by any court of competent jurisdiction, that the Interest Portions of the Rental Payments is includible in gross income for federal income tax purposes of the Lessor; provided, however, that no such Determination of Taxability shall be deemed to have occurred if the Lessee has been afforded the opportunity to contest such determination, has elected to contest such determination in good faith and is proceeding with all reasonable dispatch to prosecute such contest until the earlier of (i) a final determination from which no appeal may be taken with respect to such determination or (ii) abandonment of such appeal by the Lessee.

The Lessee has the option to purchase the Leased Property subject to the provisions of **Section 10.1**.

The Lessee hereby acknowledges the Rental Payments and other terms set forth above.

CITY OF FREDERICKTOWN, MISSOURI, as
Lessee

By: _____
Title: Mayor



EXHIBIT B TO LEASE PURCHASE AGREEMENT

OTHER PROVISIONS

Fiscal Year: Lessee's Fiscal Year currently begins on October 1 and ends on the following September 30.

Initial Principal Advance on the Commencement Date: \$ ____.

Maximum Authorized Amount: \$2,800,000.00.

Interest Rate: For the Initial Rate Period, the interest rate shall be 5.98% per annum. For each Reset Rate Period, the interest rate shall be 2.50% over the 7-Year Treasury Rate as of the 25th day of the month prior to the Reset Date, but in no event will the Interest Rate for any Reset Rate Period exceed 9.95% per annum or be lower than 5.50% per annum. If the 7-Year Treasury Rate becomes unavailable during any Rate Period, the Lessor and Lessee shall mutually agree on a substitute index. The interest rate will be based on an actual/360 accrual basis.

"Business Day" means a day, other than Saturday, Sunday or legal holiday, on which the Lessor is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

"Initial Rate Period" means the period commencing on the Commencement Date and ending on September 30, 2033.

"Reset Date" means October 1, 2033 and each October 1 every seven years thereafter, and if such date is not a Business Day, the next preceding Business Day, but effective as of such October 1 whether or not such date is a Business Day.

"Reset Rate Period" means every seven-year period beginning with October 1, 2033, and ending on (i) September 30 every seven years thereafter or (ii) the date that the Principal Portion of the Agreement is paid in full, whether at maturity or by prepayment.

Final Rental Payment Date: October 1, 2043.

Addresses: The following addresses shall be used as described in **Section 15.2** of the Lease, unless changed as described therein:

- (a) If to Lessor: **First State Community Bank**
201 E. Columbia
Farmington, Missouri 63640
Attention: President

- (b) If to Lessee: **City of Fredericktown, Missouri**
124 West Main Street
Fredericktown, Missouri 63645
Attention: City Administrator

Project: The Project shall consist of constructing, remodeling, renovating, equipping, and furnishing a fire station.

SCHEDULE 1 TO LEASE PURCHASE AGREEMENT

DESCRIPTION OF THE LEASED PROPERTY

The following described real estate situated in the County of Madison, State of Missouri, together with all improvements now or hereafter situated thereon:

ACCOUNT CONTROL AGREEMENT

This Account Control Agreement (the "Agreement"), dated as of October 1, 2023, and entered into among **FIRST STATE COMMUNITY BANK**, a state-chartered bank organized and existing under the laws of the State of Missouri (together with its successors and assigns, as "Lessor"), the **CITY OF FREDERICKTOWN, MISSOURI**, a fourth-class city and political subdivision existing under the laws of the State of Missouri ("Lessee"), and **FIRST STATE COMMUNITY BANK**, a state-chartered bank organized and existing under the laws of the State of Missouri, as deposit bank (together with its successors and assigns, "Deposit Bank").

Account Name: The City of Fredericktown, Missouri, Project Account for Lease Purchase Agreement dated as of October 1, 2023

Account Number: _____ (ABA Routing No. 081918425)

Amount of Initial Deposit: \$ _____

TERMS AND CONDITIONS

Section 1. This Agreement relates to and is hereby made a part of the Lease Purchase Agreement dated as of October 1, 2023 (the "Lease"), between Lessor and Lessee. Except as otherwise defined herein, all terms defined in the Lease will have the same meaning for the purposes of this Agreement as in the Lease.

Section 2. Deposit Bank has agreed to establish and maintain the project account as set forth on **Exhibit A** hereto (the "Project Account") for Lessee.

Section 3. As collateral security for the obligations and liabilities of Lessee under the Lease, Lessee has and hereby does grant to Lessor, a present and continuing security interest in the following, or proceeds thereof: (a) the Project Account and (b) all contract rights, claims and privileges in respect of the Project Account, and all proceeds of the foregoing, and Deposit Bank acknowledges that this Agreement constitutes notice of Lessor's security interest in such collateral and does hereby consent thereto.

Section 4. To give Lessor control over the Project Account, as control is defined in the Uniform Commercial Code, Deposit Bank hereby agrees to comply with any and all instructions from time to time originated by Lessor directing disposition of funds in the Project Account, without further consent by Lessee (the "Instructions"). Lessor agrees that it will not give any Instructions unless there is a default under the Lease. Deposit Bank further agrees that it will institute procedures to prevent Lessee from making withdrawals from the Project Account, without approval of Lessor, in the event Instructions are given. The parties hereto agree that (i) the Instructions may include, without limitation, the giving of stop payment orders and may further include instructions to transfer funds to or for Lessor's benefit and (ii) Deposit Bank shall have no duty to inquire or determine whether Lessor is entitled, under the Lease, to give any Instructions. Prior to Deposit Bank's receipt of any Instructions, Deposit Bank shall be entitled to honor Lessee's instructions and directions with respect to any transfer or withdrawal of funds from the Project Account, subject to the restrictions of **Section 6**. Lessee hereby agrees that Deposit Bank shall be entitled to rely on any Instructions, as set forth herein, even if (i) the Instructions are contrary to any instructions or demands that Lessee may deliver to Deposit Bank and/or (ii) a result of such Instructions is the dishonoring by Deposit Bank of items which may be presented for payment.

Section 5. In accordance with the Lease, Lessor will deposit in the Project Account not to exceed the Maximum Amount specified on **Exhibit A** attached hereto. Moneys held by Deposit Bank hereunder will be held in an account in accordance with the Arbitrage Instructions attached as **Exhibit D**, and fully insured or collateralized as required by deposits of public funds. All interest and gain earned on deposits in the account will be deposited in the Project Account.

Section 6. Moneys in the Project Account will be used to pay or reimburse Lessee for the Costs of the Project listed in the Lease. Such payment will be made from the Project Account upon presentation to Deposit Bank of one or more properly executed Payment Request and Acceptance Certificates, a form of which is attached as **Exhibit B**, together with all required attachments referenced in **Exhibit B**, and approved for payment in writing by Lessor. Lessee understands and agrees that Lessor will not approve any disbursements to pay Costs of the Project other than closing costs, until Lessee files with Lessor the items listed on **Exhibit A**. In making any disbursement pursuant to this **Section 6**, Deposit Bank may conclusively rely as to the completeness and accuracy of all statements in such Payment Request and Acceptance Certificate, and Deposit Bank will not be required to make any inquiry, inspection or investigation in connection therewith. The submission of each Payment Request and Acceptance Certificate will constitute unto Deposit Bank and Lessor an irrevocable determination by Lessee that all conditions precedent to the payment of the amounts set forth therein have been completed.

Section 7. The Project Account will terminate upon the occurrence of the earlier of (a) the presentation to Lessor of a Completion Certificate, a form of which is attached hereto as **Exhibit C**, which must be accompanied by a certificate of insurance evidencing compliance with **Section 8.1** of the Lease or (b) written notification by the Lessor that an Event of Default has occurred or that Lessee has terminated the Lease pursuant to **Section 3.3** of the Lease. The Completion Certificate may state that it is given without prejudice to any rights of Lessee that then exist or may subsequently come into being against third parties. Upon termination as described in (a), any amount remaining in the Project Account shall be paid to Lessor and applied in the manner described in the Lease. Upon termination as described in (b), any amount remaining in the Project Account shall immediately be paid to Lessor.

Section 8. Deposit Bank may at any time resign by giving at least 30 days' written notice to Lessee and Lessor, but such resignation will not take effect until the appointment of a successor Deposit Bank. The substitution of another Deposit Bank or trust company to act as Deposit Bank under this Agreement may occur by written agreement of Lessor and Lessee. In addition, Deposit Bank may be removed at any time, with or without cause, by an instrument in writing executed by Lessor and Lessee. In the event of any resignation or removal of Deposit Bank, a successor Deposit Bank will be appointed by an instrument in writing executed by Lessor and Lessee. Such successor Deposit Bank will indicate its acceptance of such appointment by an instrument in writing delivered to Lessor, Lessee and the predecessor Deposit Bank. Thereupon such successor Deposit Bank will, without any further act or deed, be fully vested with all the powers, rights, duties and obligations of Deposit Bank under this Agreement and the predecessor Deposit Bank will deliver all moneys and securities held by it under this Agreement to such successor Deposit Bank whereupon the duties and obligations of the predecessor Deposit Bank will cease and terminate. If a successor Deposit Bank has not been so appointed within 90 days of such resignation or removal, Deposit Bank may petition a court of competent jurisdiction to have a successor Deposit Bank appointed.

Section 9. Any corporation or association into which Deposit Bank may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its depository banking business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, will be and become successor Deposit Bank hereunder and will be vested with all the powers, rights, obligations, duties,

remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 10. Deposit Bank incurs no responsibility to make any disbursements pursuant to this Agreement except from funds held in the Project Account. Deposit Bank makes no representations or warranties as to the title to any property or equipment listed in the Lease or as to the performance of any obligations of Lessor or Lessee.

Section 11. Deposit Bank may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. Deposit Bank will not be liable in any manner for the sufficiency or correctness as to form, manner, execution or validity of this Agreement (other than its own execution thereof) or any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder will be limited to those specifically provided herein.

Section 12. Unless Deposit Bank is guilty of negligence or willful misconduct with regard to its duties hereunder, Lessee, to the extent permitted by law, and Lessor jointly and severally hereby agree to indemnify Deposit Bank and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Deposit Bank under this Agreement; and in connection therewith, to indemnify Deposit Bank against any and all expenses, including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

Section 13. As long as this Agreement remains in effect, transactions involving the Project Account shall be subject, except to the extent inconsistent herewith, to the provisions of such deposit account agreements, disclosures and fee schedules, as are in effect from time to time with respect to the Project Account.

Notwithstanding the preceding paragraph, Deposit Bank will be entitled to reimbursement from Lessee of reasonable out-of-pocket, legal or extraordinary expenses incurred in carrying out the duties, terms or provisions of this Agreement. Claims for such reimbursement may be made to Lessee and in no event will such reimbursement be made from funds held by Deposit Bank pursuant to this Agreement. Deposit Bank agrees that it will not assert any lien whatsoever on any of the money on deposit in the Project Account for the payment of fees and expenses for services rendered by Deposit Bank under this Agreement or otherwise.

Section 14. If Lessee, Lessor or Deposit Bank are in disagreement about the interpretation of the Lease or this Agreement, or about the rights and obligations, or the propriety of any action contemplated by Deposit Bank hereunder, Deposit Bank may, but will not be required to, file an appropriate civil action to resolve the disagreement. Deposit Bank will be indemnified by Lessor and Lessee, to the extent permitted by law, for all costs, including reasonable attorneys' fees and expenses, in connection with such civil action, and will be fully protected in suspending all or part of its activities under this Agreement until a final judgment in such action is received.

Section 15. Deposit Bank may consult with counsel of its own choice and will have full and complete authorization and protection for any action or non-action taken by Deposit Bank in accordance with the opinion of such counsel. Deposit Bank will otherwise not be liable for any mistakes of facts or

errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or willful misconduct.

Section 16. This Agreement will be governed by and construed in accordance with the laws of the State of Missouri.

Section 17. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 18. This Agreement may not be amended except by a written instrument executed by Lessor, Lessee and Deposit Bank.

Section 19. This Agreement may be executed in several counterparts, each of which so executed will be an original.

Section 20. The parties agree that the transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents 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.

[Remainder of Page Intentionally Left Blank.]

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

FIRST STATE COMMUNITY BANK, as Lessor

By: _____
Name: _____
Title: _____

CITY OF FREDERICKTOWN, MISSOURI, as Lessee

By: _____
Name: Travis Parker
Title: Mayor

FIRST STATE COMMUNITY BANK, as Deposit Bank

By: _____
Name: _____
Title: _____

EXHIBIT A
Other Provisions (Project Account)

Name of Account: "City of Fredericktown, Missouri Project Account"

Deposit to Project Account not to Exceed: \$2,800,000, with initial deposit to be \$_____.

Items required prior to disbursements from Project Account (other than for closing costs) pursuant to Section 6, unless waived by Lessor:

- (A) Proof of the insurance and performance and labor and material payment bonds required by **Section 8.1** of the Lease.
- (B) Lien waivers for all services or materials furnished by subcontractors or suppliers related to the amounts requested to be disbursed.
- (C) A completed AIA Document G702 or the substantial equivalent, signed by the general contractor or Engineer for the Project, with supporting invoices.

* * *

EXHIBIT B

FORM OF PAYMENT REQUEST AND ACCEPTANCE CERTIFICATE

To: First State Community Bank, as Deposit Bank
201 E. Columbia
Farmington, Missouri 63640

Re: The City of Fredericktown, Missouri Project Account Established by the Account Control Agreement dated as of October 1, 2023 (the "Agreement") among First State Community Bank, as lessor ("Lessor"), the City of Fredericktown, Missouri, as lessee ("Lessee"), and First State Community Bank, as deposit bank (the "Deposit Bank")

Ladies and Gentlemen:

Pursuant to **Section 6** of the above-referenced Account Control Agreement, Lessee hereby requests payment in accordance with this request and said **Section 6** and hereby states and certifies as follows:

- (a) All terms in this request are used with the meanings used in the Agreement.
- (b) The names of the persons, firms or corporations to whom the payments requested hereby are due, the amounts to be paid and the general classification and description of the costs for which each obligation requested to be paid hereby was incurred are as set forth on **Attachment I** hereto.
- (c) The amounts requested either have been paid by Lessee, or are justly due to contractors, subcontractors, materialmen, engineers, architects or other persons (whose names and addresses are stated on **Attachment I** hereto) who have performed necessary and appropriate work or furnished necessary and appropriate materials, equipment or furnishings in the acquisition, construction and installation of the Project.
- (d) No part thereof has been or is being made the basis for the withdrawal of any moneys in any previous or pending request under the Agreement.
- (e) Each of Lessee's representations contained in the Lease is true, correct and not misleading as though made as of the date hereof.
- (f) No event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Default under the Lease.
- (g) All such materials, equipment or furnishings have been, or will be, delivered to, and are, or will be, part of the Project.
- (h) The amount remaining to be paid from the Project Account will, after payment of the amounts requested, be sufficient to pay the Costs of the Project in accordance with the Project Documents and an estimate of the cost of the work not under contract, if any.

ATTACHMENT I

**TO WRITTEN REQUEST FOR DISBURSEMENT
FROM PROJECT ACCOUNT**

SCHEDULE OF PAYMENTS REQUESTED

Payee and Address	Amount	Description

EXHIBIT C

FORM OF COMPLETION CERTIFICATE

First State Community Bank
201 E. Columbia
Farmington, Missouri 63640
Attention: Government Lending

Re: Lease Purchase Agreement dated as of October 1, 2023 (the "Lease"), between First State Community Bank and the City of Fredericktown, Missouri

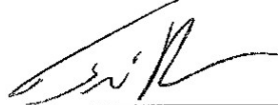
Ladies and Gentlemen:

Pursuant to **Section 7** of the Account Control Agreement dated as of October 1, 2023 (the "Agreement"), among First State Community Bank, as lessor, the City of Fredericktown, Missouri, as lessee, and First State Community Bank, as deposit bank, the undersigned hereby certifies (a) all terms in this certificate are used with the meanings used in said Agreement, (b) the Project was completed on _____, 20__, (c) all other facilities necessary in connection with the Project have been acquired, constructed, equipped and installed, (d) the Project and such other facilities have been acquired, constructed, equipped and installed in accordance with the Project Documents and in conformance with all applicable zoning, planning, building, environmental and other similar governmental regulations, and (e) all Costs of the Project have been paid. As required by **Section 8** of the Agreement, attached to this certificate are certificates of insurance evidencing compliance with **Section 8.1** of the Lease. This certificate is given without prejudice to any rights of Lessee that exist or may subsequently come into being against third parties.

Pursuant to the Agreement, Lessee hereby states and certifies that (a) each of Lessee's representations contained in the Lease is true, correct and not misleading as though made as of the date hereof, and (b) no event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Default.

Date: _____, 20__.

CITY OF FREDERICKTOWN, MISSOURI

By: 
Name: _____
Title: Authorized Representative

ACKNOWLEDGED:

FIRST STATE COMMUNITY BANK

By: _____
Name: _____
Title: Authorized Representative

EXHIBIT D

ARBITRAGE INSTRUCTIONS

These Arbitrage Instructions provide procedures for complying with § 148 of the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exclusion from federal gross income of the interest components of Rental Payments paid by the Lessee under the Lease.

Section 1. Temporary Periods/Yield Restriction. The proceeds of the Lease deposited in the Project Account and investment earnings thereon may be invested without yield restriction for three years after the date of the Lease. If any unspent proceeds remain in the Project Account after three years, such amounts may continue to be invested without yield restriction so long as the Lessee computes and pays to the IRS all yield reduction payments in accordance with Treas. Reg § 1.148-5(c). These payments are required whether or not the Lease is exempt from the arbitrage rebate requirements of Code § 148.

Section 2. Investments Must Be Acquired For Amounts Not Exceeding Fair Market Value. No investment may be acquired with amounts deposited in the Project Account 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. 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. The purchase price of a certificate of deposit (a "CD") is treated as its fair market value on the purchase date if (a) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (b) the Yield on the CD is not less than the Yield on reasonably comparable direct obligations of the United States, and (c) 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. For investments not previously described, the fair market value may be established through a competitive bidding process, in which (1) at least three bids on the investment are received from persons with no financial interest in the Lease (*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. *Amounts in the Project Account shall not be invested in an investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (sometimes referred to as a guaranteed investment contract or a forward supply agreement).*

Section 3. Opinion of Special Tax Counsel. The requirements of these Arbitrage Instructions may be modified or amended in whole or in part upon receipt of the advice of Gilmore & Bell, P.C. or other nationally recognized bond counsel acceptable to Lessor, to the effect that such modifications and amendments will not adversely affect the exclusion from federal gross income of the Interest Portion of Rental Payments.

TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT (the "**Tax Agreement**"), is being executed as of October 1, 2023 (the "**Closing Date**"), by the City of Fredericktown, Missouri (the "**Lessee**"), for the benefit of First State Community Bank (the "**Lessor**"), in connection with that certain Lease Purchase Agreement dated as of October 1, 2023 (the "**Lease**"), entered into by and between Lessee and Lessor.

RECITALS

1. Pursuant to the terms of the Lease, on the date of this Tax Agreement, Lessor has deposited the proceeds of the Lease in the Project Account established and held by First State Community Bank, as deposit bank (the "**Deposit Bank**"), pursuant to an Account Control Agreement dated as of October 1, 2023 (the "**Account Control Agreement**"), among Lessee, Lessor and Deposit Bank. Pursuant to the Lease and the Account Control Agreement, amounts held in the Project Account will be used to pay costs to acquire, construct, install and equip the Financed Assets (as defined herein).

2. The Internal Revenue Code of 1986, as amended (the "**Code**"), and the applicable United States Treasury Regulations governing obligations the interest on which is excluded from gross income for federal income tax purposes under Code §§ 103 and 141-150 (the "**Regulations**"), impose certain limitations on the uses and investment of the Lease proceeds and of certain other money relating to the Lease, and set forth the conditions under which the Interest Portion of Rental Payments payable under the Lease will be excluded from gross income for federal income tax purposes.

3. Lessee is executing this Tax Agreement in order to set forth certain facts, covenants, representations, and expectations relating to the use of the Lease proceeds and the property financed with those proceeds and the investment of the Lease proceeds and of certain other related money, in order to establish and maintain the exclusion of the Interest Portion of Rental Payments payable under the Lease from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of Code § 148(f).

4. Lessee adopted the Tax-Exempt Financing Compliance Procedure attached as **Exhibit G** (the "**Compliance Procedure**"), for the purpose of (a) setting out general procedures for Lessee to continuously monitor and comply with the federal income tax requirements applicable to the Lease set out in the Code and the Regulations, and (b) designating an official of Lessee (the "**Compliance Officer**") who is responsible for implementing the Compliance Procedure.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Agreement, Lessee represents, covenants and agrees as follows:

Section 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 Lease, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations.

Section 2. Organization and Authority; General Representations.

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

(b) *Tax-Exempt Status of Lease—General Representation and Covenants.* In order to maintain the exclusion of the Interest Portion of Rental Payments payable under the Lease from gross income for federal income tax purposes, Lessee (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 Lease proceeds or other funds of either party 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 Assets in a manner that would cause any portion of the Lease to become a “private activity bond” as defined in Code § 141.

Section 3. Purpose of Lease. The Lease is being entered into for the purpose of providing funds to pay costs of constructing, remodeling, renovating, equipping, and furnishing a fire station (the “**Financed Assets**”), as shown on **Exhibit C**. Lessee has incurred or will incur within 6 months after the Closing Date, a substantial binding obligation to a third party to spend at least 5% of the sale proceeds of the Lease on the Financed Assets. The completion of the Financed Assets and the allocation of the sale proceeds of the Lease to expenditures will proceed with due diligence.

Section 4. Amount and Use of Lease Proceeds. On the Closing Date, Lessor will deposit the sum of \$ _____, representing a portion of the proceeds of the Lease into the Project Account. Additional proceeds of the Lease will be deposited into the Project Account upon request of the Lessee, the total of all such deposits, including the initial deposit, shall not exceed \$2,800,000. All Lease Proceeds are being used by the Lessee to finance the Financed Assets and to pay the costs of entering into the transaction. On October 24, 2023, the governing body of the Lessee adopted an ordinance declaring the intent of the Lessee to finance the Financed Assets with tax-exempt obligations (the “**Official Intent Date**”). A copy of the ordinance is attached to this Tax Certificate as **Exhibit F**. No portion of the Net Proceeds of the Lease will be used to reimburse an expenditure paid by the Lessee more than 60 days prior to the Official Intent Date. No reimbursement allocation will be made more than 3 years following the later of (a) the date of the expenditure or (b) the date the Financed Assets were placed in service. At least 85% of the sale proceeds of the Lease will be allocated to expenditures on the Financed Assets within 3 years after the Closing Date, and not more than 50% of the proceeds of the Lease will be invested in investments having a substantially guaranteed yield for four years or more.

Section 5. Accounting for Lease Proceeds.

(a) *Project Account.* All Lease proceeds will be deposited into the Project Account and disbursed upon requisition therefor in accordance with the provisions of the Account Control Agreement. Lessee shall maintain in the Tax-Exempt Bond File (as defined in the Compliance Procedure): (1) copies of all project requisitions relating to the Financed Assets, together with supporting invoices and other attachments, and (2) all balance and transaction statements relating to the Project Account received from the Deposit Bank. The expected allocation of Lease proceeds to expenditures is set forth on **Exhibit C** and include expected receipt of certain grant proceeds that will be used to pay a portion of the costs of the project. The Compliance Officer will supplement this expected allocation with a “Final Written Allocation” within 18 months after the Financed Assets are placed in service and no later than 60 days after the fifth anniversary of the Closing Date, as required by the Compliance Procedure. A sample form of Final Written Allocation is attached as **Exhibit E**.

(b) *No Sinking Funds.* Pursuant to the Lease, Lessee is required to make periodic payments in amounts sufficient to pay the Principal Portions and Interest Portions of the Rental Payments. Lessee expects to make payments for the Principal Portions and Interest Portions of Rental Payments from its general fund, including any Prop P Sales Tax proceeds it appropriates to the payment of Rental Payments. The Lessee has agreed to deposit a portion of its Prop P Sales Tax with Lessor each year, subject to annual appropriation, in an amount not exceeding the Rental Payments coming due for that fiscal year. Therefore, no sinking fund or other similar fund that is expected to be used to pay the Principal Portions or Interest Portions of the Rental Payments has been established or is expected to be established. In the event Lessee holds money pledged to pay the Principal Portions or Interest Portions of the Rental Payments for more than seven days, Lessee will contact Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel acceptable to both Lessee and Lessor (the “**Special Tax Counsel**”), to determine the need to prepare a yield reduction calculation.

Section 6. Purchase Price and Lease Yield. Lessor has represented in a Lessor's Closing Certificate, dated as of the Closing Date, that it is holding the Lease for its own account as an investment, with no current intent to resell it. Based on the representations in the Lessor's Closing Certificate, dated as of the Closing Date, the issue price of the Lease pursuant to Regulations § 1.148-1(f)(2)(i) (relating to the so-called "private placement rule") is the price paid by the Lessor for the Lease (\$2,800,000). Because the Lease bears interest at a variable rate, the Yield on the Lease cannot be computed at this time. The Lessee has not entered into an interest rate swap agreement with respect to any portion of the Lease proceeds.

Section 7. Investment Yield Restriction. Lease proceeds deposited in the Project Account and used to pay costs of delivering the Lease and investment earnings on those proceeds may be invested without yield restriction for up to 3 years following the Closing Date. If any unspent proceeds remain in the Project Account after 3 years, those amounts may continue to be invested without yield restriction so long as Lessee pays to the IRS all yield reduction payments in accordance with Regulations § 1.148-5(c). Except as previously described, Lessee will not permit nor direct the investment of Gross Proceeds at a yield greater than the yield on the Lease. Yield on an investment is computed under Regulations § 1.148-5. Lessee will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with an Opinion of Special Tax Counsel (as defined in **Section 12**). In addition to the amounts described above, Gross Proceeds not exceeding the lesser of \$100,000 or 5% of the sale proceeds of the Lease may be invested without yield restriction.

Section 8. Procedures for Establishing Fair Market Value.

(a) *Established Securities Market.* No investment may be acquired with proceeds of the Lease, or investment proceeds thereof, 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. Except for investment 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. 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. For investments not previously described, the fair market value may be established through a competitive bidding process, in which (1) at least three bids on the investment are received from persons with no financial interest in the Lease (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. 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.

(b) *No Guaranteed Investment Contracts.* Lessee agrees that it will not direct the investment of Gross Proceeds in any investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (sometimes referred to as a guaranteed investment contract or a forward supply agreement). If Lessee directs investment in any guaranteed investment contracts, Lessee will obtain an Opinion of Special Tax Counsel that it has met the bidding requirements in Regulation § 1.148-5(d)(6)(iii). As used in this Tax Agreement, the term "Gross Proceeds" means (a) sale proceeds (any amounts actually or constructively received by Lessee from the sale of the Lease, including amounts used to pay purchaser fees, but excluding pre-issuance accrued interest), (b) investment proceeds (any amounts received from investing sale proceeds), (c) any amounts held in a pledged or reserve fund for the Lease, and (d) any other replacement proceeds.

Section 9. Rebate Instructions. All Lease proceeds are expected to be allocated to expenditures for the Financed Assets or for costs of entering into the transaction on or prior to _____, 20__. If any Lease proceeds have not been allocated to expenditures by that date, the Lessee will obtain the advice of Special Tax Counsel regarding what additional procedures are necessary to document compliance with an arbitrage rebate spending exception or otherwise comply with arbitrage rebate and yield restriction provisions and will comply with these procedures. If required, the Lessee will fund any payment of arbitrage rebate or yield adjustment payments required by the Code or the Regulations all pursuant to advice of Special Tax Counsel.

Section 10. Use of Financed Assets; Post-Issuance Tax Requirements.

(a) *General.* For federal tax purposes, throughout the term of the Lease, Lessee, the State of Missouri, or a political subdivision of the State of Missouri will own the Financed Assets. During the term of the Lease, the Lessee will not permit any entity other than the Lessee, the State of Missouri, or a political subdivision of the State of Missouri to use more than 10% of the Financed Assets. In furtherance of this representation and covenant, Lessee will not enter into or renew any lease, management, service, license, or any other agreement that gives any entity other than Lessee, the State of Missouri, or any political subdivision of the State of Missouri a special legal entitlement to use any portion of the Financed Assets without first obtaining advice of Special Tax Counsel. This restriction does not apply to contracts for services that are solely incidental to the primary governmental function of the Financed Assets (for example, contracts for janitorial, office equipment repair, billing or similar services).

(b) *Written Policies and Procedures of Lessee.* Lessee intends for the Compliance Procedure, as supplemented by this Tax Agreement, to be its primary written policies and procedures for monitoring compliance with the requirements related to the use of proceeds of the Lease, the use of the Financed Assets and the investment of Gross Proceeds of the Lease after the Closing Date (“**Post-Issuance Tax Requirements**”), and to supplement any other formal policies and procedures related to tax compliance that Lessee has established. To the extent of any inconsistency between the Compliance Procedure and this Tax Agreement, the terms of this Tax Agreement will govern.

(c) *Compliance Officer.* Lessee, when necessary to fulfill its Post-Issuance Tax Requirements, will, through its Compliance Officer, sign Form 8038-T in connection with a yield reduction payment, participate in any federal income tax audit of the Lease or related proceedings under a voluntary compliance agreement procedures (VCAP), or undertake a remedial action procedure pursuant to Regulations § 1.141-12.

(d) *Opinion of Special Tax Counsel.* Prior to taking any action requested by the Compliance Officer for the purpose of carrying out the Post-Issuance Tax Requirements, Lessee is entitled to seek and receive advice or an Opinion of Special Tax Counsel.

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

Section 11. Bank Qualified Tax-Exempt Obligation. Lessee designated the Lease as a “qualified tax-exempt obligation” under Code § 265(b)(3).

Section 12. Miscellaneous.

(a) *Record Retention.* Lessee will retain all records described in this Tax Agreement and Opinions of Special Tax Counsel in written or electronic format as part of the Tax-Exempt Bond File for the period ending on the third anniversary following the termination of the Lease or any tax-exempt obligation issued to refund the Lease.

(b) *IRS Form 8038-G.* Special Tax Counsel will prepare Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) based on the representations and covenants of Lessee contained in this Tax Agreement or otherwise provided by Lessee. Special Tax Counsel will sign the return as a paid preparer following completion and will then deliver copies to Lessee for execution and for Lessee's records. Lessee agrees to timely execute and return to Special Tax Counsel the execution copy of Form 8038-G for filing with the IRS. A copy of the "as-filed" Form 8038-G, along with proof of filing, will be included as **Exhibit B**.

(c) *Single Issue.* The Lease will be executed and delivered on the Closing Date. No other debt obligations of Lessee (1) are being sold within 15 days of the execution and delivery of the Lease, (2) are being sold under the same plan of financing as the Lease, and (3) are expected to be paid from substantially the same source of funds as the Lease (disregarding guarantees from unrelated parties, such as bond insurance).

(d) *No Federal Guarantee.* The payment of Rental Payments on the Lease is not, and Lessee will not permit the payment of Rental Payments on the Lease to be, directly or indirectly guaranteed by the United States of America or any agency thereof.

(e) *Record Owner; Registration Requirement.* Lessee will maintain or cause to be maintained a record of the owner of the Lease and the person/entity entitled to the receipt of the Interest Portions of Rental Payments on the Lease. Transfer of ownership of the Lease is effective only if entered in these records. Therefore, the Lease will be treated as held in registered form and in compliance with the registration requirement of Code § 149(a).

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

(g) *Special Tax Counsel Opinions.* As used in this Tax Agreement, the term "**Opinion of Special Tax Counsel**" means a written opinion, addressed to Lessee and Lessor, of Special Tax Counsel, to the effect that the proposed action or the failure to act will not adversely affect the exclusion of the Interest Portion of Rental Payments on the Lease from gross income for federal income tax purposes or an opinion describing additions, modifications or additional procedures required to preserve the exclusion of the Interest Portion of Rental Payments on the Lease from gross income for federal income tax purposes.

(h) *Benefit of Agreement.* This Tax Agreement is binding upon Lessee and its successors and assigns, and inures to the benefit of Lessor, and any firm of attorneys providing an opinion to Lessor as to the exclusion of the Interest Portion of Rental Payments on the Lease from gross income for federal income tax purposes.

(i) *Enforceability.* If any provision in this Tax Agreement or in the Lease is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

By execution of this Tax Agreement, the Lessee hereby makes the foregoing certifications, representations, and agreements contained in this Tax Agreement.

CITY OF FREDERICKTOWN, MISSOURI

By: 
Title: Mayor

By: 
Title: City Clerk (Compliance Officer)

EXHIBIT A

LEASE AMORTIZATION SCHEDULE

EXHIBIT B

IRS FORM 8038-G

EXHIBIT C

DESCRIPTION OF THE FINANCED ASSETS

<u>Description</u>	<u>Year Placed in Service</u>	<u>Estimated Useful Life</u>	<u>Total Cost</u>	<u>Amount Financed From Original Obligations</u>
Fire Station	2023	40 years	\$2,800,000	\$2,800,000

EXHIBIT D

SAMPLE ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt obligation (“Lease”) financing the Financed Assets:	This Annual Compliance Checklist is designed to cover that certain Lease Purchase Agreement dated as of October 1, 2023 (the “Lease”), between First State Community Bank, and the City of Fredericktown, Missouri
Placed in service date of Financed Assets:	
Name of Lessee Compliance Officer:	City Clerk
Financed Assets:	Improvements to fire station
Period covered by request (“Annual Period”):	

Item	Question	Response
1 Ownership	For federal tax purposes, were the Financed Assets owned by Lessee during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If answer above was “No,” was a advice of Special Tax Counsel obtained prior to the transfer?</p> <p>If such advice was obtained, include a copy of the advice in the Tax-Exempt Bond File.</p> <p>If advice was not obtained, contact Special Tax Counsel and include summary of advice of Special Tax Counsel and Lessee action taken in the Tax-Exempt Bond File.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

2 Leases & Other Rights to Possession	During the Annual Period, were the Financed Assets subleased at any time pursuant to a lease or similar agreement for more than 50 days?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If answer above was “Yes,” was advice of Special Tax Counsel obtained prior to entering into the lease or other arrangement?</p> <p>If such advice was obtained, include a copy of the advice in the Tax-Exempt Bond File.</p> <p>If advice was not obtained, contact Special Tax Counsel and include summary of advice of Special Tax Counsel and Lessee action taken in the Tax-Exempt Bond File.</p>	<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 Assets (e.g., has Lessee hired any organization to run or operate the Financed Assets) 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 Tax Counsel obtained prior to entering into the management agreement? If such advice was obtained, include a copy of the advice in the Tax-Exempt Bond File. If advice was not obtained, contact Special Tax Counsel and include summary of advice of Special Tax Counsel and Lessee action taken in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights to the Financed Assets?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was advice of Special Tax Counsel obtained prior to entering into the agreement? If such advice was obtained, include a copy of the advice in the Tax-Exempt Bond File. If advice was not obtained, contact Special Tax Counsel and include summary of advice of Special Tax Counsel and Lessee action taken in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

5 Yield Restriction Computations	Were the proceeds used as described in the timeframe provided in the Tax Compliance Agreement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, contact Special Tax Counsel and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

Name of Compliance Officer: _____

Date Completed: _____

EXHIBIT E

SAMPLE FINAL WRITTEN ALLOCATION

NOT TO EXCEED \$ _____
LEASE PURCHASE AGREEMENT
between
FIRST STATE COMMUNITY BANK,
And the
CITY OF FREDERICKTOWN, MISSOURI

FINAL WRITTEN ALLOCATION

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

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

Background. The Lease was executed and delivered on October 1, 2023 (the "Closing Date"). The Lease was executed and delivered in order to provide funds for the purposes of paying costs of constructing, remodeling, renovating, equipping, and furnishing a fire station (the "Financed Assets"). Proceeds of the Lease were deposited to the Project Account established under the Account Control Agreement dated as of October 1, 2023, among Lessee, Lessor, and Deposit Bank.

Sources Used to Fund Financed Assets Costs and Allocation of Proceeds to Financed Assets Costs. A portion of the costs of acquiring the Financed Assets was paid from sale proceeds of the Lease and the remaining portion of the costs of the Financed Assets was paid from earnings from the investment of Lease proceeds and from other money of Lessee. *A schedule showing the various sources and uses of funds is attached.*

Identification of Financed Assets. *Attached* is a listing of the portions of the Financed Assets financed from Lease proceeds (*i.e.*, an update, based on actual expenditures, of the "Description of Financed Assets" listed in **Exhibit C** to the Tax Compliance Agreement related to the Lease).

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

Placed In Service. The Financed Assets were "placed in service" on _____, 20____. For this purpose, the assets are considered to be "placed in service" as of the date on which, based on all the facts and circumstances: (1) the constructing and equipping of the asset has reached a degree of completion which would permit its operation at substantially its design level; and (2) the asset is, in fact, in operation at that level.

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

CITY OF FREDERICKTOWN, MISSOURI

By: Theresa Harbison
Name: Theresa R. Harbison
Title: City Clerk (Compliance Officer)

Dated: _____

EXHIBIT F

RESOLUTION OF OFFICIAL INTENT

EXHIBIT G

TAX COMPLIANCE PROCEDURE