

AN ORDINANCE OF THE CITY OF OSAGE BEACH, MISSOURI, APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH THE LAW FIRM OF GILMORE & BELL FOR SERVICES RELATING TO THE CONSIDERATION OF THE ARROWHEAD CENTRE TAX INCREMENT FINANCING PLAN UNDER THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT.

WHEREAS, the City has been requested by Arrowhead Development Group LLC (the “Developer”) to consider a tax increment financing redevelopment plan application (the “Application”) within the City, in accordance with the “Real Property Tax Increment Allocation Redevelopment Act” in Sections 99.800 to 99.865 of the Revised Statutes of Missouri (the “TIF Act”); and

WHEREAS, pursuant to Section 99.820 of the Revised Statutes of Missouri, the City is authorized to enter into all contracts necessary or incidental to the implementation and furtherance of a redevelopment plan or redevelopment project; and

WHEREAS, the Board of Aldermen has authorized the Mayor to execute a Funding Agreement with the Developer on behalf of the city to provide funding for legal and financial consulting necessary for the city to properly and fully consider the Application; and

WHEREAS, the Board of Aldermen has approved a Tax Increment Financing Policy (the “Policy”) which provides guidance to the Developer and other potential TIF applicants regarding the process and standards that will be applied by the City to evaluate proposed TIF plans; and

WHEREAS, the Board of Aldermen desires to enter into an agreement with Gilmore and Bell for legal services necessary to ensure that the City has properly and fully considered and, if ultimately approved by Board of Aldermen, implemented the TIF Plan and then properly enter into a development agreement with the developer selected to implement the plan.

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

1. The Engagement Letter with Gilmore and Bell dated April 28, 2015 for their services in reference to the Arrowhead Centre Tax Increment Financing Plan, attached as **Exhibit A** is approved and the Mayor is authorized to execute the same on behalf of the city.

READ FIRST TIME: May 7, 2015 READ SECOND TIME: May 7, 2015

I hereby certify that the above Ordinance No. 15.41 was duly passed on May 7, 2015 by the Board of Aldermen of the City of Osage Beach. The votes thereon were as follows:

Ayes:	6	Nays:	0
Abstain:	0	Absent:	0

This Ordinance is hereby transmitted to the Mayor for her signature.

May 7, 2015
Date

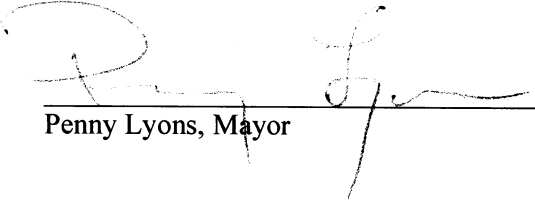


Diann Warner, City Clerk

Approved as to form:


Edward B. Rucker, City Attorney

I hereby APPROVE Ordinance No. 15.41.


Penny Lyons, Mayor

May 7, 2015
Date

ATTEST:


Diann Warner, City Clerk

EXHIBIT A
ENGAGEMENT LETTER

[attached]



816-221-1000 MAIN
816-221-1018 FAX
GILMOREBELL.COM

GILMORE & BELL PC
2405 GRAND BOULEVARD, SUITE 1100
KANSAS CITY, MISSOURI 64108-2521

ST. LOUIS
WICHITA
OMAHA | LINCOLN

April 28, 2015

Ms. Jeana Woods
City Administrator
City of Osage Beach, Missouri
1000 City Parkway
Osage Beach, Missouri 65065

Re: Special Counsel for Economic Development Services in connection with the Tax Increment Financing Redevelopment Plan (the "TIF Plan") proposed by Arrowhead Development Group, LLC

Dear Ms. Woods:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as special counsel on economic development matters for the City in connection with the TIF Plan, and any other special funding districts that may be formed to finance project costs in connection with the TIF Plan.

SCOPE OF ENGAGEMENT

In this engagement, we expect to perform the following duties:

1. Assist in reviewing, analyzing and evaluating the TIF Plan application that will be prepared by the developer;
2. Prepare and review the necessary schedules, notices, resolutions, ordinances, contracts and other documents in connection with the proceedings of the TIF Commission and the Board of Aldermen related to the approval of the selected redevelopment area, redevelopment plan, redevelopment project(s) and the selected developer;
3. Attend meetings, conferences and phone conferences related thereto, as needed and directed by the City;
4. Draft a TIF contract and associated agreements and related documents, negotiate the contract with the developer, and assist City staff with the implementation of the contract;
5. Assist the City with real estate transactions associated with the acquisition of land for the development project, as needed;

6. Advise the City and other parties to the financing regarding the legal authority for the issuance of notes or bonds, the legal structure and other legal aspects of the financing and interpretation of relevant statutes and constitutional provisions as deemed necessary by the City in issuing the notes or bonds;
7. Prepare all proceedings and legal documents relating to the authorization and issuance of the notes or bonds, including ordinances authorizing the issuance of the notes or bonds, any trust indenture and any security agreements securing the bonds, preparation and review of the official statement or other disclosure document used in connection with the sale of the bonds which describe the bonds, the security therefore and the tax-exempt status of the notes or bonds, and the preparation and review of various other documents, certificates and opinions required for authorization and issuance of the notes or bonds;
8. Prepare the note or bond forms, supervise the printing of notes or bonds and arrange for the execution, authentication and delivery thereof;
9. Attend and coordinate the closing of the transaction, including attendance at any meetings for a bond sale or signing of documents as deemed necessary by the City;
10. Assemble note or bond transcripts covering the proceedings relating to the authorization and issuance of the bonds, and distribute copies of the transcripts to the parties to the financings;
11. Render our approving legal opinion on the validity of the notes or bonds, the federal and state income tax treatment of interest on the notes or bonds and such incidental opinions that may be necessary to complete the financings;
12. Attend such conferences and meetings as may be deemed necessary by the City in connection with the financings; and
13. Provide miscellaneous consultation and advice on legal matters relating to the authorization, issuance, sale and delivery of the bonds and performing such additional standard bond counsel services as may be necessary to complete the financings.

In preparing and reviewing documents and notices related to the Project, we may look to representatives of the City to undertake the gathering and/or supplying of certain information required to be included in those documents, and we will carefully coordinate our work with City staff and elected officials.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the City will be our client and an attorney-client relationship will exist between us. Unless otherwise specified in writing, we assume all other parties, including the developer for the TIF Plan, will retain such counsel as they deem necessary and appropriate to represent their interests in the project. We further assume that all other parties understand that in this transaction we represent only the City, we are not counsel to the developer or any other party, and we are not acting as an intermediary among the parties. Our services are limited to those contracted for herein and the City's execution of this engagement letter will constitute an acknowledgment of those limitations.

PERSONNEL

We attempt to assign personnel to each matter based on the nature and scope of the issues raised by the matter in conjunction with the experience and expertise of our lawyers. One lawyer will generally be assigned primary responsibility for seeing that your requests for legal services are met, but additional lawyers may assist in providing appropriate and efficient legal services. David Bushek will be the primary attorney in the firm responsible for providing the legal services to the City regarding evaluation, approval and implementation of the TIF Plan and TIF Contract, and Sid Douglas will be the primary attorney in the firm responsible for any notes or bond transaction that may result from the TIF Plan. The primary contact person for day-to-day communications with the City on this project will be Mr. Bushek. We may call upon other attorneys in our firm for specialized services and consultation, such as our tax and securities attorneys for support regarding the planning and preparation for issuance of tax-exempt obligations for the project.

FEES

Our legal services in connection with approval and implementation of the TIF Plan and TIF Contract and all non-bond related work will be performed on an hourly basis for this Project. Our fees associated with those legal services for special counsel pursuant to this engagement will be \$325.00 per hour. We do not anticipate that the total amount of special counsel work for this project will exceed \$150,000, but the actual time expended on this project is difficult to estimate with certainty due to the many issues that may arise during the course of the City considering and approving a TIF plan. As with prior arrangements by the City regarding TIF projects, the fees may be reimbursed to the City by the applicant pursuant to a funding agreement between the City and applicant/developer.

All bond work will be performed according to the attached schedule.

PROVISION OF LEGAL SERVICES

This engagement is for the provision of professional legal services, and not for the provision of business, personal, accounting, technical or other advice not constituting legal services. It is agreed that the client is not relying upon us in this engagement for advice in areas other than professional legal services, even if such matters should be discussed in connection with the engagement.

We may be asked to use the Internet as a means for communicating about matters concerning your representation. Any such communication could be randomly intercepted and otherwise used or disclosed by anyone, including someone specifically interested in your matter or business. This could cause you to lose your confidentiality and attorney/client privilege protections. However, to facilitate your representation, you approve the use of Internet communications during your representation by us unless we are instructed otherwise.

CONFLICTS

As you are aware, our firm represents many cities, counties and other political subdivisions. It is possible that during the time that we are representing the City, one or more of our present or future clients will have transactions with the City. We do not believe any such representation will adversely affect our ability to represent you as provided in this letter either because such matters will be sufficiently different from the matters described herein so as to make such representations not adverse to our representation of the City, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the

matters described herein. Execution of this letter will signify the City's consent to our representation of others consistent with the circumstances described in this paragraph.

RECORDS

After our services conclude, we will, upon your request, deliver the file for this engagement to you. If you do not request the file, we will retain it for a period of ten years after the matter is closed. If you do not request delivery of the file before the end of the ten year period, we will have no further obligation to retain the file and may, at our discretion, destroy it without further notice to you. At any point during the ten year period, you may request delivery of the file.

PERIODIC BILLING FOR LEGAL SERVICES

Unless other arrangements have been made, it is our policy to render periodic statements for legal services on a monthly basis. We normally base these interim statements on hourly rates of lawyers working on the matter. Statements will be due upon presentation, and are to be paid no later than 30 days following the invoice date. If any statement amount remains unpaid 60 days after the invoice date, the firm reserves the right to terminate its services, consistent with applicable Rules of Professional Conduct.

DISBURSEMENTS AND OTHER CHARGES

Most matters require, from time to time, certain monetary advances to be made on your behalf by the firm. Some "client disbursements" represent out-of-pocket charges we advance, others represent internal costs (including costs such as fees for service of process, court filing fees, deliveries, copying charges, travel expenses, computer assisted legal research, etc.). It is understood that while acting as your lawyers, we have the authority to use our best judgment in making such expenditures on your behalf. If we anticipate that any such expenditure will exceed \$500, we will consult with you prior to incurring such expense. Unless we have made prior arrangements with you, we will send you monthly billings for client disbursements incurred during the preceding month. Substantial individual items in excess of \$250, such as transcripts, printing costs, etc., may be billed directly to you by the vendor of such services.

Certain specific items provided by the firm are currently charged at the following rates which may be changed periodically due to economic factors as reflected on the monthly invoice, and other items will not be charged to you in accordance with the following:

Photocopying. Clients are charged \$0.12 per page or otherwise the actual cost incurred for photocopying.

Computer Research. The firm enters long-term contracts for electronic legal research services which are not tracked by client and matter, and we will not charge you for any computerized legal research that may be conducted as part of the Services.

Telecommunications. We do not charge for local phone calls or electronic mail transmissions. The firm enters into long-term contracts for long-distance telephone services which are not tracked by client and matter, and we will not charge for any long-distance phone calls that may be needed as part of the Services.

Mail/Messengers. Messengers are used as appropriate to assure expedited delivery. The cost of such messengers is charged directly to clients without markup. We do not charge for regular mail;

however, bulk mailings, packages and special postal services including certified notices are charged at our actual cost.

Travel. Unless we make other arrangements with you in the course of providing the Services, we will not incur any air travel expenses in connection with the Services. Mileage for travel that occurs in connection with our Services and that is outside of the Kansas City metropolitan area will be charged at the currently applicable IRS rate, although we will not charge for travel to and from the City and our offices or residences in the Kansas City metropolitan area.

TERMINATION OF SERVICES

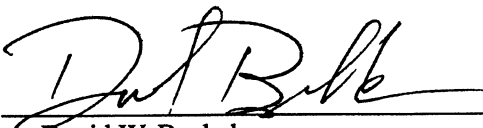
In the event that you choose to terminate our services, please advise us of such in writing. We retain the right to cease performing legal services and to terminate our legal representation for any reason consistent with ethical rules, including conflicts of interest or the failure to pay legal fees and expenses when due. Our termination or your termination of services does not affect your obligation to pay legal fees and expenses incurred prior to the effective date of such termination.

QUESTIONS

One of our goals is to ensure that legal services are delivered effectively and efficiently, and that all billings are accurate and understandable. Please direct any questions about services, billing, or payment status of your account to the appropriate attorney at our firm.

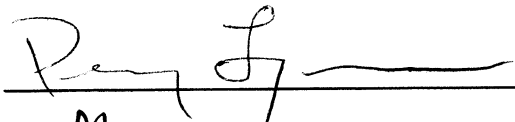
If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized official, retaining the original for your files. We look forward to working with you.

GILMORE & BELL, P.C.

By: 
David W. Bushek

ACCEPTED AND APPROVED:

CITY OF OSAGE BEACH

By: 
Title: Mayor
Date: 5/7/15