

AN ORDINANCE AUTHORIZING CITY OF WARRENTON, MISSOURI TO ENTER INTO A BASE LEASE AND A LEASE PURCHASE AGREEMENT WITH BRANCH BANKING AND TRUST COMPANY, AS LESSEE, AND A FEDERAL TAX CERTIFICATE RELATED THERETO, IN ORDER TO REFUND A LEASE OBLIGATION ENTERED INTO IN 2005; AND TO APPROVE THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH.

WHEREAS, for the purpose of paying costs of constructing a water tower and water main replacement and extensions (the "2005 Project"), the City and UMB Bank, N.A., as trustee (the "2005 Trustee"), have previously entered into a Base Lease dated as of December 15, 2005 (the "2005 Base Lease"), pursuant to which the City leased to the 2005 Trustee certain real property described therein (the "2005 Leased Property"), upon which a portion of the 2005 Project is situated; and

WHEREAS, concurrently therewith, the 2005 Trustee and the City entered into a Lease Purchase Agreement dated as of December 15, 2005 (the "2005 Lease"), pursuant which the 2005 Trustee subleased the 2005 Leased Property to the City; and

WHEREAS, pursuant to the Declaration of Trust dated as of December 15, 2005 (the "2005 Declaration"), the 2005 Trustee delivered \$1,535,000 original principal amount of Certificates of Participation (City of Warrenton, Missouri, Lessee), Series 2005 (the "2005 Certificates"), in order to pay costs of the 2005 Project, which 2005 Certificates are currently outstanding in the principal amount of \$830,000; and

WHEREAS, the City desires to obtain funds in the aggregate principal amount of \$745,000 in order to acquire the 2005 Trustee's interest in the 2005 Project, pursuant to its option to purchase such interest under the 2005 Lease, and to thereby refund the outstanding 2005 Certificates; and

WHEREAS, in order to obtain such funds, the City proposes to lease to Branch Banking and Trust Company ("BB&T") the real property described on **Schedule 1** hereto (the "Land"), including that portion of the 2005 Project located or installed thereon (collectively, the "Project"), in consideration of BB&T's agreement to (1) provide funds in the aggregate amount sufficient to acquire the 2005 Trustee's interest in the 2005 Project, and to pay the closing costs relating thereto, and (2) sublease the Project back to the City pursuant to an annually renewable Lease Purchase Agreement (Water Project) (as amended or supplemented from time to time, the "Lease") by and between BB&T, as lessor, and City, as lessee; and

WHEREAS, all proceeds received from BB&T, together with \$122,432.50 of other legally available moneys contributed by the City to pay the rental payment relating to the 2005 Certificates due on December 1, 2014, will be deposited with the 2005 Trustee to acquire the 2005 Trustee's interest in the 2005 Project and pay the closing costs related thereto; and

WHEREAS, in order to facilitate the foregoing and to pay the cost thereof, it is necessary and desirable for the City to take the following actions:

1. Enter into a Base Lease (Water Project) (the "Base Lease"), pursuant to which the City will lease to BB&T the Project; and
2. Enter into the Lease, pursuant to which BB&T will lease the Project back to the City, with an option to purchase; and

3. Approve a Federal Tax Certificate (Water Project) (the "Tax Certificate"), in order 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, in order to establish and maintain the exclusion from gross income for federal income tax purposes of the interest portion of the Rental Payments to be paid by the City, and to provide guidance for complying with the arbitrage rebate provisions of the Internal Revenue Code § 148(f).

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

Section 1. Approval of the City Documents. The Base Lease, the Lease, and the Tax Certificate (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 Mayor, the President of the Board of Aldermen or Director of Operations of the City, said officer's execution thereof to be conclusive evidence of the approval thereof. The Mayor, the President of the Board of Aldermen and Director of Operations are hereby authorized and directed to execute and deliver the City Documents on behalf of and as the act and deed of the City. The City Clerk is hereby authorized to affix the City's seal thereto and attest said seal as may be necessary.

Section 2. Further Authority. The City will, and the officials and agents of the City 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 and the Project. Without limiting the foregoing, the Board of Aldermen specifically authorizes and directs the prompt payment of all closing costs relating to the City Documents.

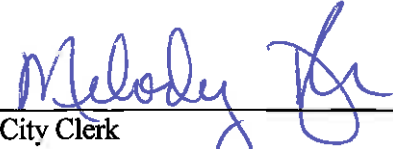
Section 3. Effective Date. This Ordinance will take effect and be in full force from and after its adoption by the Board of Aldermen and approval by the Mayor.

PASSED by the Board of Aldermen of the City of Warrenton, Missouri, and **APPROVED** by the Mayor this 4th day of November, 2014.



President of the Board of Aldermen

ATTEST:



City Clerk