

**AN ORDINANCE AUTHORIZING THE CITY OF TWIN OAKS, MISSOURI, TO ENTER INTO A LEASE PURCHASE TRANSACTION ENTAILING THE DELIVERY OF CERTIFICATES OF PARTICIPATION (CITY OF TWIN OAKS, MISSOURI, LESSEE), SERIES 2017, THE PROCEEDS OF WHICH WILL BE USED TO PAY THE COSTS OF CERTAIN IMPROVEMENTS WITHIN THE CITY, AND COSTS RELATED THERETO; APPROPRIATING BASIC RENT PAYMENTS FOR THE ORIGINAL TERM AND AMENDING THE BUDGET AS REQUIRED; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.**

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**WHEREAS**, the City of Twin Oaks, Missouri (the "City") desires to acquire, construct, furnish and equip a new municipal complex in the City (the "Project"); and

~~**WHEREAS**, the City owns certain real property upon which the Project will be located (collectively, the "Real Property"); 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 (the "Base Lease") with the City, as lessor, and U.S. Bank National Association (the "Trustee"), as lessee, pursuant to which the City will lease the Real Property to the Trustee on the terms and conditions set forth therein, the form of which is attached hereto as **Exhibit A**;

2. Enter into an annually-renewable Lease Purchase Agreement (the "Lease") with the Trustee, pursuant to which the City, as lessee, will lease the Real Property and the Project (together with any future improvements located on the Real Property, the "Leased Property") from the Trustee, as lessor, on a year-to-year basis with an option to purchase the Trustee's interest in the Leased Property, the form of which is attached hereto as **Exhibit B**;

3. Enter into a Tax Compliance Agreement (the "Tax Compliance Agreement") with the Trustee, pursuant to which the City makes certain representations and covenants related to the exclusion of the interest portions of basic rent under the Lease from gross income for purposes of federal income taxation, the form of which is attached hereto as **Exhibit C**;

4. Adopt a Bond Financing Compliance Policy and Procedure (the "Compliance Policy"), the form of which is attached hereto as **Exhibit D**; and

5. Approve a Declaration of Trust (the "Declaration of Trust") by the Trustee, pursuant to which the Certificates of Participation (City of Twin Oaks, Missouri, Lessee), Series 2017 (the "Certificates of Participation"), evidencing proportionate interests of the owners thereof in basic rent payments to be made by the City under the Lease will be executed and delivered, the form of which is attached hereto as **Exhibit E**.

The Base Lease, the Lease, the Compliance Policy and the Tax Compliance Agreement are referred to together herein as the "City Documents."

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

**Section 1. Authorization and Approval of City Documents and Declaration of Trust.**

(a) The City Documents and the Declaration of Trust 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 as set forth below. The Mayor's execution of the City Documents will be conclusive evidence of such approval.

(b) The obligation of the City to pay Basic Rent Payments (as defined in the Lease) under the Lease is subject to annual appropriation and will constitute a current expense of the City and, as such, will not be construed to be an indebtedness or liability of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness or liability by the City, nor will anything contained in the Lease constitute a pledge of the general tax revenues, funds or moneys of the City, and all provisions of the Lease will be construed so as to give effect to such intent.

(c) The Mayor is hereby authorized to execute and deliver the City Documents and to approve any changes to the Declaration of Trust on behalf of and as the act and deed of the City provided the changes do not materially alter the rights and obligations of the City. The City Administrator/Clerk is hereby authorized to affix the City's seal to the City Documents and attest said seal.

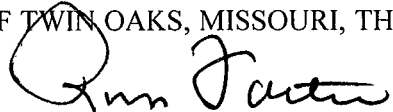
(d) The forms, terms and provisions of the Declaration of Trust and the maturities, interest rates, prepayment terms and sale price of the Certificates of Participation are hereby in all respects approved.

**Section 2. Appropriation of Basic Rent Payments During the Original Term.** The City hereby appropriates moneys in an amount sufficient to make the payments due under the Lease during the Fiscal Year ending December 31, 2017, and to the extent said payments are not provided for under the City's current budget for the Fiscal Year ending December 31, 2017, the budget is hereby so amended.

**Section 3. Further Authority.** The City will, and the officials and agents of the City are hereby authorized to take such actions, 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 other documents authorized or approved hereby and the Project.

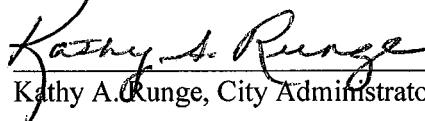
**Section 4. Effective Date.** This Ordinance shall be in full force and effect from and after its passage by the Board of Aldermen and approval by the Mayor.

PASSED AFTER HAVING BEEN READ IN FULL OR BY TITLE TWO TIMES PRIOR TO PASSAGE BY THE BOARD OF ALDERMEN OF THE CITY OF TWIN OAKS, MISSOURI, THIS 5<sup>TH</sup> DAY OF APRIL, 2017.



Russ Fortune, Mayor

ATTEST:



Kathy A. Runge, City Administrator/Clerk

(SEAL)

**EXHIBIT A**  
**BASE LEASE**

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**EXHIBIT B**

**LEASE PURCHASE AGREEMENT**

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**EXHIBIT C**

**TAX COMPLIANCE AGREEMENT**

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**EXHIBIT D**

**BOND FINANCING COMPLIANCE POLICY AND PROCEDURE**

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**EXHIBIT E**  
**DECLARATION OF TRUST**

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