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**TAX COMPLIANCE AGREEMENT**

**Dated as of April 1, 2018**

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**Between the  
CITY OF BRENTWOOD, MISSOURI**

**And**

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

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**[\$[\*Principal Amount\*]  
Certificates of Participation  
(City of Brentwood, Missouri, Lessee)  
Series 2018  
Evidencing a Proportionate Interest of the Owners Thereof  
in Basic Rent Payments to be Made by the  
City of Brentwood, Missouri  
Pursuant to an Annually-Renewable Lease Purchase Agreement**

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**TAX COMPLIANCE AGREEMENT**

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## TAX COMPLIANCE AGREEMENT

**THIS TAX COMPLIANCE AGREEMENT** (the “Tax Agreement”), dated as of April 1, 2018, between the **CITY OF BRENTWOOD, MISSOURI**, a political subdivision organized and existing under the laws of the State of Missouri (the “City”), and **UMB BANK, N.A.**, a national banking association duly organized and existing under the laws of the United States of America, as Trustee (the “Trustee”).

### RECITALS

1. This Tax Agreement is being executed and delivered in connection with the execution and delivery of \$[\*Principal Amount\*] principal amount of Certificates of Participation (City of Brentwood, Missouri, Lessee), Series 2018 (the “Certificates”), evidencing a proportionate interest of the Owners thereof in Basic Rent Payments to be made by the City pursuant to an annually-renewable Lease Purchase Agreement dated as of December 1, 2017, as amended and supplemented (collectively, the “Lease”), which Certificates are delivered under a Declaration of Trust dated as of December 1, 2017, as amended and supplemented (collectively, the “Declaration”) made by the Trustee, for the purposes described in this Tax Agreement, the Declaration and the Lease.

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

3. The City and the Trustee are entering into this Tax Agreement to set forth certain facts, covenants, and expectations relating to the use of Certificate proceeds and the property financed or refinanced with those proceeds and the investment of the Certificate proceeds and of certain other related money, to establish and maintain the exclusion of the Interest Portion of Basic Rent Payments represented by the Certificates from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate and yield reduction amount provisions of Code § 148(f).

4. The City adopted a Tax-Exempt Financing Compliance Policy and Procedure (the “Compliance Procedure”) on November 17, 2014, a copy of which is attached hereto as **Exhibit F**, for the purpose of setting out general procedures for the City to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

5. This Tax Agreement is entered into as required by the Compliance Procedure to set out specific tax compliance procedures applicable to the Certificates.

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

## ARTICLE I

### DEFINITIONS

**Section 1.1. Definitions of Words and Terms.** Except as otherwise provided in this Tax Agreement or unless the context otherwise requires, capitalized words and terms used in this Tax Agreement have the same meanings as set forth in the Declaration and the Lease, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. In addition, the following words and terms used in this Tax Agreement have the following meanings:

**“2018 Project”** means all of the property being acquired, constructed, furnished and equipped by the City using Certificate proceeds and Qualified Equity, if any, including the design, engineering, permitting, land acquisition, flood mitigation and related work for the Manchester Renewal Project, as described on **Exhibit C** hereto.

**“Adjusted Gross Proceeds”** means the Gross Proceeds of the Certificates reduced by amounts (a) in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund, (b) that as of the Issue Date are not expected to be Gross Proceeds, but which arise after the end of the applicable spending period and (c) representing grant repayments or sale or Investment proceeds of any purpose Investment.

**“Annual Compliance Checklist”** means a checklist for the Certificates to measure compliance with the requirements of this Tax Agreement and the Compliance Procedure after the Issue Date, as further described in **Section 4.2** hereof and substantially in the form attached hereto as **Exhibit E**.

**“Available Construction Proceeds”** means the sale proceeds of the Certificates, increased by (a) Investment earnings on the sale proceeds, (b) earnings on amounts in a reasonably required reserve or replacement fund allocable to the Certificates but not funded from the Certificates and (c) earnings on such earnings, reduced by sale proceeds (1) in any reasonably required reserve fund or (2) used to pay issuance costs of the Certificates. But Available Construction Proceeds do not include Investment earnings on amounts in a reasonably required reserve or replacement fund after the earlier of (A) the second anniversary of the Issue Date or (B) the date the Financed Facilities are substantially completed.

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

**“Bond Compliance Officer”** means the City’s Finance Director or other person named in the Compliance Procedure.

**“Certificate”** or **“Certificates”** means any Certificate or Certificates described in the recitals, authenticated and delivered under the Declaration.

**“Certificate Year”** means each one-year period (or shorter period for the first Certificate Year) ending October 1, or another one-year period selected by the City.

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

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

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

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

The City selects April 1, 2023, as the first Computation Date but reserves the right to select a different date consistent with the Regulations.

“**Final Written Allocation**” means the final written allocation of expenditures of Certificate proceeds prepared by the Bond Compliance Officer in accordance with the Compliance Procedure and **Section 4.2(b)** hereof, a form of which is set forth on **Exhibit E** hereto.

“**Financed Facilities**” means the portion of the 2018 Project being financed or refinanced with the Certificate proceeds as described on **Exhibit C** hereto.

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

- (1) Project Fund, including a Series 2018 Account;
- (2) Lease Revenue Fund, including a Series 2018 Account;
- (3) Reserve Fund;
- (4) Delivery Costs Fund; and
- (5) Rebate Fund (to the extent funded with sale proceeds or Investment proceeds of the Certificates).

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

“**Investment**” means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, Gross Proceeds. This term does not include a tax-exempt bond, except for “specified private activity bonds” as defined in Code § 57(a)(5)(C), but it does include the investment element of most interest rate caps.

“**IRS**” means the United States Internal Revenue Service.

**“Issue Date”** means April 30, 2018.

**“Lease”** means the Lease Purchase Agreement dated as of December 1, 2017, as amended and supplemented by a First Supplemental Lease Purchase Agreement dated as of April 1, 2018, between the Trustee, as lessor, and the City, as lessee, as amended and supplemented in accordance with the provisions thereof.

**“Management or Service Agreement”** means a legal agreement defined in Regulations § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Financed Facilities, such as a contract to manage the entire Financed Facilities or a portion of the Financed Facilities. Contracts for services that are solely incidental to the primary governmental function of the Financed Facilities (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not treated as Management or Service Agreements.

**“Measurement Period”** means, with respect to each item of property financed as part of the Financed Facilities, the period beginning on the later of (a) the Issue Date or (b) the date the property is placed in service, and ending on the earlier of (1) the final maturity date of the Certificates or (2) the end of the expected economic useful life of the property.

**“Minor Portion”** means the lesser of \$100,000 or 5% of the sale proceeds of the Certificates.

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

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

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

**“Official Intent Date”** means February 5, 2018, as described in **Section 2.1(i)** hereof.

**“Opinion of Special Tax Counsel”** means the written opinion of Special Tax Counsel to the effect that the action or proposed action or the failure to act or proposed failure to act for which the opinion is required will not adversely affect the exclusion of the Interest Portion of Basic Rent Payments from gross income for federal income tax purposes.

**“Post-Issuance Tax Requirements”** means those requirements related to the use of Certificate proceeds, the use of the Financed Facilities and the investment of Gross Proceeds after the Issue Date.

**“Qualified Equity”** means funds that are not derived from proceeds of a tax-exempt financing that are spent on the 2018 Project at any time during the period beginning not earlier than the later of (a) 60 days before the Official Intent Date or (b) three years before the Issue Date, and ending not later than the date the 2018 Project is capable of and actually used at substantially its designed level. Qualified Equity excludes an ownership interest in real property or tangible personal property.

**“Qualified Use Agreement”** means any of the following:

(a) A lease or other short-term use by members of the general public who occupy the Financed Facilities on a short-term basis in the ordinary course of the City’s governmental purposes.

(b) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facilities for a period up to 200 days in length pursuant to an arrangement whereby (1) the use of the Financed Facilities under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business, and (2) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed. Any Qualified User or Non-Qualified User using all or any portion of the Financed Facilities under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(c) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facilities for a period up to 100 days in length pursuant to arrangements whereby (1) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (2) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed, and (3) the Financed Facilities were not constructed for a principal purpose of providing the property for use by that Qualified User or Non-Qualified User. Any Qualified User or Non-Qualified User using all or any portion of the Financed Facilities under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(d) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facilities for a period up to 50 days in length pursuant to a negotiated arm’s-length arrangement at fair market value so long as the Financed Facilities were not constructed for a principal purpose of providing the property for use by that person.

**“Qualified User”** means a State, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

**“Reasonable Retainage”** means Gross Proceeds retained by the City for reasonable business purposes, such as to ensure or promote compliance with a construction contract; provided that such amount may not exceed (a) for purposes of the 18-month spending test, 5% of net sale proceeds of the Certificates on the date 18 months after the Issue Date or (b) for purposes of the 2-year spending test, 5% of the Available Construction Proceeds as of the end of the 2-year spending period.

**“Rebate Analyst”** means Gilmore & Bell, P.C. or a successor Rebate Analyst selected pursuant to this Tax Agreement.

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



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

“**Tax-Exempt Bond File**” means documents and records for the Certificates maintained by the Bond Compliance Officer pursuant to the Compliance Procedure.

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

“**Underwriter**” means Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri, the original purchaser of the Certificates.

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

## ARTICLE II

### GENERAL COVENANTS

**Section 2.1. Covenants of the City.** The City covenants as follows:

(a) *Organization and Authority.* The City (1) is a political subdivision organized and existing under the laws of the State of Missouri, (2) has lawful power and authority to enter into, execute and deliver the Base Lease, the Lease and this Tax Agreement and to carry out its obligations under the Base Lease, the Lease and this Tax Agreement, and (3) by all necessary action has been duly authorized to execute and deliver the Base Lease, the Lease and this Tax Agreement, acting by and through its duly authorized officials.

(b) *Tax-Exempt Status of Certificates – General Covenant and Allocation of Proceeds to the 2018 Project.*

(1) To maintain the exclusion of the Interest Portion of the Basic Rent Payments represented by the Certificates from gross income for federal income tax purposes, the City (to the extent within its power or directions) (A) will not use any money on deposit in any fund or account maintained in connection with the Certificates, whether or not such money was derived from the proceeds of the sale of the Certificates or from any other source, in a manner that would cause the Lease or the Certificates to be “arbitrage bonds” within the meaning of Code § 148, and (B) will not otherwise permit the use of any Certificate proceeds or any other funds of the City, directly or indirectly, in any manner, or take or permit to be taken any action or actions, that would cause the Interest Portion of the Basic Rent Payments represented by the Certificates to be included in gross income for federal income tax purposes.

(2) The City will account for the expenditure of the Certificate proceeds and Qualified Equity for the 2018 Project as described in **Section 4.2** hereof. For purposes of the following covenants related to the use of the Financed Facilities, any Non-Qualified Use shall be treated as first allocated entirely to the portion of the 2018 Project financed with Qualified Equity.

(c) *Governmental Obligations – Use of Proceeds.* Throughout the Measurement Period, (1) less than 10% of the Financed Facilities are expected to be owned or used by a Non-Qualified User,

(2) less than 10% of the Financed Facilities is expected to be used for a Non-Qualified Use, and (3) the City will not permit any Non-Qualified Use of the Financed Facilities without first obtaining an Opinion of Special Tax Counsel.

(d) *Governmental Obligations – Private Security or Payment.* As of the Issue Date, the City expects that none of the Basic Rent Payments represented by the Certificates will be, directly or indirectly:

(1) secured by (A) any interest in property used or to be used for a private business use or (B) any interest in payments in respect of such property; or

(2) derived from payments (whether or not such payments are made to the City) in respect of property, or borrowed money, used or to be used for a private business use.

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

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

(f) *Management or Service Agreements.* As of the Issue Date, the City has no Management or Service Agreements with Non-Qualified Users. During the Measurement Period, the City will not enter into any Management or Service Agreement with any Non-Qualified User without first obtaining and delivering to the Trustee an Opinion of Special Tax Counsel.

(g) *Leases.* Except for the Base Lease and the Lease, neither of which gives rise to Non-Qualified Use, as of the Issue Date, the City has not entered into any leases of any portion of the Financed Facilities other than Qualified Use Agreements during the Measurement Period. During the Measurement Period, the City will not enter into or renew any lease or similar agreement or arrangement other than a Qualified Use Agreement without first obtaining an Opinion of Special Tax Counsel.

(h) *Limit on Maturity of Certificates.* A list of the assets included in the 2018 Project and a computation of the “average reasonably expected economic life” is attached to this Tax Agreement as **Exhibit C** hereto. Based on this computation, the “average maturity” of the Certificates (\_\_\_\_\_ years), as computed by Special Tax Counsel, does not exceed 120% of the “average reasonably expected economic life” of the Financed Facilities.

(i) *Reimbursement of Expenditures; Official Intent.*

(1) The City will evidence each allocation of the Certificate Proceeds and Qualified Equity for the 2018 Project to an expenditure in writing. No allocation will be made more than 18 months following the later of (A) the date of the expenditure or (B) the date the Financed Facilities were placed in service.

(2) On the Official Intent Date, the Board of Aldermen of the City adopted a resolution declaring the intent of the City to finance the 2018 Project with tax-exempt obligations and to reimburse the City for expenditures made for the 2018 Project before the issuance of those obligations. Attached as **Exhibit G** is a copy of the resolution. \$ \_\_\_\_\_ of the proceeds of the Lease will be allocated to expenditures paid by the City before the Issue Date and should be

shown on line 45 of Form 8038-G. No portion of the Net Proceeds of the Lease will be used to reimburse an expenditure paid by the City more than 60 days before the date the resolution was adopted. No reimbursement allocation will be made for an expenditure made more than 3 years before the date of the reimbursement allocation.

(j) *Registered Certificates.* The Declaration requires that all of the Certificates be delivered and held in registered form within the meaning of Code § 149(a).

(k) *Certificates Not Federally Guaranteed.* The City will not take any action or permit any action to be taken which would cause any Certificate to be “federally guaranteed” within the meaning of Code § 149(b).

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

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

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

(o) *Single Issue; No Other Issues.* The Certificates constitute a single “issue” under Regulations § 1.150-1(c). No other debt obligations of the City are (1) being sold within 15 days of the sale of the Certificates, (2) being sold under the same plan of financing as the Certificates, and (3) expected to be paid from substantially the same source of funds as the Certificates (disregarding guarantees from unrelated parties, such as bond insurance).

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

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

(r) *Bank Qualified Tax-Exempt Obligation.* The Certificates are not a “qualified tax-exempt obligation” under Code § 265(b)(3).

**Section 2.2. Covenants of the Trustee.** The Trustee covenants to the City as follows:

(a) The Trustee will comply with the provisions of this Tax Agreement that apply to it as Trustee and any written letter or Opinion of Special Tax Counsel, specifically referencing the Certificates and received by the Trustee, that sets forth any action necessary to comply with any statute, regulation or ruling that may apply to it as Trustee and relating to reporting requirements or other requirements necessary to maintain the exclusion of the Interest Portion of the Basic Rent Payments from gross income for federal income tax purposes; provided that any such reporting requirements or actions relate to records that the Trustee has or is required to have or responsibilities of the Trustee contained herein or in the Declaration.

(b) The Trustee, upon receipt of a written request from the City, may from time to time cause a firm of attorneys, consultants or independent accountants or an investment banking firm to provide the Trustee and the City with such information as it may request in order for the City to determine all matters relating to (1) the Yield on the Certificates as it relates to any data or conclusions necessary to verify that the Certificates are not “arbitrage bonds” within the meaning of Code § 148, and (2) compliance with arbitrage rebate requirements of Code § 148(f). The City will pay all reasonable costs and expenses incurred in connection with supplying the foregoing information.

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

### ARTICLE III

#### ARBITRAGE CERTIFICATIONS AND COVENANTS

**Section 3.1. General.** The purpose of this Article is to certify, under Regulations § 1.148-2(b), the City’s expectations as to the sources, uses and Investment of Certificate proceeds and other money, to support the City’s conclusion that the Certificates are not arbitrage bonds. The person executing this Tax Agreement on behalf of the City is an officer of the City responsible for delivering the Lease and authorizing the Trustee to deliver the Certificates.

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

**Section 3.3. Purpose of Financing.** The Certificates are being executed and delivered for the purpose of providing funds to pay the costs of (a) the 2018 Project, (b) funding capitalized interest on the Certificates, (c) funding a reserve fund for the Certificates, and (d) executing and delivering the Certificates.

**Section 3.4. Funds.** The following funds have been established under the Declaration:

Project Fund, including a Series 2018 Account.  
Lease Revenue Fund, including a Series 2018 Account.  
Reserve Fund.  
Rebate Fund.

**Section 3.5. Amount and Use of Certificate Proceeds.**

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

Principal Amount  
Plus Net Original Issue Premium  
Less Underwriting Discount  
Total Proceeds Received by the City

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

(1) in the Series 2018 Account of the Lease Revenue Fund, any accrued interest with respect to the Certificates and the sum of \$\_\_\_\_\_ from the proceeds of the Certificates to pay capitalized interest on the Certificates;

(2) in the Reserve Fund, the sum of \$\_\_\_\_\_ from the proceeds of the Certificates;

(3) in the Delivery Costs Fund, the sum of \$\_\_\_\_\_; and

(4) in the Series 2018 Account of the Project Fund the remaining net proceeds of the Certificates (\$\_\_\_\_\_).

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

**Section 3.7. No Current Refunding.** No Certificate proceeds will be used to pay principal of or interest on any other debt obligation.

**Section 3.8. Project Completion.** The City has incurred, or will incur within six months after the Issue Date, a substantial binding obligation to a third party to spend at least 5% of the Net Proceeds of the Certificates on the Financed Facilities. The completion of the Financed Facilities and the allocation of the Net Proceeds of the Certificates to expenditures will proceed with due diligence. At least 85% of the Net Proceeds of the Certificates will be allocated to expenditures on the Financed Facilities within three years after the Issue Date.

**Section 3.9. Sinking Funds.** The City is required to make periodic payments in amounts sufficient to pay the Basic Rent Payments represented by the Certificates. Such payments will be deposited into the Series 2018 Account of the Lease Revenue Fund. Except for the Reserve Fund and the Series 2018 Account of the Lease Revenue Fund, no sinking fund or other similar fund that is expected to be used to

pay Basic Rent Payments has been established or is expected to be established. The Series 2018 Account of the Lease Revenue Fund is used primarily to achieve a proper matching of revenues with Basic Rent Payments within each Certificate Year, and the City expects that the Series 2018 Account of the Lease Revenue Fund will qualify as a Bona Fide Debt Service Fund.

**Section 3.10. Reserve, Replacement and Pledged Funds.**

(a) *Reserve Fund.* The Declaration establishes the Reserve Fund to be funded at the time of delivery of the Certificates in an amount equal to \$\_\_\_\_\_ (the “Debt Service Reserve Requirement”). The amount to be held in the Reserve Fund will not exceed the least of (1) 10% of the stated principal amount of the Certificates, (2) the maximum annual principal and interest requirements on the Certificates (determined as of the Issue Date), or (3) 125% of the average annual principal and interest requirements on the Certificates (determined as of the Issue Date). If the aggregate initial offering price of the Certificates to the public is less than 98% or more than 102% of par, such offering price must be used in clause (1) in lieu of the stated principal amount. Any amounts in the Reserve Fund in excess of the Debt Service Reserve Requirement will be transferred to the Series 2018 Account of the Lease Revenue Fund.

(b) *No Other Replacement or Pledged Funds.* None of the Certificate proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Facilities, and that instead have been or will be used to acquire higher yielding investments. Except for the Series 2018 Account of the Lease Revenue Fund, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for Basic Rent Payments if the City encounters financial difficulty.

**Section 3.11. Purpose Investment Yield.** The Certificate proceeds will not be used to purchase an Investment for the purpose of carrying out the governmental purpose of the financing.

**Section 3.12. Issue Price and Yield on Certificates.**

(a) *Issue Price.* Based on the Underwriter’s certifications in the Underwriter’s Issue Price Certificate, the City hereby elects to establish the issue prices of the Certificates pursuant to Regulations § 1.148-1(f)(2)(i) (relating to the so-called “general rule”). Therefore, the aggregate issue price of the Certificates for such purpose is \$\_\_\_\_\_.

(b) *Certificate Yield.* Based on the issue price, the Yield on the Certificates is \_\_\_\_\_%, as computed by Special Tax Counsel and as shown on **Exhibit A** attached hereto. The City has not entered into an interest rate swap agreement with respect to any portion of the Certificate proceeds.

**Section 3.13. Miscellaneous Arbitrage Matters.**

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

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

**Section 3.14. Conclusion.** On the basis of the facts, estimates and circumstances set forth in this Tax Agreement, the City does not expect that the Certificate proceeds will be used in a manner that would cause any Certificate to be an “arbitrage bond” within the meaning of Code § 148 and the Regulations.

## ARTICLE IV

### POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

#### Section 4.1. General.

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

(b) *Written Policies and Procedures of the City.* The City intends for the Compliance Procedure, as supplemented by this Tax Agreement, to be its primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Certificates and to supplement any other formal policies and procedures related to tax compliance that the City has established. The provisions of this Tax Agreement are intended to be consistent with the Compliance Procedure. In the event of any inconsistency between the Compliance Procedure and this Tax Agreement, the terms of this Tax Agreement will govern.

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

#### Section 4.2. Record Keeping; Use of Certificate Proceeds and Use of Financed Facilities.

(a) *Record Keeping.* The Bond Compliance Officer will maintain the Tax-Exempt Bond File for the Certificates in accordance with the Compliance Procedure. Unless otherwise specifically instructed in a written Opinion of Special Tax Counsel or to the extent otherwise provided in this Tax Agreement, the Bond Compliance Officer shall retain records related to Post-Issuance Tax Requirements until three years following the final maturity of (1) the Certificates or (2) any obligation issued to refund the Certificates. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (A) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (B) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and

to prevent unauthorized alteration or deterioration of electronic records, (C) exhibit a high degree of legibility and readability both electronically and in hardcopy, (D) provide support for other books and records of the City, and (E) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the City's premises.

(b) *Accounting and Allocation of Certificate Proceeds and Qualified Equity to Expenditures.* The Bond Compliance Officer will account for the investment and expenditure of Certificate proceeds in the level of detail required by the Compliance Procedure. The Bond Compliance Officer will supplement the expected allocation of Certificate proceeds and Qualified Equity to expenditures with a Final Written Allocation as required by the Compliance Procedure. A sample form of a Final Written Allocation is attached as **Exhibit E** hereto.

(c) *Annual Compliance Checklist.* Attached as **Exhibit D** hereto is a form of Annual Compliance Checklist for the Certificates. The Bond Compliance Officer will prepare and complete an Annual Compliance Checklist for the Financed Facilities at least annually in accordance with the Compliance Procedure. In the event the Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Agreement, the Bond Compliance Officer will take the actions identified in an Opinion of Special Tax Counsel or Section 4.4 of the Compliance Procedure to correct any deficiency.

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

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

(a) *Series 2018 Account of the Project Fund.* Certificate proceeds deposited in the Series 2018 Account of the Project Fund and investment earnings on those proceeds may be invested without Yield restriction for up to three years following the Issue Date. If any unspent proceeds remain in the Series 2018 Account of the Project Fund after three years, those amounts may continue to be invested without Yield restriction so long as the City pays to the IRS all Yield reduction payments in accordance with Regulations § 1.148-5(c). These payments are required whether or not the Certificates are exempt from the arbitrage rebate and yield reduction amount requirements of Code § 148.

(b) *Series 2018 Account of the Lease Revenue Fund.* To the extent that the Series 2018 Account of the Lease Revenue Fund qualifies as a Bona Fide Debt Service Fund, money in such fund may be invested without Yield restriction for 13 months after the date of deposit. Earnings on such amounts may be invested without Yield restriction for one year after the date of receipt of such earnings.

(c) *Reserve Fund.* Money in the Reserve Fund may be invested without Yield restriction up to the least of (1) 10% of the stated principal amount of the Certificates, (2) the maximum annual principal and interest requirements on the Certificates (determined as of the Issue Date), or (3) 125% of the average annual principal and interest requirements on the Certificates (determined as of the Issue Date). If the aggregate initial offering price of the Certificates to the public is less than 98% or more than 102% of par, such offering price must be used in clause (1) in lieu of the stated principal amount.

(d) *Delivery Costs Fund.* Certificate proceeds deposited in the Delivery Costs Fund may be invested without Yield restriction for 13 months after the Issue Date.



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

#### **Section 4.4. Procedures for Establishing Fair Market Value.**

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

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

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

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

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

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

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

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

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

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

(F) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (*i.e.*, a last look) before providing a bid.

(G) At least three “reasonably competitive providers” are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased.

(2) Bids Received. The bids received must meet all of the following requirements:

(A) At least three bids are received from providers that were solicited as described above and that do not have a “material financial interest” in the issue. For this purpose, (i) a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the Issue Date of the issue, (ii) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue, and (iii) a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

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

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

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

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

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

(A) A copy of the Guaranteed Investment Contract.

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

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

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

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

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

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

#### **Section 4.5. Certain Gross Proceeds Exempt from the Rebate Requirement.**

(a) *General.* A portion of the Gross Proceeds of the Certificates may be exempt from rebate pursuant to one or more of the following exceptions. The exceptions typically will not apply with respect to all Gross Proceeds of the Certificates and will not otherwise affect the application of the Investment limitations described in **Section 4.3** hereof. Unless specifically noted, the obligation to compute, and if necessary, to pay rebate as set forth in **Section 4.6** hereof applies even if a portion of the gross proceeds of the Certificates is exempt from the rebate requirement. To the extent all or a portion of the Certificates is exempt from Rebate, the Rebate Analyst may account for such fact in connection with its preparation of a rebate report described in **Section 4.6** hereof. The City may defer the final rebate Computation Date and the payment of rebate for the Certificates to the extent permitted by Regulations § 1.148-7(b)(1) and § 1.148-3(e)(2) but only in accordance with specific written instructions provided by the Rebate Analyst.

(b) *Applicable Spending Exceptions.*

(1) The City expects that at least 75% of the Available Construction Proceeds will be used for construction or rehabilitation expenditures for property owned by the City. The City expects to earn approximately \$\_\_\_\_\_ in Investment earnings on Certificate proceeds in the Series 2018 Account of the Project Fund.

(2) The following optional rebate spending exceptions can apply to the Certificates:

(A) 6-month Exception (Code § 148(f)(4)(B) and Regulations § 1.148-7(c)).

(B) 18-month Exception (Regulations § 1.148-7(d)).

(C) 2-year Exception (Code § 148(f)(4)(C) and Regulations § 1.148-7(e)).

(c) *Special Elections Made with Respect to Spending Exception Elections.* No special elections are being made in connection with the application of the spending exceptions.

(d) *Bona Fide Debt Service Fund.* To the extent that the Series 2018 Account of the Lease Revenue Fund qualifies as a Bona Fide Debt Service Fund, Investment earnings in the account cannot be taken into account in computing arbitrage rebate and yield reduction amounts (1) with respect to such portion that meets the 6-month, 18-month or 2-year spending exception, or (2) for a given Certificate Year, if the gross earnings on the Series 2018 Account of the Lease Revenue Fund for such Certificate Year are less than \$100,000. If the average annual debt service on the Certificates does not exceed \$2,500,000, the \$100,000 earnings test may be treated as satisfied in every Certificate Year.

(e) *Documenting Application of Spending Exception.* At any time before the first Computation Date, the City may engage the Rebate Analyst to determine whether one or more spending exceptions has been satisfied, and the extent to which the City must continue to comply with **Section 4.6** hereof.

(f) *General Requirements for Spending Exception.* The following general requirements apply in determining whether a spending exception is met.

(1) Using Adjusted Gross Proceeds or Available Construction Proceeds to pay principal of any Certificates is not taken into account as expenditure for purposes of meeting any of the spending tests.

(2) The six-month spending exception generally is met if all Adjusted Gross Proceeds of the Certificates are spent within six months following the Issue Date. The test may still be satisfied even if up to 5% of the sale proceeds remain at the end of the initial 6-month period, so long as this amount is spent within one year of the Issue Date.

(3) The 18-month spending exception generally is met if all Adjusted Gross Proceeds of the Certificates are spent in accordance with the following schedule:

<b>Time Period After the Issue Date</b>	<b>Minimum Percentage of Adjusted Gross Proceeds Spent</b>
6 months	15%
12 months	60%
18 months (Final)	100%

(4) The 2-year spending exception generally is met if all Available Construction Proceeds are spent in accordance with the following schedule:

<b>Time Period After the Issue Date</b>	<b>Minimum Percentage of Available Construction Proceeds Spent</b>
6 months	10%
12 months	45%
18 months	75%
24 months (Final)	100%

(5) For purposes of applying the 18-month and 2 year spending exceptions only, the failure to satisfy the **final** spending requirement is disregarded if the City uses due diligence to complete the Financed Facilities and the failure does not exceed the lesser of 3% of the aggregate issue price of the Certificates or \$250,000. **No such exception applies for any other spending period.**

(6) For purposes of applying the 18-month and 2 year spending exceptions only, the Certificates meet the applicable spending test even if, at the end of the **final** spending period, proceeds not exceeding a Reasonable Retainage remain unspent, so long as such Reasonable Retainage is spent within 30 months (in the case of the 18-month exception) or 3 years (in the case of the 2 year spending test) after the Issue Date.

#### **Section 4.6. Computation and Payment of Arbitrage Rebate and Yield Reduction Amounts.**

(a) *Rebate Fund.* The Trustee will keep the Rebate Fund separate from all other funds and will administer the Rebate Fund under this Tax Agreement. Any Investment earnings derived from the Rebate Fund will be credited to the Rebate Fund, and any Investment loss will be charged to the Rebate Fund.

(b) *Computation of Rebate Amount.* The Trustee will provide the Rebate Analyst investment reports relating to each fund held by the Trustee at such times as reports are provided to the City, and not later than ten days following each Computation Date. The City will provide the Rebate Analyst with copies of investment reports for any funds containing Gross Proceeds that are held by a party other than the Trustee annually as of the end of each Certificate Year and not later than ten days following each Computation Date. Each investment report provided to the Rebate Analyst will contain a record of each Investment, including (1) purchase date, (2) purchase price, (3) information establishing the fair market value on the date such Investment was allocated to the Certificates, (4) any accrued interest paid, (5) face amount, (6) coupon rate, (7) frequency of interest payments, (8) disposition price, (9) any accrued interest received, and (10) disposition date. Such records may be supplied in electronic form. The Rebate Analyst will compute rebate and yield reduction amounts (the "Rebate Amount") following each Computation Date and deliver a written report to the Trustee and the City together with an opinion or certificate of the Rebate Analyst stating that the Rebate Amount was determined in accordance with the Regulations. Each report and opinion will be provided not later than 45 days following the Computation Date to which it relates. In performing its duties, the Rebate Analyst may rely, in its discretion, on the correctness of financial analysis reports prepared by other professionals. If the sum of the amount on deposit in the Rebate Fund and the value of prior rebate payments is less than the Rebate Amount, the City will, within 55 days after such Computation Date, pay to the Trustee the amount of the deficiency for deposit into the Rebate Fund. If the sum of the amount on deposit in the Rebate Fund and the value of prior rebate payments is greater than the Rebate Amount, the Trustee will transfer such surplus in the Rebate Fund to the Series 2018 Account of the Lease Revenue Fund. After the final Computation Date or at any other time if the Rebate Analyst has advised the Trustee, any money left in the Rebate Fund will be paid to the City and may be used for any purpose not prohibited by law.

(c) *Rebate Payments.* Within 60 days after each Computation Date, the Trustee must pay (but solely from money in the Rebate Fund or provided by the City) to the United States the Rebate Amount then due, determined in accordance with the Regulations. Each payment must be (1) accompanied by IRS Form 8038-T and such other forms, documents or certificates as may be required by the Regulations, and (2) mailed or delivered to the IRS at the address shown below, or to such other location as the IRS may direct:

Internal Revenue Service Center  
Ogden, UT 84201

**Section 4.7. Successor Rebate Analyst.** If the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason, or if the City desires that a different firm act as the Rebate Analyst, then the City by an instrument or concurrent instruments in writing delivered to the firm then serving as the Rebate Analyst and any other party to this Tax Agreement, will engage a successor Rebate Analyst. In each case the successor Rebate Analyst must be a firm of nationally recognized bond counsel or a firm of independent certified public accountants and such firm must expressly agree to undertake the responsibilities assigned to the Rebate Analyst hereunder. In the event the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason, and the City fails to appoint a qualified successor Rebate Analyst within thirty (30) days following notice of such resignation, then the Trustee will appoint a firm to act as the successor Rebate Analyst.

**Section 4.8. Filing Requirements.** The Trustee (to the extent the Trustee has documentation in its possession or is required to have such information in its books and records) and the City will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with an Opinion of Special Tax Counsel.

**Section 4.9. Survival after Defeasance.** Notwithstanding anything in the Declaration to the contrary, the obligation to pay arbitrage rebate and yield reduction amounts to the United States will survive the payment or defeasance of the Certificates.

## ARTICLE V

### MISCELLANEOUS PROVISIONS

**Section 5.1. Term of Tax Agreement.** This Tax Agreement will be effective concurrently with the delivery of the Certificates and will continue in force and effect until the earlier of (a) all of the Basic Rent Payments represented by the Certificates have been fully paid and all such Certificates are cancelled, or (b) the termination of the Lease; provided that, the provisions of **Section 4.2** hereof relating to record keeping shall continue in force for the period described therein for records to be retained.

**Section 5.2. Amendments.** This Tax Agreement may be amended from time to time by the parties to this Tax Agreement without notice to or the consent of any of the Certificate holders, but only if such amendment is in writing and is accompanied by an Opinion of Special Tax Counsel to the effect that, under then-existing law, assuming compliance with this Tax Agreement as so amended, such amendment will not cause the Interest Portion of the Basic Rent Payments to be included in gross income for federal income tax purposes. No such amendment will become effective until the City and the Trustee receive an Opinion of Special Tax Counsel as outlined herein.

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

of the Basic Rent Payments; provided that with respect to the Trustee any such instructions are within the scope of the Trustee's responsibilities as set forth in the Declaration.

**Section 5.4. Reliance.** In delivering this Tax Agreement, the City and the Trustee are making only those certifications and agreements as are specifically attributed to them in this Tax Agreement. Neither the City nor the Trustee is aware of any facts or circumstances which would cause it to question the accuracy of the facts, circumstances, estimates or expectations of any other party providing certifications as part of this Tax Agreement and, to the best of its knowledge, those facts, circumstances, estimates and expectations are reasonable. The parties to this Tax Agreement understand that their certifications will be relied upon by the law firm of Gilmore & Bell, P.C., in rendering its opinion as to the validity of the Certificates and the exclusion from federal gross income of the Interest Portion of the Basic Rent Payments.

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

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

**Section 5.7. Default; Breach and Enforcement.** Any misrepresentation of a party contained herein or any breach of a covenant or agreement contained in this Tax Agreement may be pursued by the Owners of the Certificates or the Trustee pursuant to the terms of the Declaration or any other document which references this Tax Agreement and gives remedies for a misrepresentation or breach thereof.

**Section 5.8. Execution in Counterparts.** This Tax Agreement may be executed in any number of counterparts, each of which so executed will be deemed to be an original, but all such counterparts will together constitute the same instrument.

**Section 5.9. Governing Law.** This Tax Agreement will be governed by and construed in accordance with the laws of the State of Missouri.

**Section 5.10. Electronic Transactions.** The parties agree that the transaction described in this Tax Agreement may be conducted, and related documents may be sent, received or stored, by electronic means.

*[Remainder of Page Intentionally Left Blank.]*

The parties to this Tax Agreement have caused this Tax Compliance Agreement to be duly executed by their duly authorized officers as of the Issue Date.

**CITY OF BRENTWOOD, MISSOURI**

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Finance Director



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

By: \_\_\_\_\_  
Title: Authorized Officer

**EXHIBIT A**

**DEBT SERVICE SCHEDULE AND PROOF OF CERTIFICATE YIELD**

**EXHIBIT B**

**IRS FORM 8038-G**

**EXHIBIT C**

**DESCRIPTION OF PROPERTY COMPRISING THE 2018 PROJECT**

**EXHIBIT D**

**SAMPLE  
ANNUAL COMPLIANCE CHECKLIST**

<b>Name of tax-exempt obligation (“Certificates” of financing Financed Assets*:</b>	<b>[\$*Principal Amount*] Certificates of Participation (City of Brentwood, Missouri, Lessee), Series 2018</b>
<b>Issue Date of Certificates:</b>	<b>April 30, 2018</b>
<b>Placed in service date of Financed Assets:</b>	_____
<b>Name of Bond Compliance Officer:</b>	_____
<b>Period covered by request (“Annual Period”):</b>	_____

<b>Item</b>	<b>Question</b>	<b>Response</b>
<b>1 Ownership</b>	Were all the Financed Assets owned by the City during the entire Annual Period? If “Yes,” skip to Item 2.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “No,” was an Opinion of Special Tax Counsel obtained before the transfer?  If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.  If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

<b>2 Leases &amp; Other Rights to Possession</b>	During the Annual Period, was any part of the Financed Assets leased (other than under the Base Lease and the Lease) at any time pursuant to a lease or similar agreement for more than 50 days? If “No,” skip to Item 3.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was an Opinion of Special Tax Counsel obtained before entering into the lease or other arrangement?  If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.  If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

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\* Capitalized words and terms used herein, unless otherwise defined herein or the context requires otherwise, shall have the same meanings ascribed to them in the City’s Tax-Exempt Financing Compliance Policy and Procedure dated November 17, 2014.

<b>Item</b>	<b>Question</b>	<b>Response</b>
<b>3 Management or Service Agreements</b>	During the Annual Period, has the management of all or any part of the operations of the Financed Assets been assumed by or transferred to another entity? If "No," skip to Item 4.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Special Tax Counsel obtained before entering into the Management or Service Agreement?  If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.  If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>4 Other Use</b>	Was any other agreement entered into with an individual or entity that grants special legal rights or privileges to such individual or entity that are not otherwise available to the general public to the Financed Assets? If "No," skip to Item 5.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Special Tax Counsel obtained before entering into the agreement?  If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.  If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>5 Arbitrage &amp; Rebate</b>	Have all rebate and yield reduction calculations mandated in the Tax Agreement been prepared for the current year?	<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.	
<b>6 Continuing Disclosure Filings</b>	Did the City file its annual report (including audited financial statements and any other financial information and operating data required for the Certificates) with the MSRB through EMMA within 180 days of the end of the last Fiscal Year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, file the appropriate failure to file notice required by the Continuing Disclosure Undertaking with the MSRB through EMMA. In addition, contact Special Tax Counsel to inform them of the failure to file and file, as promptly as possible, the annual report with the MSRB through EMMA. Include a description of the reason for the delay in filing the annual report in the Tax-Exempt Bond File.	

<p style="text-align: center;"><b>7</b></p> <p><b>Material Event Filings</b></p>	<p>Did any of the following events occur with respect to the Certificates?</p> <ul style="list-style-type: none"> <li>• principal and interest payment delinquencies;</li> <li>• non-payment related defaults, if material;</li> <li>• unscheduled draws on debt service reserves reflecting financial difficulties;</li> <li>• unscheduled draws on credit enhancements reflecting financial difficulties;</li> <li>• substitution of credit or liquidity providers, or their failure to perform;</li> <li>• adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;</li> <li>• modifications to rights of certificate holders, if material;</li> <li>• certificate calls, if material, and tender offers;</li> <li>• defeasances;</li> <li>• release, substitution or sale of property securing repayment of the Certificates, if material;</li> <li>• rating changes;</li> <li>• bankruptcy, insolvency, receivership or similar event of the obligated person;</li> <li>• the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and</li> <li>• appointment of a successor or additional trustee or the change of name of the trustee, if material.</li> </ul>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>If “Yes,” was Special Tax Counsel contacted and notice of the material event filed with the MSRB through EMMA?</p> <p>If No, contact Special Tax Counsel immediately and prepare and file any required notice with the MSRB through EMMA.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

**Bond Compliance Officer:** \_\_\_\_\_

**Date Completed:** \_\_\_\_\_

## EXHIBIT E

### SAMPLE FINAL WRITTEN ALLOCATION

#### CERTIFICATES OF PARTICIPATION (CITY OF BRENTWOOD, MISSOURI, LESSEE) SERIES 2018

##### Final Written Allocation

The undersigned is the Bond Compliance Officer of the City of Brentwood, Missouri (the “Issuer”) and in that capacity, is authorized to execute federal income tax returns required to be filed by the Issuer and to make appropriate elections and designations regarding federal income tax matters on behalf of the Issuer. This allocation of the proceeds of the above-described tax-exempt obligations (the “Certificates”) is necessary for the Issuer 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 Certificate proceeds to expenditures for purposes of §§ 141 and 148 of the Internal Revenue Code of 1986, as amended (the “Code”). All allocations are or were previously made no later than 18 months following the date the expenditure was made by the Issuer or, if later, the date the 2018 Project was Placed in Service (both as defined below), and no later than 60 days following the 5th anniversary of the Issue Date (as defined below).

*Background.* The Certificates were delivered on April 30, 2018 (the “Issue Date”), by UMB Bank, N.A., as trustee (the “Trustee”), pursuant to a Declaration of Trust dated as of December 1, 2017, as amended and supplemented. The Certificates were delivered to provide funds (a) pay a portion of the costs of the 2018 Project as defined in the Tax Compliance Agreement dated as of April 1, 2018, between the City and the Trustee, (b) fund a reserve fund for the Certificates, and (c) pay the costs of executing and delivering the Certificates.

*Sources Used to Fund Project Costs and Allocation of Proceeds to Project Costs.* The sources and uses of Certificate proceeds and other legally available money of the Issuer, if any, are shown on **Exhibit A** hereto.

*Identification of Financed Facilities.* The portions of the 2018 Project financed from Certificate proceeds (i.e., the “Financed Facilities” referenced in the Federal Tax Certificate) are listed on page 1 of **Exhibit B** hereto.

*Identification and Timing of Expenditures for Arbitrage Purposes.* For purposes of complying with the arbitrage rules, the Issuer allocates the Certificate proceeds to the various expenditures described in the invoices, requisitions or other substantiation attached as **Exhibit B** hereto. In each case, the cost requisitioned was either paid directly to a third party or reimbursed the Issuer for an amount it had previously paid or incurred. Amounts received from the sale of the Certificates and retained as underwriting discount are allocated to that purpose and spent on the Issue Date.

*Placed In Service.* The 2018 Project was Placed in Service on the date set out on **Exhibit B** hereto. For this purpose, the Financed Facilities 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 Financed Facilities have reached a degree of completion that would permit their operation at substantially their designed level, and (2) the Financed Facilities are, in fact, in operation at that level.



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

**CITY OF BRENTWOOD, MISSOURI**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Finance Director

Dated: \_\_\_\_\_

Name of Legal Counsel/Law Firm Reviewing Final Written Allocation:

\_\_\_\_\_  
Date of Review: \_\_\_\_\_

**[EXHIBIT A - ALLOCATION OF SOURCES AND USES]**

**[EXHIBIT B - IDENTIFICATION OF 2018 PROJECT AND FINANCED FACILITIES  
AND DETAILED LISTING OF EXPENDITURES]**

**EXHIBIT F**

**TAX-EXEMPT FINANCING COMPLIANCE POLICY AND PROCEDURE**

**EXHIBIT G**

**RESOLUTION OF OFFICIAL INTENT**