

EXCERPT OF MINUTES OF MEETING

The Board of Aldermen of the City of Republic, Missouri (the "City"), met in regular session at the City Hall, 213 N. Main Street, Republic, Missouri, on November 27, 2006, at 7:00 p.m., and the following officials were present or absent as indicated:

	<u>Present/Absent</u>
James H. Collins, Mayor	_____
OK Armstrong, Alderman	_____
Brian Buckner, Alderman	_____
Chad Cole, Alderman	_____
Tom Cunningham, Alderman	_____
Josh Morris, Alderman	_____
Gerry Pool, Alderman	_____
Steve Ward, Alderman	_____
Garry Wilson, Alderman	_____
Brenda L. Jackson, City Clerk	_____

The Mayor declared that a quorum was present and called the meeting to order.

* * * * *

(Other Proceedings)

The matter of authorizing the City to enter into (i) a Base Lease with the City, as lessor, and the Missouri Association of Municipal Utilities (the "Sponsor"), as lessee, and (ii) a Lease-Purchase Agreement with the Sponsor, as lessor, and the City, as lessee, came on for consideration and was discussed.

Alderman _____ introduced Bill No. _____, being for an Ordinance entitled as follows:

AN ORDINANCE AUTHORIZING THE CITY OF REPUBLIC, MISSOURI, TO ENTER INTO A LEASE-PURCHASE TRANSACTION WITH THE MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES FOR CERTAIN PUBLIC IMPROVEMENTS FOR THE CITY OF REPUBLIC, MISSOURI; AND AUTHORIZING AND APPROVING CERTAIN ACTIONS IN CONNECTION

WITH THE EXECUTION AND DELIVERY OF SAID LEASE-PURCHASE TRANSACTION.

The City Clerk reported that copies of the proposed ordinance had been made available for public inspection prior to the time the Bill was introduced and under consideration by the Board of Alderman.

On motion duly made and seconded, the Bill was placed on its first reading and was read by title, considered and discussed, and, thereupon, was duly passed by unanimous vote.

On motion duly made and seconded, the Bill was placed on its second reading and final passage and was read by title, considered and discussed. Thereupon, the question was put to a roll call vote, the vote thereon being as follows:

Aye: _____
_____.

Nay: _____.

Thereupon, the Mayor declared the Bill duly passed and the Bill was then duly numbered Ordinance No. _____, and was signed and approved by the Mayor and attested by the City Clerk.

* * * * *

(Other Proceedings)

There being no further business to come before the meeting at this time, upon motion duly made, seconded and carried, the meeting was adjourned.

(SEAL)

City Clerk

NOTICE OF MEETING

Public notice is hereby given that a regular meeting of the Board of Alderman of the City of Republic, Missouri will be held at the City Hall, 213 N. Main Street, Republic, Missouri, at 7:00 p.m., on November 27, 2006, to consider and act upon the matters on the following tentative agenda and such other matters as may be presented at the meeting and determined to be appropriate for discussion at that time.

1. An ordinance authorizing the City of Republic, Missouri, to enter into a lease-purchase transaction with the Missouri Association of Municipal Utilities for certain public improvements for the City of Republic, Missouri; and authorizing and approving certain actions in connection with the execution and delivery of said lease-purchase transaction.
2. Other Matters.

The meeting will be open to the public. A copy of the ordinance referred to above will be available for public inspection prior to the meeting in the office of the City Clerk.

Dated: November __, 2006.

BRENDA L. JACKSON
City Clerk

AN ORDINANCE AUTHORIZING THE CITY OF REPUBLIC, MISSOURI, TO ENTER INTO A LEASE-PURCHASE TRANSACTION WITH THE MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES FOR CERTAIN PUBLIC IMPROVEMENTS FOR THE CITY OF REPUBLIC, MISSOURI; AND AUTHORIZING AND APPROVING CERTAIN ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF SAID LEASE-PURCHASE TRANSACTION.

WHEREAS, the City of Republic, Missouri (the "Lessee"), desires to provide for (1) the extension of the Lessee's water and sanitary sewer system lines into and the construction of a new well and elevated water storage tank in the recently consolidated area of the former Village of Brookline (the "Consolidated Area") and (2) the construction of a new fire station in the Consolidated Area and the construction of an addition to and the renovation of the existing fire station (collectively, the "Project"), and for the leasing by the Lessee of the Project with an option to purchase; and

WHEREAS, after considering various financial alternatives for providing for the Project, the Lessee hereby determines that it is in the Lessee's best financial interest to provide for the acquisition, construction, furnishing and equipping of the Project by participating in a lease-purchase program (the "Program") provided and sponsored by the Missouri Association of Municipal Utilities (the "Sponsor") and hereby selects the Sponsor to provide funds for the Project; and

WHEREAS, in order to accomplish the foregoing, it is necessary and desirable for the Lessee to take the following actions:

1. Enter into a Lease-Purchase Agreement (the "Lease"), substantially in the form attached hereto as **Exhibit A**, with the Sponsor pursuant to which the Lessee will lease, as lessee, the Project from the Sponsor, as lessor, with an option to purchase, for a lease term not to exceed 25 years and one month and for Base Rentals with aggregate principal components of Base Rentals not to exceed \$11,175,000 and interest components of Base Rentals to be computed at a rate or rates not to exceed 10% per annum; and
2. Enter into a Base Lease (the Base Lease"), substantially in the form attached hereto as **Exhibit B**, with the Sponsor, pursuant to which the Lessee will lease, as lessor, to the Sponsor, as lessee, real property that is a part of the Project or upon which the Project is or is to be located for a term not to exceed 50 years;
3. Enter into a Tax Exemption Agreement (the "Tax Exemption Agreement"), substantially in the form attached hereto as **Exhibit C**, setting forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Lease in order to establish and maintain the exclusion of the interest portion of Base Rentals under the Lease from gross income for federal income tax purposes and in order to provide guidance for complying with the arbitrage rebate provisions of the Internal Revenue Code upon the terms and conditions as set forth in the Tax Exemption Agreement.

(the Lease, the Base Lease, the Tax Exemption Agreement and any other documents referenced above are referred to herein as the "Lessee Documents").

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

Section 1. Participation in Program. The Board of Alderman hereby approves the Lessee's participation in the Program.

Section 2. Approval of Lessee Documents. The Lessee Documents are hereby approved in substantially the forms submitted to and reviewed by the Board of Alderman on the date hereof, with such changes therein as shall be approved by the Mayor, the Mayor's execution thereof to be conclusive evidence of the approval thereof.

The Mayor is hereby authorized and directed to execute and deliver the Lessee Documents on behalf of and as the act and deed of the Lessee. The City Clerk is hereby authorized to affix the Lessee's seal thereto and attest said seal.

Section 3. Further Authority. The Lessee shall, and the officials and agents of the Lessee 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 Lessee with respect to the Lessee Documents and the Project.

Section 4. Effective Date. This ordinance shall take effect and be in full force from and after its adoption by the Board of Alderman.

ADOPTED by the Board of Alderman of the City of Republic, Missouri, this 27th day of November, 2006.

Mayor

ATTEST:

City Clerk

Approved for Board Action: _____, City Administrator

Approved as to Form: _____, City Attorney