CITY OF SUNSET HILLS

BOARD OF ALDERMEN

SPECIAL MEETING AGENDA

OCTOBER 25, 2016

6:00 P.M.

A special meeting of the Board of Aldermen will be held at City Hall, 3939 S. Lindbergh Blvd., on October 25, 2016 at 6:00 p.m.

1. **Pledge of Allegiance**
2. **Roll Call**
3. **Bill No. 28- An Ordinance authorizing the City of Sunset Hills, Missouri to enter into a lease purchase transaction, the proceeds of which will be used to pay the costs of refunding all of the outstanding certificates of participation (City of Sunset Hills, Missouri, Lessee), Series 2009; and authorizing the execution of certain documents and actions in connection therewith.**
   SECOND READING
4. **Public Comment**
5. **General Discussion**
6. **Adjournment**

BILL NO. 28
ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE CITY OF SUNSET HILLS, MISSOURI TO ENTER INTO A LEASE PURCHASE TRANSACTION, THE PROCEEDS OF WHICH WILL BE USED TO PAY THE COSTS OF REFUNDING ALL OF THE OUTSTANDING CERTIFICATES OF PARTICIPATION (CITY OF SUNSET HILLS, MISSOURI, LESSEE), SERIES 2009; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Sunset Hills, Missouri (the "City") authorized the delivery of $14,110,000 original principal amount of Certificates of Participation (City of Sunset Hills, Missouri, Lessee), Series 2009 (the "Series 2009 Certificates"), which were delivered for the purpose of providing funds to pay the costs of acquiring, constructing, renovating, furnishing and equipping parks and recreational facilities and storm water improvements (collectively, the "Project"); and

WHEREAS, the City finds and determines that it is advantageous and in the best interests of the City to enter into certain transactions with UMB Bank, N.A., as trustee (the "Trustee"), relating to the delivery of Refunding Certificates of Participation (City of Sunset Hills, Missouri, Lessee), Series 2016 (the "Series 2016 Certificates"), to provide funds, together with other legally available funds of the City, to (1) refund all of the outstanding Series 2009 Certificates (the "Refunded Certificates"), and (2) pay certain costs in connection with the execution and delivery of the Series 2016 Certificates; and

WHEREAS, the City owns the real property and the improvements now or hereafter located thereon, including Watson Trail Park, the pool/aquatic facilities and community center (the "Leased Property"), on which a portion of the Project is located and which the City is leasing to the Trustee pursuant to a Base Lease dated as of August 1, 2009 (the "Original Base Lease"); 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 First Supplemental Base Lease dated as of November 1, 2016 (the "First Supplemental Base Lease" and, together with the Original Base Lease, the "Base Lease") with the Trustee, as lessee, the form of which is attached hereto as **Exhibit A**, which supplements and amends the Original Base Lease, pursuant to which the City is leasing the Leased Property to the Trustee;

2. Enter into a First Supplemental Lease Purchase Agreement dated as of November 1, 2016 (the "First Supplemental Lease") with the Trustee, as lessor, the form of which is attached hereto as **Exhibit B**, which supplements and amends the Lease Purchase Agreement dated as of August 1, 2009 (the "Original Lease" and, together with the First Supplemental Lease, the "Lease"), pursuant to which the City is leasing the Leased Property from the Trustee on a year-to-year basis with an option to purchase the Trustee's interest in the Leased Property;

3. Execute a Continuing Disclosure Undertaking dated as of November 1, 2016 (the "Continuing Disclosure Undertaking") pursuant to which the City agrees to provide certain financial information, operating data and notices of certain enumerated

events with respect to the Series 2016 Certificates, the form of which is attached hereto as **Exhibit C**;

4. Enter into a Tax Compliance Agreement dated as of November 1, 2016 (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 (as defined in the Lease) under the Lease from gross income for purposes of federal income taxation, the form of which is attached hereto as **Exhibit D**;

5. Approve a First Supplemental Declaration of Trust dated as of November 1, 2016 (the "First Supplemental Declaration of Trust") by the Trustee, pursuant to which the Series 2016 Certificates will be executed and delivered, the form of which is attached hereto as **Exhibit E**, which supplements and amends the Declaration of Trust dated as of August 1, 2009 (the "Original Declaration of Trust" and, together with the First Supplemental Declaration of Trust, the "Declaration of Trust");

6. Approve an Official Statement with respect to the Series 2016 Certificates, to be in substantially the same form as the Preliminary Official Statement with respect to the Series 2016 Certificates, the form of which is attached hereto as **Exhibit F** (the "Preliminary Official Statement," and together, the "Official Statement");

7. Enter into a Certificate Purchase Agreement (the "Certificate Purchase Agreement") with the Trustee and Hilltop Securities Inc., St. Louis, Missouri, as the original purchaser of the Series 2016 Certificates (the "Underwriter"), the form of which is attached hereto as **Exhibit G**; and

8. Enter into an Escrow Trust Agreement (the "Escrow Agreement") with UMB Bank, N.A., as escrow agent, the form of which is attached hereto as **Exhibit H**.

The First Supplemental Base Lease, the First Supplemental Lease, the Continuing Disclosure Undertaking, the Tax Compliance Agreement, the Certificate Purchase Agreement and the Escrow Agreement are referred to together herein as the "City Documents."

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

Section 1. Approval of Delivery of the Series 2016 Certificates. The City hereby approves the delivery of the Series 2016 Certificates in the original principal amount of $_____. The Series 2016 Certificates shall be delivered and secured pursuant to the Declaration of Trust. The Series 2016 Certificates shall be dated the date of their original execution and delivery, shall become due on March 1 in the years and in the respective amounts and shall bear interest from the date thereof payable semiannually on March 1 and September 1, beginning September 1, 2017, at the rates per annum, as follows:

SERIAL CERTIFICATES

Payment Date (March 1)	Principal Amount	Interest Rate
2018	$	%
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		

The sale of the Series 2016 Certificates to the Underwriter at a purchase price of $_____ (consisting of the original principal amount of the Series 2016 Certificates, plus original issue premium of $_____, less underwriting discount of $_____), plus accrued interest, if any, to the date of delivery, is hereby ratified and confirmed. Delivery of the Series 2016 Certificates shall be made to the Underwriter as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of the sale. The Series 2016 Certificates shall be in such denominations, shall be in such forms, shall be subject to prepayment prior to the stated payment dates thereof, shall have such other terms and provisions, and shall be executed and delivered in such manner subject to such provisions, covenants and agreements as are set forth in the Declaration of Trust.

Section 2. Authorization and Approval of the City Documents and First Supplemental Declaration of Trust. The City Documents and the First Supplemental 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. The Mayor's execution of the City Documents will be conclusive evidence of such approval.

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 will not in any way 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.

The Mayor is hereby authorized and directed to execute and deliver the City Documents and to approve changes to the First Supplemental Declaration of Trust on behalf of and as the act and deed of the City. The City Clerk is hereby authorized to affix the City's seal to the City Documents and attest said seal.

Section 3. Limited Obligations. The Series 2016 Certificates and the interest thereon shall be limited obligations, payable solely out of the rents, revenues and receipts received by the Trustee from the City pursuant to the Lease. Neither the Lease nor the Series 2016 Certificates shall constitute a debt or liability of the City or of the State of Missouri or of any political subdivision thereof, and neither the Lease nor the Series 2016 Certificates shall constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Section 4. Prepayment of the Refunded Certificates. The Refunded Certificates maturing on March 1, 2019 and thereafter are hereby called for prepayment prior to maturity on March 1, 2018. Such Refunded Certificates shall be prepaid at the principal corporate trust office of the Trustee, by the payment on the prepayment date of the principal thereof, together with prepayment premium, if any, and accrued interest thereon to the prepayment date. The officers of the City are hereby authorized and directed to take such other action as may be necessary in order to effect the prepayment of such Refunded Certificates.

Section 5. Approval of Official Statement. The final Official Statement is hereby authorized and approved, supplementing, amending and completing the Preliminary Official Statement, with such changes therein and additions thereto as are approved by the officer of the City executing the final Official Statement, said officer's execution thereof to be conclusive evidence of said officer's approval thereof, and the public distribution of the final Official Statement by the Underwriter is in all respects hereby authorized and approved for use in connection with the sale of the Series 2016 Certificates. The Mayor of the City is hereby authorized to execute and deliver the final Official Statement on behalf of and as the act and deed of the City.

For the purpose of enabling the Underwriter to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the "Rule"), the City hereby deems the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by the Rule, and the appropriate officers of the City are hereby authorized, if requested, to provide the Underwriter a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Underwriter to comply with the requirement of such Rule.

Section 6. Further Authority. The City will, and the officials and agents of the City are hereby authorized and directed 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, the other documents authorized or approved hereby.

Section 7. Severability. The sections of this Ordinance shall be severable. If any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that: (a) the valid sections are so essential to and inseparably connected and dependent upon the void section that it cannot be presumed that the Board of Aldermen has or would have enacted the valid sections without the void ones, and (b) the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent. The invalid provision shall be omitted and this Ordinance shall be amended to the extent possible to conform to the original intent of the City.

Section 8. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 9. Effective Date. This ordinance shall be in full force and effect from and after its passage and approval.

PASSED by the Board of Aldermen and **APPROVED** by the Mayor of the City of Sunset Hills, Missouri, this 25th day of October, 2016.

_____
Mayor

(Seal)

ATTEST:

_____
City Clerk

EXHIBIT A

FIRST SUPPLEMENTAL BASE LEASE

[On file in the office of the City Clerk]

EXHIBIT B

FIRST SUPPLEMENTAL LEASE PURCHASE AGREEMENT

[On file in the office of the City Clerk]

EXHIBIT C

CONTINUING DISCLOSURE UNDERTAKING

[On file in the office of the City Clerk]

EXHIBIT D

TAX COMPLIANCE AGREEMENT

[On file in the office of the City Clerk]

EXHIBIT E

FIRST SUPPLEMENTAL DECLARATION OF TRUST

[On file in the office of the City Clerk]

EXHIBIT F

PRELIMINARY OFFICIAL STATEMENT

[On file in the office of the City Clerk]

EXHIBIT G

CERTIFICATE PURCHASE AGREEMENT

[On file in the office of the City Clerk]

EXHIBIT H

ESCROW TRUST AGREEMENT

[On file in the office of the City Clerk]