

City of Peculiar Regular Meeting Board of Aldermen Statement

We would like to welcome all present to the meeting of the Board of Aldermen. Tonight the actions of the Board of Aldermen will be final. The format for this evening's meeting is as follows.

1. As each agenda item is called, City Staff will explain the proposal.
2. The Mayor will then open the floor for Aldermen comments and question.
3. Then, the Mayor will open the floor for public comments and questions
4. Please note, each member of the public who wishes to speak will be given five (5) minutes to express their opinions. Speakers should limit their comments to the topic at hand. While open and spirited debate is encouraged, the meeting's rules of decorum shall be observed by all persons in attendance. Time may not be shared between speakers.
5. A speaker at the podium may request to extend their time and the Board of Alderman may by two thirds (2/3) majority vote extend any speakers time in five (5) minute increments.
5. Then the public comment portion of the meeting will be closed by the Mayor and the public will only be allowed to address the Board if a question is directed to them.
6. Then, the Mayor will ask the Board to make a motion and a roll call vote will be taken.
7. We appreciate the attendance of those here this evening and recognize the seriousness of each case and each person's opinions, but would like to request that each person keep their comments as concise as possible. We ask that anyone with an electronic devise please turn them off or switch them to non-audio so you do not disturb the meeting.

**BOA Meeting Agenda
Peculiar City Board of Aldermen
Special Meeting
City Hall – 250 S. Main St
Monday, January 13, 2020 @ 6:30 p.m.**

Notice is hereby given that the Board of Aldermen of the City of Peculiar will hold a Special Meeting on Monday, January 13, 2020 at 6:30 pm, in the Council Chambers at 250 S. Main St. Representatives of the news media may obtain copies of this notice by contacting the City Clerk at City Hall, 250 S. Main St Peculiar, MO 64078 or by calling 816-779-2221. All proposed Ordinances and Resolutions will be available for viewing prior to the meeting in the Council Chambers.

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Roll Call**
- 4. New Business:**
 - A. Bill No. 2020-02 AN ORDINANCE AUTHORIZING GENERAL OBLIGATION STREET REFUNDING BONDS SERIES 2020**
**1st Reading*

 - B. Resolution 2020-02 A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH MISSOURI AMERICAN WATER COMPANY FOR THE SALE OF THE CITY WATER AND SEWER SYSTEMS SAID SALE TO BE CONTINGENT UPON PUBLIC APPROVAL**

 - C. Bill No. 2020-03 AN ORDINANCE OF THE CITY OF PECULIAR, MISSOURI CALLING FOR AN ELECTION TO BE HELD ON TUESDAY, APRIL 7, 2020**
**1st Reading*
- 5. Aldermen Directives**
- 6. Adjournment**

ORDINANCE NO. _____

OF

THE CITY OF PECULIAR, MISSOURI

PASSED

_____, 2020

AUTHORIZING

**GENERAL OBLIGATION STREET REFUNDING BONDS
SERIES 2020**

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AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION STREET REFUNDING BONDS, SERIES 2020, OF THE CITY OF PECULIAR, MISSOURI; PRESCRIBING THE FORM AND DETAILS OF SAID BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, Peculiar, Missouri (the “City”), is a city of the fourth class and political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri; and

WHEREAS, the City is authorized under the provisions of Article VI, Section 28 of the Constitution of Missouri, 1945, as amended, and Section 108.140, RSMo (the “Refunding Bond Law”), to refund, extend and unify the whole or any part of its valid general obligation indebtedness; and

WHEREAS, the City has heretofore issued and has outstanding the following two series of general obligation bonds:

<u>Series of Bonds</u>	<u>Dated</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
General Obligation Street Bonds, Series 2012	10/30/2012	\$1,039,998.80	\$840,000.00
General Obligation Street Bonds, Series 2015	04/09/2015	\$6,959,996.30	\$6,859,999.30

WHEREAS, the City hereby finds and determines that it is in the best interests of the City and its inhabitants to refund the Series 2012 Bonds now outstanding, said refunded Series 2015 Bonds being more fully described in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1** and being hereinafter referred to as the “Refunded 2012 Bonds;” and

WHEREAS, the City hereby finds and determines that it is in the best interests of the City and its inhabitants to refund the Series 2015 Bonds now outstanding, said refunded Series 2015 Bonds being more fully described in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1** and being hereinafter referred to as the “Refunded 2015 Bonds” (said Refunded 2012 Bonds and Refunded 2015 Bonds being hereinafter referred to collectively as the “Refunded Bonds”); and

WHEREAS, the Refunding Bond Law authorizes the issuance of general obligation refunding bonds in an amount not to exceed the principal amount of the Refunded Bonds and the accrued interest thereon to the date of the refunding bonds, which amount aggregates to a total Maximum Allowable Refunding Amount specified in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1** and being hereinafter referred to as the “Maximum Allowable Refunding Amount;” and

WHEREAS, the Refunding Bond Law provides that refunding bonds shall bear interest at not to exceed the same rate as the refunded bonds, and under the terms of this Ordinance, the interest rate on the

bonds herein authorized (hereinafter referred to as the “Bonds”) calculated in accordance with Section 108.170, RSMo, as shown in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**, is less than the interest rate on the Refunded Bonds calculated in the same fashion as shown in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**; and

WHEREAS, the Bonds have been duly sold, and it is hereby found and determined that it is necessary and advisable and in the best interest of the City and its inhabitants at this time to authorize the issuance and delivery of the Bonds for the purpose aforesaid;

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

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Ordinance shall have the following meanings:

“Bond Counsel” means Gilmore & Bell, P.C., Kansas City, Missouri, or any other attorneys or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

****“Bond Insurance Policy”** means the municipal bond insurance policy issued by the Bond Insurer on the date of delivery of the Bonds insuring the payment when due of the principal of and interest on the Bonds as provided therein.**

****“Bond Insurer”** means _____, and any successors or assigns thereof.**

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

“Bondowner,” “Owner” or “Registered Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

“Bonds” means the General Obligation Street Refunding Bonds, Series 2020, authorized and issued by the City pursuant to this Ordinance.

“Business Day” means a day, other than a Saturday, Sunday or holiday, on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

“Cede & Co.” means Cede & Co., as nominee name of The Depository Trust Company, New York, New York, and any successor nominee with respect to the Bonds.

“City” means Peculiar, Missouri, and any successors or assigns.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement attached to this Ordinance as **Exhibit B**.

“Dated Date” means the date of the Bonds as specified in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**.

“Debt Service Fund” means the fund by that name referred to in **Section 501** hereof.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in a rating category by Moody’s or Standard & Poor’s Ratings Group that is no lower than the rating category then assigned by that rating agency to United States Government Obligations.

“Federal Tax Certificate” means the City’s Federal Tax Certificate relating to the Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

“Interest Payment Date” means the Stated Maturity of an installment of interest on any Bond.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or by call for redemption or otherwise.

“Ordinance” means this Ordinance as from time to time amended in accordance with the terms hereof.

“Original Principal Amount” means the Original Principal Amount of the Bonds authorized in **Section 201** and specified in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**.

“Outstanding” means, when used with reference to Bonds, as of any particular date of determination, all Bonds theretofore authenticated and delivered hereunder, except the following Bonds:

- (a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of **Section 701** hereof; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” means Security Bank of Kansas City, in the City of Kansas City, Kansas, and any successors or assigns.

“Permitted Investments” means any of the following securities, if and to the extent the same are at the time legal for investment of the moneys held in the funds and accounts listed in **Section 501** hereof:

- (a) United States Government Obligations;
- (b) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) through (c), inclusive, which shall have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such certificates of deposit or time deposits; and
- (c) any other securities or investments that are lawful for the investment of moneys held in such funds or accounts under the laws of the State of Missouri.

“Person” means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Purchase Price” means the purchase price of the Bonds specified in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**.

“Purchaser” means the original purchaser of the Bonds specified in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**.

“Record Date” for the interest payable on any Interest Payment Date means the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of this Ordinance.

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of this Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Refunded Bonds” means the Refunded 2012 Bonds and the Refunded 2015 Bonds.

“Refunded 2012 Bonds” means that portion of the City’s outstanding General Obligation Street Bonds, Series 2012, to be refunded, as described in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**.

“Refunded 2015 Bonds” means that portion of the City’s outstanding General Obligation Street Bonds, Series 2015, to be refunded, as described in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**.

“Refunding Bond Law” means Article VI, Section 28 of the Constitution of Missouri, 1945, as amended, and Section 108.140, RSMo.

“Securities Depository” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

“Series 2020 Costs of Issuance Account” means the Account by that name created by **Section 501** hereof.

“Special Record Date” means the date fixed by the Paying Agent pursuant to **Section 204** hereof for the payment of Defaulted Interest.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Ordinance as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“Terms of the Bonds” means the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest

component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the City.

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Street Refunding Bonds, Series 2020, of the City in the Original Principal Amount specified in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**, for the purpose of providing funds, together with other funds provided by the City, to refund the Refunded Bonds and to pay costs and expenses relating thereto.

Section 202. Description of Bonds. The Bonds shall consist of fully registered bonds without coupons, numbered in a manner determined by the Paying Agent, in denominations of \$5,000 or any integral multiple thereof provided that one Bond may be in an odd denomination if needed. The Bonds shall be substantially in the form set forth in **Exhibit A** attached hereto, and shall be subject to registration, transfer and exchange as provided in **Section 205** hereof. The Bonds shall be dated as of their Dated Date, shall become due in the amounts on the Stated Maturities (subject to redemption at the option of the City as provided in **Article III** hereof) and shall bear interest at the rates per annum, all as provided in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**.

The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their Dated Date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on March 1 and September 1 in each year, beginning on September 1, 2020.

Section 203. Designation of Paying Agent. Security Bank of Kansas City, Kansas City, Kansas, is hereby designated as the City's paying agent for the payment of principal of and interest on the Bonds and as bond registrar with respect to the registration, transfer and exchange of Bonds (the "Paying Agent").

The City will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent by (1) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor, and (2) causing notice of the appointment of the successor Paying Agent to be given by first class mail to each Bondowner. The Paying Agent may resign upon giving written notice by first class mail to the City and the Bondowners not less than 60 days prior to the date such resignation is to take effect. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent.

Every Paying Agent appointed hereunder shall at all times be a commercial banking association or corporation or trust company organized and in good standing and doing business under the laws of the United States of America or of the State of Missouri, or of the State of Kansas, and subject to supervision or examination by federal or state regulatory authority.

Section 204. Method and Place of Payment of Bonds. The principal of or Redemption Price and interest on the Bonds shall be payable in any coin or currency of the United States of America that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal of or Redemption Price of each Bond shall be paid at Maturity by check, electronic transfer or draft to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal corporate trust office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or by electronic transfer to such Registered Owner.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Registered Owner of such Bond on the relevant Record Date and shall be payable to the Registered Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Registered Owner of a Bond entitled to such notice at the address of such Registered Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and shall upon the written request of the City at least annually shall forward a copy or summary of such records to the City.

Section 205. Registration, Transfer and Exchange of Bonds. The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Paying Agent as herein provided. Each Bond when issued shall be registered in the name of the owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal payment office of the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The City shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Ordinance and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. In the event any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

The City and the Paying Agent shall not be required (a) to register the transfer or exchange of any Bond after notice calling such bond or portion thereof for redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

The City and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Paying Agent, the Bond Register may be inspected and copied by the Registered Owners of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Registered Owners whose authority is evidenced to the satisfaction of the Paying Agent.

Section 206. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk or Deputy City Clerk and shall have the official seal of the City affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor and City Clerk or Deputy City Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the State Auditor of Missouri as provided by law, and, when duly executed and registered, to deliver the Bonds to the Paying Agent for authentication.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit A** attached hereto, which shall be manually executed by an authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign the certificate of authentication on

all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. Upon authentication, the Paying Agent shall deliver the Bonds to or upon the order of the Purchaser specified in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1** upon payment to the City of the Purchase Price specified in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**.

Section 207. Mutilated, Destroyed, Lost and Stolen Bonds. If (a) any mutilated Bond is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the City and the Paying Agent such security or indemnity as may be required by the Paying Agent, then, in the absence of notice to the City and the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Paying Agent, in its discretion, may pay such Bond instead of delivering a new Bond.

Upon the issuance of any new Bond under this Section, the City or the Paying Agent may require the payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the City, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and shall file an executed counterpart of such certificate with the City.

Section 209. Preliminary and Final Official Statement. The Preliminary Official Statement is hereby ratified and approved, and the final Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor is hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the information regarding the City contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such

information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Purchaser 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 Purchaser to comply with the requirement of such Rule.

The City agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 210. Book-Entry Bonds; Securities Depository.

(a) For purposes of this Section, the following terms shall have the following meanings:

“Beneficial Owner” means, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such Person’s subrogee.

“Cede & Co.” means Cede & Co., the nominee of the Securities Depository, and any successor nominee of the Securities Depository with respect to the Bonds.

“Participant” means any broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as securities depository.

“Representation Letter” means, collectively, the Representation Letter from the City to the Securities Depository and the Representation Letter from the Paying Agent to the Securities Depository.

“Securities Depository” means The Depository Trust Company, New York, New York.

(b) The Bonds shall be initially issued as one single authenticated fully registered bond for each Stated Maturity. Upon initial issuance, the ownership of such Bonds shall be registered in the City’s Bond Register kept by the Paying Agent in the name of Cede & Co., as nominee of the Securities Depository. The Paying Agent and the City may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of and interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Registered Owners of Bonds under this Ordinance, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Paying Agent nor the City shall be affected by any notice to the contrary. Neither the Paying Agent nor the City shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through the Securities Depository or any Participant, or any other Person which is not shown on the Bond Register kept by the Paying Agent as being a Registered Owner of any Bonds, with respect to the accuracy of any records maintained by the Securities Depository or any Participant, with respect to the payment by the Securities Depository or any Participant of any amount with respect to the principal of and interest on the Bonds, with respect to any notice which is permitted or required to be given to the Registered Owners of Bonds under this Ordinance, with respect to the selection by the Securities Depository or any Participant of any Person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by the Securities Depository as Registered Owner of the Bonds. The Paying Agent shall pay all principal of and interest on the Bonds only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than the Securities Depository (or the Paying Agent as “FAST Agent”) shall receive an authenticated Bond for each separate

stated maturity evidencing the City's obligation to make payments of principal and interest. Upon delivery by the Securities Depository to the Paying Agent of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) If the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain certificated Bonds, the City may notify the Securities Depository and the Paying Agent, whereupon the Securities Depository shall notify the Participants of the availability through the Securities Depository of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Securities Depository, all payments with respect to the principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to the Securities Depository as provided in the Representation Letter.

(e) If any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Paying Agent from the Registered Owners thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this Ordinance. If Bonds are issued to holders other than Cede & Co., its successor as nominee for the Securities Depository as holder of all the Bonds, or other securities depository as holder of all the Bonds, the provisions of this Ordinance shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds and the method of payment of the principal of and interest on such Bonds. In the event that Bonds are issued to holders other than the Securities Depository, the Paying Agent may rely on information provided by the Securities Depository or any Participant as to the names, addresses of and principal amounts held by the Beneficial Owners of the Bonds.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Optional and Mandatory Redemption of Bonds.

(a) **Optional Redemption.** At the option of the City, the Bonds shall be subject to redemption on the dates and at the prices as set forth in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**.

(b) **Mandatory Redemption.** The Bonds, if any, designated as "**Term Bonds**" in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1** shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section and as set forth in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1** at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in **Article IV** hereof which are to be deposited into the Debt Service Fund shall be sufficient to redeem, and the City shall redeem, on March 1 in each year the principal amounts of such Term Bonds, if any, set forth in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**.

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection (b)) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection (b). Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity in chronological order, and the principal amount of Term Bonds of the same Stated Maturity to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with with respect to such mandatory redemption payment.

Section 302. Selection of Bonds to Be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 45 days prior to the Redemption Date of written instructions from the City specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. If the Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow agreement entered into by the City in connection with such refunding shall provide that such written instructions to the Paying Agent shall be given by the escrow agent on behalf of the City not less than 45 days prior to the Redemption Date. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** are met. The foregoing provisions of this paragraph shall not apply to the mandatory redemption of Term Bonds hereunder, and Term Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the City and whether or not the Paying Agent shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount in such equitable manner as the Paying Agent may determine.

(c) In the case of a partial redemption of Bonds at the time outstanding in denominations greater than \$5,000, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the Redemption Price and interest to the Redemption Date of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the

Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 30 days prior to the Redemption Date to the State Auditor of Missouri, the Purchaser of the Bonds and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

All official notices of redemption shall be dated and shall contain the following information:

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Bonds of a maturity are to be redeemed, the identification number, Stated Maturity, and, in the case of partial redemption of any Bonds, the respective principal amounts of the Bonds to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
- (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal corporate trust office of the Paying Agent.

With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Paying Agent on or prior to the Redemption Date in an amount sufficient to pay the Redemption Price on the Redemption Date. If such notice is conditional and either the Paying Agent receives written notice from the City that moneys sufficient to pay the Redemption Price will not be on deposit on the Redemption Date, or such moneys are not received on the Redemption Date, then such notice shall be of no force and effect, the Paying Agent shall not redeem such Bonds and the Paying Agent shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not or will not be so received and that such Bonds will not be redeemed.

The failure of any Registered Owner to receive notice given as heretofore provided or any defect therein shall not invalidate any redemption.

On or prior to any Redemption Date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid

by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

The Paying Agent is also directed to comply with any mandatory standards established by the Securities and Exchange Commission and then in effect for processing redemptions of municipal securities. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Paying Agent, the Securities Depository, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. Security for the Bonds. The Bonds shall be general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 402. Levy and Collection of Annual Tax. For the purpose of providing for the payment of the principal of and interest on the Bonds as the same become due, there is hereby levied upon all of the taxable tangible property within the City a direct annual tax sufficient to produce the amounts necessary for the payment of such principal and interest as the same becomes due and payable in each year.

The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the City are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the Treasurer or other officer or official of the City assigned the duty of handling the City's funds and accounts is hereby authorized and directed to pay said principal or interest out of the general funds of the City and to reimburse said general funds for money so expended when said taxes are collected.

ARTICLE V

ESTABLISHMENT OF FUNDS; DEPOSIT AND APPLICATION OF MONEYS

Section 501. Establishment of Funds. There have been or shall be established in the treasury of the City and shall be held and administered by the Treasurer or other officer or official of the City assigned the duty of handling the City's funds and accounts of the City the following separate funds:

- (a) Series 2020 Costs of Issuance Account.
- (b) Debt Service Fund.

Section 502. Deposit of Bond Proceeds and Other Moneys. The Purchase Price received from the sale of the Bonds, together with certain other funds provided by the City, shall be deposited and transferred simultaneously with the delivery of the Bonds and subsequently disbursed as provided in the TERMS OF THE BONDS attached hereto as **SCHEDULE 1**.

Section 503. Application of Moneys in Debt Service Fund. All amounts paid and credited to the Debt Service Fund shall be expended and used by the City for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Paying Agent. The Treasurer or other officer or official of the City assigned the duty of handling the City's funds and accounts is authorized and directed to withdraw from the Debt Service Fund sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Registered Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the City. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance and shall be held in trust by the Paying Agent for the benefit of the Registered Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Fund after the retirement of the indebtedness for which the Bonds were issued and all other indebtedness of the City shall be transferred and paid into the general revenue fund of the City.

Section 504. Deposits and Investment of Moneys. Moneys in each of the funds created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions located in the State of Missouri that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the banks or financial institutions holding such deposits as provided by the laws of the State of Missouri. All moneys held in the funds created by this Ordinance shall be kept separate and apart from all other funds of the City so that there shall be no commingling of such funds with any other funds of the City.

Moneys held in any fund referred to in this Ordinance may be invested in Permitted Investments in accordance with this Ordinance and the Federal Tax Certificate; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be

needed for the purpose for which such fund was created. All earnings on any investments held in any fund shall accrue to and become a part of such fund.

Section 505. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 506. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the City without liability for interest thereon the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 507. Redemption of Certain Refunded Bonds.

(a) The Refunded 2012 Bonds scheduled to become due and mature on March 1, 2020, to and including March 1, 2032, are hereby called for redemption and payment prior to maturity on February 20, 2020. Said Refunded 2012 Bonds so called for redemption shall be redeemed at the office of the paying agent for such Refunded 2012 Bonds by the payment on the applicable redemption date of the principal thereof, together with accrued interest thereon to the redemption date. In accordance with the requirements of the ordinance of the City authorizing the Refunded 2012 Bonds, the Mayor or City Clerk or Deputy City Clerk are hereby directed to cause notice of the call for redemption and payment of the Refunded 2012 Bonds described above to be given in the manner provided in said ordinance, and any such notice heretofore given is hereby ratified and confirmed. The officers of the City and the paying agent for the Refunded Bonds described above are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of such Refunded 2012 Bonds as herein provided.

(b) The Refunded 2015 Bonds scheduled to become due and mature on March 1, 2021, to and including March 1, 2035, are hereby called for redemption and payment prior to maturity on March 1, 2020. Said Refunded 2015 Bonds so called for redemption shall be redeemed at the office of the paying agent for such Refunded 2015 Bonds by the payment on the applicable redemption date of the principal thereof, together with accrued interest thereon to the redemption date. In accordance with the requirements of the ordinance of the City authorizing the Refunded 2015 Bonds, the Mayor or City Clerk or Deputy City Clerk are hereby directed to cause notice of the call for redemption and payment of the Refunded 2015 Bonds described above to be given in the manner provided in said ordinance, and any such notice heretofore given is hereby ratified and confirmed. The officers of the City and the paying agent for the Refunded Bonds described above are hereby authorized and directed to take such other

action as may be necessary in order to effect the redemption and payment of such Refunded 2015 Bonds as herein provided.

ARTICLE VI

REMEDIES

Section 601. Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Registered Owners of the Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

- (a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Ordinance excluding **Section 802** hereof or by the Constitution and laws of the State of Missouri;
- (b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and
- (c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

Section 602. Limitation on Rights of Bondowners. The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in this Ordinance. No one or more Bondowners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

Section 603. Remedies Cumulative. No remedy conferred herein upon the Bondowners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Registered Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of any Bondowner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the Bonds by this Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to such Bondowner, then, and in every such case, the City and the Registered Owners of the Bonds shall be restored to their former positions and rights

hereunder, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 604. Exception for Continuing Disclosure. This **Article VI** shall not apply to **Section 802** of this Ordinance regarding continuing disclosure requirements, and Bondholders or Beneficial Owners of Bonds shall have no remedies for enforcement of said **Section 802** other than the remedies provided in said **Section 802**.

ARTICLE VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Ordinance and the pledge of the City's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State of Missouri and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned thereon, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest to accrue on such Bonds to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City shall have elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to redeem such Bonds in compliance with **Section 302(a)** of this Ordinance. Any moneys and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds or the interest payments thereon, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of such Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All moneys and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Ordinance.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801. Tax Covenants.

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code necessary to maintain the exclusion from federal gross income of the interest on the Bonds and (2) comply with all provisions and requirements of the Federal Tax Certificate. The Mayor is hereby authorized to execute the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the City. The City will also pass such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future

laws, regulations, published rulings and judicial decisions in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The covenants contained in this Section and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article VII** of this Ordinance or any other provision of this Ordinance until the final Maturity of all Bonds Outstanding.

Section 802. Continuing Disclosure. The Mayor is hereby authorized to enter into the Continuing Disclosure Agreement in substantially the form attached hereto as **Exhibit B**, under which the City agrees that it will provide its audited financial statements, certain operating data and notices of certain material events to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered a default under this Ordinance. Remedies for a default under the Continuing Disclosure Agreement shall be limited to those set forth in the Continuing Disclosure Agreement.

Section 803. Annual Audit. Annually, promptly after the end of the fiscal year, the City will cause an audit to be made of its funds and accounts for the preceding fiscal year by a certified public accountant or firm of certified public accountants.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk or Deputy City Clerk, and a duplicate copy of the audit shall be mailed to the Purchaser ****and to the Bond Insurer****. Such audits shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Registered Owner. A copy of any such audit will, upon request and upon receipt by the City of payment of the reasonable cost of preparing and mailing the same, be sent to any Bondowner or prospective Bondowner.

As soon as possible after the completion of the annual audit, the governing body of the City shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Ordinance, the City shall promptly cure such deficiency.

Section 804. Amendments. The Continuing Disclosure Agreement is exempt from the provisions of this Section and are subject to amendment and modification only as provided therein. The rights and duties of the City and the Bondowners, and the terms and provisions of the Bonds or of this Ordinance, may be amended or modified at any time in any respect by ordinance of the City with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk or Deputy City Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond; or

(d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Ordinance.

Any provision of the Bonds or of this Ordinance may, however, be amended or modified by ordinance duly adopted by the governing body of the City at any time in any legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Bondowners, the City may amend or supplement this Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the interests of the Bondowners.

Every amendment or modification of the provisions of the Bonds or of this Ordinance, to which the written consent of the Bondowners is given, as above provided, shall be expressed in an ordinance adopted by the governing body of the City amending or supplementing the provisions of this Ordinance and shall be deemed to be a part of this Ordinance. A certified copy of every such amendatory or supplemental ordinance, if any, and a certified copy of this Ordinance shall always be kept on file in the office of the City Clerk or Deputy City Clerk, and shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance or of this Ordinance will be sent by the City Clerk or Deputy City Clerk to any such Bondowner or prospective Bondowner.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the City Clerk or Deputy City Clerk a copy of the ordinance of the City hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Registered Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Ordinance which affects the duties or obligations of the Paying Agent under this Ordinance.

Section 805. Notices, Consents and Other Instruments by Bondowners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds (except for the assignment of ownership of a Bond as provided for in the form of Bond set forth in **Exhibit A** hereto), if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Ordinance, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this Ordinance, except that, in determining whether the Bondowners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Bondowners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Bondowners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City.

Section 806. Further Authority. The officers of the City, including the Mayor and City Clerk or Deputy City Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 807. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 808. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 809. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the Board of Aldermen and approval by the Mayor.

Section 810. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

First Reading: _____ **Second Reading:** _____

BE IT REMEMBERED THE PRECEDING ORDINANCE WAS PASSED BY THE BOARD OF ALDERMEN OF PECULIAR, MISSOURI, AND APPROVED BY THE MAYOR UPON ITS SECOND READING THIS _____ DAY OF _____, 2020 BY THE FOLLOWING VOTE.

Alderman Broadhurst _____
Alderman Harlan _____
Alderman Erickson _____

Alderman Borden _____
Alderman Gillespie _____

Holly Stark, Mayor

ATTEST:

(SEAL)

Cyndora Gauthreaux, Deputy City Clerk

**SCHEDULE 1
TO ORDINANCE**

TERMS OF THE BONDS

**GENERAL OBLIGATION STREET REFUNDING BONDS
SERIES 2020**

CITY OF PECULIAR, MISSOURI

1. Refunded 2012 Bonds – Preamble, Section 101, Section 507:

<u>Series of Bonds</u>	<u>Principal Amount Refunded</u>	<u>Maturity</u>	<u>Redemption Date</u>
Series 2012 Bonds	\$ 55,000.00	03/01/2020	02/20/2020
	115,000.00	03/01/2022	02/20/2020
	120,000.00	03/01/2024	02/20/2020
	125,000.00	03/01/2026	02/20/2020
	135,000.00	03/01/2028	02/20/2020
	140,000.00	03/01/2030	02/20/2020
	150,000.00	03/01/2032	02/20/2020

2. Refunded 2015 Bonds – Preamble, Section 101, Section 507:

<u>Series of Bonds</u>	<u>Principal Amount Refunded</u>	<u>Maturity</u>	<u>Redemption Date</u>
Series 2015 Bonds	\$39,999.30	03/01/2020	03/01/2020
	255,000.00	03/01/2021	03/01/2020
	270,000.00	03/01/2022	03/01/2020
	300,000.00	03/01/2023	03/01/2020
	315,000.00	03/01/2024	03/01/2020
	335,000.00	03/01/2025	03/01/2020
	365,000.00	03/01/2026	03/01/2020
	380,000.00	03/01/2027	03/01/2020
	405,000.00	03/01/2028	03/01/2020
	435,000.00	03/01/2029	03/01/2020
	470,000.00	03/01/2030	03/01/2020
	605,000.00	03/01/2031	03/01/2020
	625,000.00	03/01/2032	03/01/2020
	645,000.00	03/01/2033	03/01/2020
	670,000.00	03/01/2034	03/01/2020
	745,000.00	03/01/2035	03/01/2020

**3. Maximum Allowable Refunding Amount (for state law purposes) –
Preamble and Section 101: \$ _____**

4. **Interest Rates on the Refunded Bonds and on the Bonds (Preamble):**

(a) Interest Rate on the Refunded Bonds pursuant to §108.170 %

(b) Interest Rate on the Bonds pursuant to §108.170 %

5. **Original Principal Amount – Section 101 and Section 201:** \$ _____

6. **Purchaser – Section 101 and Section 206** - _____, _____, the ****original purchaser of**** ****manager of the underwriting group originally purchasing**** the Bonds.

7. **Purchase Price - Section 101 and Section 206:** The Purchase Price for the Bonds is \$ _____ (representing the Original Principal Amount of the Bonds, plus a [net] original issue premium of \$[_____], and less an underwriting discount of \$[_____]).

8. **Dated Date, Maturity Schedule and Interest Rates for the Bonds – Section 202 and Section 301(b):**

Dated Date: _____, 2020

Serial Bonds

<u>Maturity</u>	<u>Principal</u>	<u>Annual Rate</u>
<u>March 1</u>	<u>Amount</u>	<u>of Interest</u>

Term Bonds

<u>Maturity</u>	<u>Principal</u>	<u>Annual Rate</u>
<u>March 1</u>	<u>Amount</u>	<u>of Interest</u>

9. **Optional Redemption – Section 301(a):** At the option of the City, the Bonds or portions thereof maturing on March 1, 20____, and thereafter may be called for redemption and payment prior to the Stated Maturity thereof on March 1, 20____, and thereafter in whole or in part at any time in such amounts for each Stated Maturity as shall be determined by the City at the Redemption Price of ____% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

10. **Mandatory Redemption** – Section 301(b): _____.

11. **Deposit of Bond Proceeds and Other Moneys** – Section 502: The Purchase Price (\$_____) received from the sale of the Bonds, together with other funds provided by the City, shall be deposited simultaneously with the delivery of the Bonds as follows:

(a) The sum of \$_____ from the proceeds of the Bonds plus the sum of \$_____ from the City's Debt Service Fund, aggregating a total of \$_____, which will be sufficient for the payment of the redemption price of the Refunded 2012 Bonds and interest due thereon on February 20, 2020, shall be paid and transferred to the paying agent for the Refunded 2012 Bonds, to be applied solely for that purpose.

(b) The sum of \$_____ from the proceeds of the Bonds plus the sum of \$_____ from the City's Debt Service Fund, aggregating the total of \$_____, which will be sufficient for the payment of the principal or redemption price of the Refunded 2015 Bonds, as applicable, and interest due thereon, on March 1, 2020, shall be paid and transferred to the paying agent for the Refunded 2015 Bonds, to be applied solely for that purpose.

(c) The remaining \$_____ of the proceeds of the Bonds shall be deposited in the Series 2020 Costs of Issuance Account and shall be used to pay costs of issuing the Bonds, including the fees of attorneys, financial consultants, paying agents, accountants, rating agencies, printers and others employed to render professional services, the Missouri State Auditor's registration fee and other costs, fees and expenses incurred in connection with the issuance of the Bonds and the refunding of the Refunded Bonds. Any such moneys not used for such purpose and remaining on deposit 60 days after the delivery of and payment for the Bonds shall be deposited in the Debt Service Fund and applied in accordance with **Section 503** of the Ordinance to the payment of the next installment of interest on the Bonds.

* * *

This Bond is one of an authorized series of bonds of the City designated “General Obligation Street Refunding Bonds, Series 2020,” aggregating the principal amount of \$_____ (the “Bonds”), issued by the City for the purpose of refunding outstanding general obligation bonds of the City, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, and pursuant to an ordinance duly passed (the “Ordinance”) and proceedings duly and legally had by the governing body of the City. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Ordinance.

At the option of the City, Bonds maturing on March 1, _____, and thereafter may be redeemed and paid prior to maturity on March 1, _____, and at any time thereafter in whole or in part in such amounts for each maturity as shall be determined by the City (Bonds of less than a full maturity to be selected in multiples of \$5,000 principal amount in such equitable manner as the Paying Agent shall designate) at the **Redemption Price of _____% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.** **Redemption Prices set forth below, expressed as percentages of principal amount, plus accrued interest thereon to the Redemption Date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
March 1, _____ to _____, _____	_____ %
March 1, _____ to _____, _____	_____ %
March 1, _____ to _____, _____	_____ %
March 1, _____ and thereafter	_____ %**

Bonds maturing on March 1, _____, are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance on March 1, _____, and on each March 1 thereafter prior to maturity, at a redemption price equal to 100% of the Principal Amount thereof plus accrued interest to the Redemption Date.

Notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by first class mail at least 30 days prior to the Redemption Date to the State Auditor of Missouri, the original purchaser of the Bonds and to each Registered Owner of each of the Bonds to be redeemed at the address shown on the Bond Register maintained by the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City defaults in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository’s participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The City and the Paying Agent will recognize the Securities Depository nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting. Transfers of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfers of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the

responsibility of such participants and other nominees of such beneficial owners. The City and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of and interest on this Bond shall be made in accordance with existing arrangements among the City, the Paying Agent and the Securities Depository.

EXCEPT AS OTHERWISE PROVIDED IN THE ORDINANCE, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

The Bonds are issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. This Bond may be exchanged at the office of the Paying Agent for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations upon the terms provided in the Ordinance.

This Bond is transferable by the Registered Owner hereof in person or by the Registered Owner's agent duly authorized in writing, at the office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance and upon surrender and cancellation of this Bond. The City shall pay all costs incurred in connection with the issuance, payment and initial registration of the Bonds and the cost of a reasonable supply of bond blanks.

The Bonds constitute general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

This Bond may be transferred or exchanged, as provided in the Ordinance, only on the Bond Register kept for that purpose at the principal payment office of the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond or Bonds in any authorized denomination having the same Maturity Date and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance and upon payment of the charges therein prescribed. The City and the Paying Agent may deem and treat the Person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

The proceedings relating to the issuance of the Bonds have been presented to and filed with the State Auditor of Missouri, who has examined the same and has issued a certificate that such proceedings comply with the laws of the State of Missouri and that the conditions of the contract under which the Bonds were ordered to be issued have been complied with.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon has been executed by the Paying Agent.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law; that a direct annual tax upon all taxable tangible property situated in the City has been levied for the purpose of paying the principal of and interest on the Bonds when due; and that the total indebtedness of the City, including this Bond and the series of which it is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, PECULIAR, MISSOURI, has caused this Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk or Deputy City Clerk and its official seal to be affixed or imprinted hereon.

CERTIFICATE OF AUTHENTICATION

PECULIAR, MISSOURI

This Bond is one of the Bonds of the issue described in the within-mentioned Ordinance.

By: _____
Mayor

Registration Date: _____

SECURITY BANK OF KANSAS CITY,
Paying Agent

(SEAL)

ATTEST:

By: _____
Authorized Signatory

Deputy City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Bond on the Bond Register kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15))

By: _____
Title: _____

**EXHIBIT B
TO ORDINANCE**

FORM CONTINUING DISCLOSURE AGREEMENT



LAUBER MUNICIPAL LAW, LLC

Serving those who serve the public

January 10, 2020

Mayor and Board of Aldermen
Peculiar City Hall
250 S Main Street
Peculiar, MO 64078

Re: Ordinance and Resolution on Sale of Utilities

Dear Mayor and Board,

As you know, the City has been negotiating with Missouri American Water (MAW) regarding the potential purchase of our sewer and water systems by MAW. We are asking you to consider one Resolution and one Ordinance which will move this process forward.

The first item is a resolution authorizing the Mayor to execute the agreement with MAW. The agreement consists of two main parts, the Purchase Agreement and Exhibit 2 which is entitled "Definitions." The most important aspects of the agreement are as follows:

- The purchase price will be Sixteen Million, Nine hundred thousand dollars (\$16.9 million). In addition, to help with the transition, MAW will pay the City One Hundred and Fifty Thousand (\$150,000) one year after the closing date, an additional One Hundred Thousand Dollars (\$100,000) two years after the closing date, and Fifty Thousand Dollars (\$50,000) three years after closing. The purchase price is set out in Exhibit 2.
- The City will be giving MAW all of the systems including pumping equipment, lines in the ground, the treatment plant, parts, and some vehicles. While the general natures of what is being given are laid out, some specific details may still need to be worked out between the execution of the agreement and the final closing.
- The agreement is contingent upon a vote by the citizens of Peculiar, as is required by state law. If the voters turn down the request, the sale is dead and the City would have no further obligation.
- The systems are being sold as is, without warranties. There are still instances when the City could be liable however these have been limited only to those which the City knows about but has failed to disclose.

- Deposits for sewer and water accounts will be returned to the customers. MAW does not require deposits.
- MAW will create a place for payments (such as a grocery store) as well as providing online and mail-in options.
- MAW will assist the City with economic development projects to the extent allowed by law.
- The city currently has certain money segregated for securing the bond obligations it has. This money will be kept by the city, but obviously can only be used to pay off the bonds at this time.
- It is the intent of City Staff to use the proceeds to retire all of the City's current obligations. Some of the bonds (and Certificates of Participation) cannot currently be paid off (no early payment). In this case, the city will need to set aside money to pay those off in the future.

There is also before you an Ordinance. The purpose of this is to call for a vote of the people to approve the sale of the sewer and water systems. This vote would take place in April.

If the voters approve the sale then staff will work on finalizing the agreement, including specific lists of property and possibly replating certain properties. In addition, MAW must receive approval from the Missouri Public Service Commission (PSC) to purchase the systems. It is estimated that that will take until July or August. Closing would take place after PSC approval.

The resolution can be passed at either meeting but needs to be passed before the ordinance gets final reading.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nathan M. Nickolaus', with a long horizontal flourish extending to the right.

Nathan M. Nickolaus

CITY OF PECULIAR MISSOURI

RESOLUTION NO. 2020-02

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH MISSOURI AMERICAN WATER COMPANY FOR THE SALE OF THE CITY WATER AND SEWER SYSTEMS SAID SALE TO BE CONTINGENT UPON PUBLIC APPROVAL

Whereas, the City of Peculiar, Missouri (the “City”), a city of the fourth class; and

Whereas, the City of Peculiar owns and operates, among others, two municipal utilities; namely a public water supply system and a public wastewater system (“Utilities”); and

Whereas, the City is empowered under the laws and constitution of the State of Missouri (the “State”) including, without limitation, Section 88.770 of the Revised Statutes of the State of Missouri, to sell, lease, or encumber the Utilities; and

Whereas, the Missouri American Water Company (“MAW”) has proposed to purchase the City’s Utilities; and

Whereas, such agreement would be contingent upon the approval of the voters of the city as, as required by said Section 88.770;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF PECULIAR, MISSOURI, AS FOLLOWS:

Section 1. The Mayor is hereby authorized to execute an agreement for the sale of the City’s Utilities, subject to voter approval, said agreement to be substantially in the form of the attached Exhibit A & Exhibit B.

Section 2. The Mayor, the City Administrator, and the city staff are hereby authorized and directed to take any additional actions necessary to finalize this agreement and, if the agreement is authorized by the voters of the City, to take such additional steps as may be necessary to close the agreement including, but not limited to, transferring real and personal property as required by the Agreement, and any other actions which may be necessary or convenient to accomplish the goals thereof.

Section 3. This Resolution shall become effective immediately upon final passage and approval

PASSED BY THE BOARD OF ALDERMEN AND APPROVED BY THE MAYOR OF THE CITY OF PECULIAR, MISSOURI THIS ____ DAY OF _____, 2020.

Holly Stark, Mayor

ATTEST:

Cyndora Gauthreaux, Deputy City Clerk

EXHIBIT A

EXHIBIT B

Purchase Agreement for Water and Wastewater Systems

This Purchase Agreement for Water and Wastewater Systems (the “Agreement”) is made and entered into on the ___ day of _____, 2019 by and between **Missouri-American Water Company**, a Missouri corporation (“Buyer”), and the **City of Peculiar**, a municipal corporation, located in Cass County in Missouri (“Seller”). Hereinafter, Buyer and Seller may be referred to individually as a “Party” or together as the “Parties”.

RECITALS:

A. Seller currently owns and operates a water treatment and distribution system and a sewer treatment and collection system (collectively, the “System”) in Cass County in Missouri.

B. Seller desires to sell substantially all of the assets that constitute or are used in furtherance of the System to Buyer pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, and the representations, warranties, and covenants contained herein, and in exchange for other consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE 1 Definitions and Related Matters

For purposes of this Agreement, the capitalized terms used herein shall have the meanings assigned to them herein or in the attached Exhibit 1 and, for purposes of this Agreement and all other documents executed in connection herewith, the rules of construction set forth in Exhibit 1 shall govern.

ARTICLE 2 Purchase and Sale of Assets; Closing

2.1 Transfer of Assets. On and subject to the terms and conditions of this Agreement, at the Closing on the Closing Date and effective as of the Effective Time, Buyer shall purchase, acquire and accept from Seller, and Seller shall sell, convey, transfer, assign and deliver to Buyer, free and clear of all Encumbrances, the Acquired Assets. Notwithstanding anything to the contrary contained in this Section 2.1 or elsewhere in this Agreement, the Excluded Assets are not part of the sale and purchase contemplated hereunder, are excluded from the Acquired Assets, and shall remain the exclusive property of Seller subsequent to the Closing.

2.2 Consideration.

(a) The consideration for the System and the Acquired Assets shall consist of the Purchase Price. At Closing, Buyer shall pay to the Seller and such other payees

set forth on Schedule 2.2, in accordance with wire transfer instructions to be provided by the Seller to Buyer at least ten (10) Business Days prior to the Closing Date, in immediately available funds, an aggregate amount equal to the Purchase Price.

(b) Buyer shall deliver the Statement to Seller at least three (3) Business Days prior to the Closing Date. Seller shall provide Buyer and its representatives reasonable access, during normal business hours of Seller, to all personnel, books, and records of or related to the System or the Business within Seller's direction or control as reasonably requested by Buyer to assist it in its preparation of the Statement. Buyer shall deliver to Seller a copy of the work papers prepared or used in connection with the Statement's preparation as reasonably requested by Seller to assist in its review of the Statement, and Seller shall have an opportunity, prior to the Closing Date, to review with representatives of Buyer and object to all or any part of the Statement, such review to be reasonable and in good faith. Buyer shall consider such objections, if any, in good faith but Buyer's reasonable, good faith determination with respect to the Adjustment Amount shall be final and binding for the purpose of calculating the Purchase Price.

(c) Buyer shall prepare the Allocation, which Allocation shall be binding upon Seller. The Parties shall report, act, and file Tax Returns in all respects and for all Tax purposes consistent with the Allocation. No Party shall take any Tax position (whether in audits, Tax Returns, or otherwise) that is inconsistent with or contrary to the Allocation. In the event that the Allocation is disputed by any Governmental Authority, the Party receiving notice of such dispute will promptly notify the other Party, and the Parties will consult in good faith as to how to resolve such dispute in a manner consistent with the Allocation.

(d) Payments. Buyer shall allow for a variety of ways customers can pay their bills including by mail, on-line, by phone, and in person. Currently the closest payment location is the Hy-Vee in Belton, Missouri, but Buyer will look into the possibility of adding a local Peculiar retailer. Bottom line, customers will have more choices on how to pay their bills as the result of a sale.

(e) Satellite Office. Buyer will evaluate the possibility of opening a satellite office for customer service within the Seller's city limits. The decision as to whether to open a satellite office shall be in the Buyer's sole and absolute discretion.

(f) Economic Development. Buyer shall be supportive of economic development in the City of Peculiar. Upon request of the city, it will give priority to projects that will attract new businesses and jobs to the city. Where possible, its Economic Developer Rider tariff shall be utilized in order to encourage industrial and commercial development for the city.

2.3 No Assumption of Liabilities. Any and all Liabilities of Seller, whether or not incurred in connection with the operation of the System, shall remain the sole responsibility of and shall be retained, paid, performed and discharged solely by Seller,

provided however that any specific liabilities which are not the result of a contractual obligation of the Seller and which are disclosed to the Buyer in Schedule 2.3 shall not be retained by the Seller but shall become the responsibility of the Buyer.

2.4 Closing. Unless this Agreement is first terminated pursuant to Article 8 hereof, and subject to the satisfaction or, if permissible, waiver of each of the conditions set forth in Article 5 hereof, the Closing will take place at a mutually agreeable location in the City of Peculiar or such other place or by such other means (e.g., e-mail/PDF or facsimile and overnight delivery of original execution documents) as is agreed to by the Parties at 10:00 A.M., Central Time, on (a) such date as is three (3) Business Days after the date on which all of the conditions set forth in Article 5 hereof shall have been satisfied or (to the extent permissible) waived (other than those conditions which, by their nature are to be satisfied or waived at Closing but subject to their satisfaction or waiver at Closing) or, if Buyer shall so elect, the final day of Seller's billing period of which such date is a part or (b) such other date as the Parties hereto may agree upon in writing. In any event, the Closing shall be effective as of the Effective Time.

2.5 Closing Obligations.

In addition to any other documents to be delivered under other provisions of this Agreement, at Closing:

(a) Seller shall deliver or cause to be delivered to Buyer, , filing or recording thereof, the following documents:

(i) the Bill of Sale, duly executed by Seller;

(ii) the Intangible Assignment, duly executed by Seller;

(iii) To the extent that Seller has the ability to do so, all Consents and approvals from Governmental Authorities, and third parties under Contracts, necessary to ensure that Buyer will continue to have the same full rights with respect to the Acquired Assets as Seller had immediately prior to the consummation of the Contemplated Transactions, including the written Consents, in form and substance reasonably acceptable to Buyer, of the Governmental Authorities and third parties set forth in Schedule 2.5(a)(iii) but excluding any permission from the Missouri Public Service Commission which will be the responsibility of Buyer;

(iv) a payoff letter from each lender from which Seller has incurred indebtedness for borrowed money which is outstanding, if any, and from each person or entity listed on Schedule 2.2, and a release of all Encumbrances relating to the Acquired Assets executed, filed and/or recorded by the holder of or parties to each such Encumbrance, if any, in each case in substance and form reasonably satisfactory to Buyer and its counsel;

(v) for each interest in Real Property and each easement and/or right-of-way affecting any Real Property or Acquired Asset, whether or not identified on Schedule 3.4, a recordable warranty deed or such other appropriate document or

instrument of transfer or approval, as the case may require, each in form and substance reasonably satisfactory to Buyer;

(vi) such other deeds, bills of sale, assignments, certificates of title, documents and other instruments of transfer and conveyance as may reasonably be requested by Buyer, each in form and substance reasonably satisfactory to Buyer;

(vii) a copy of each permit, license, easement, land-right and other necessary authority for the operation of the System and the Acquired Assets, in each case validly issued in the name of the Seller and in full force and effect;

(viii) the certificate contemplated by Section 5.1(d);

(ix) a legal opinion of Seller's legal counsel, affirmatively opining to the due authorization and execution of this Agreement by Seller and the enforceability thereof;

(x) a copy, of an ordinance of the City, compliant with § 432.070 authorizing the Mayor and such other personnel as may be necessary to execute the documents necessary to sell the Acquired Assets to the Buyer;

(xi) to the extent such transfer is requested by Buyer, evidence satisfactory to Buyer of the transfer of all utilities with respect to the System from Seller to Buyer;

(xii) a fully executed assignment of the of the Contract for Sale of Water to the City of Peculiar with the City of Kansas City, Missouri dated November 21, 2016 or a new contract between Buyer and the City of Kansas City, Missouri in a form acceptable to Buyer; and

(xiii) all other documents, instruments and writings required or reasonably requested by Buyer to be delivered at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith.

(b) At or prior to the Closing, Buyer shall deliver the following:

(i) to the Seller and such other payees set forth on Schedule 2.2, in accordance with wire transfer instructions to be provided by the Seller to Buyer at least ten (10) Business Days prior to the Closing Date, in immediately available funds, an aggregate amount equal to the Purchase Price;

(ii) to the Seller, the Intangible Assignments, duly executed by Buyer;
and

(iii) to the Seller, all other documents, instruments and writings required or reasonably requested by Seller to be delivered at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith.

ARTICLE 3

Representations and Warranties of Seller

Seller hereby makes the following representations and warranties to Buyer, each of which is true and correct on the date hereof, will be true and correct at Closing and shall survive the Closing and the Contemplated Transactions hereby to the extent set forth herein:

3.1 Power and Authority. Seller has full power and authority to conduct the Business and the System as they are now being conducted and to own, lease and operate the System and the Acquired Assets.

3.2 Enforcement; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency or other similar Laws affecting the rights of creditors generally and by general principles of equity. Seller has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the Transaction Documents and to consummate the Contemplated Transactions. The City of Peculiar has duly authorized the execution, delivery, and performance of this Agreement by Seller and no other proceeding on the part of Seller is necessary to authorize the execution, delivery and performance of this Agreement.

(b) This Agreement has been, and the Transaction Documents will be, duly executed and delivered by Seller.

(c) Neither the execution, delivery or performance by Seller of this Agreement or the Transaction Documents nor the consummation by it of the Contemplated Transactions will (i) contravene, conflict with or result in a violation of any provisions of the governing documents of Seller, (ii) contravene, conflict with or result in a violation of or give any Governmental Authority or other Person the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under any Laws or any Order to which Seller or any of the Acquired Assets may be subject, (iii) contravene, conflict with or result in a violation of any of the terms or requirements of or give any Governmental Authority the right to revoke, withdraw, suspend, cancel, terminate or modify any Permit or other authorization by a Governmental Authority that is held by Seller or that otherwise relates to the System or any of the Acquired Assets, (iv) contravene, conflict with or result in a violation or breach of any provision of, require the Consent of any Person under, or give any Person the right to declare a default or exercise any remedy under or to accelerate the maturity or performance of or to cancel, terminate or modify any Contract, indenture, mortgage, note, lease or other instrument or document to which Seller is a party or by which any of the Acquired Assets are bound or (v) result in the imposition or creation of any Encumbrance upon or with respect to any of the Acquired Assets.

(d) No filings or registrations with, notifications to, or authorizations, Consents or approvals of, a Governmental Authority or third party are required to be obtained or made by Seller in connection with the execution, delivery or performance by Seller of this Agreement or the Transaction Documents or the consummation by Seller of the Contemplated Transactions except related to the MoPSC approval. Neither the Contemplated Transactions nor the Transaction Documents will result in the creation of any Encumbrance against any of the Acquired Assets.

3.3 Assets. Seller has clear, good, and marketable title to, or a valid leasehold interest in, all of the Acquired Assets, free and clear of all Encumbrances. None of the Acquired Assets are leased or on loan by Seller to any third party. The Acquired Assets constitute all of the assets and property that, together with the rights granted or conveyed under the Transaction Documents, are necessary for the operation of the System, the Business and the Acquired Assets as conducted as of the date hereof. Upon the Closing, Buyer shall continue to be vested with good title or a valid leasehold interest in the System and all of the Acquired Assets. The Business constitutes all of the business conducted by any Person in connection with the System.

3.4 Real Property; Easements.

(a) Seller owns and has good and marketable title to the Real Property, free and clear of all options, leases, covenants, conditions, easements, agreements, claims, and other Encumbrances of every kind and there exists no restriction on the use or transfer of such property, in each case except as set forth on Schedule 3.4(b)(i) or Schedule 3.4(b)(ii). Set forth on Schedule 3.4(a) is a complete and accurate listing of all Real Property. Seller is not the lessor or lessee of any real property, and there are no outstanding options, rights of first refusal or rights of first offer to purchase any of the Real Property or any portion thereof or interest therein. Seller has made available to Buyer copies of all title reports, surveys, title policies and appraisals relating to the Real Property. At and after the Closing, Buyer shall have the right to maintain or use the Real Property, including the space, facilities or appurtenances outside the building lines, whether on, over or under the ground, and to conduct such activities thereon as maintained, used or conducted by Seller on the date hereof and such right is not subject to revocation. At and after the Closing, Buyer shall have all rights, easements and agreements necessary for the use and maintenance of water, sewer or other utility pipelines, poles, wires, conduits or other like facilities, and appurtenances thereto, over, across and under the Real Property.

(b) The Real Property is properly classified under applicable zoning Laws, ordinances, and regulations for the current and continued operation of the System on the Real Property. No Proceeding is pending or threatened which could adversely affect the zoning classification of the Real Property. There are sufficient parking spaces, loading docks and other facilities at such Real Property to comply with such zoning Laws, ordinances, and regulations and Seller's use or occupancy of the Real Property is not dependent on any permitted non-conforming use or similar variance, exemption, or approval from any Governmental Authority. Seller's current use and occupancy of the Real Property and its operation of the System thereon does not

violate any easement, covenant, condition, restriction or similar provision in any instrument of record or other unrecorded agreement affecting such Real Property. The present use and operation of the Real Property does not constitute a non-conforming use and is not subject to a variance. Seller has not received any notice of violation of any easements, covenants, restrictions or similar instruments and there is no basis for the issuance of any such notice or the taking of any action for such violation. Set forth on Schedule 3.4(b)(i) hereto is a true, correct and complete list of all easements relating to the Real Property or the Acquired Assets. All of such easements are valid and will be transferred to Buyer and remain in full force as of the Closing. Set forth on Schedule 3.4(b)(ii) hereto is a true, correct and complete list of all rights of way relating to the Real Property or the Acquired Assets. All of such rights of way are valid and will be transferred to Buyer and remain in full force as of the Closing. All Improvements located on, and the use presently being made of, the Real Property comply with all applicable zoning and building codes, ordinances and regulations and all applicable fire, environmental, occupational safety and health standards and similar standards established by Law and the same use thereof by Buyer following Closing will not result in any violation of any such code, ordinance, regulation or standard. There is no proposed, pending or threatened change in any such code, ordinance, regulation or standard which would adversely affect the Business, the System or the Acquired Assets.

(c) No Improvements encroach on any land that is not included in the Real Property or on any easements affecting such Real Property, or violate any building lines or set-back lines, and there are no encroachments onto the Real Property, or any portion thereof, which would interfere with the use or occupancy of such real Property or the continued operation of the System as currently conducted.

(d) There is no unpaid property Tax, levy or assessment against the Real Property (except for Encumbrances relating to Taxes not yet due and payable), nor is there pending or threatened any condemnation Proceeding against the Real Property or any portion thereof.

(e) Except as set forth in Schedule 3.4(e), there is no condition affecting the Real Property or the Improvements located thereon which requires repair or correction to restore the same to reasonable operating condition.

3.5 Personal Property. Set forth on Schedule 3.5(a) is a complete and accurate listing of all Acquired Assets which are personal property. Except as set forth in Schedule 3.5(b): (i) no Acquired Asset which is personal property is in the possession of others (other than immaterial items temporarily in the possession of others for maintenance or repair), (ii) neither Seller nor any of its Affiliates holds any such property on consignment, and (iii) each item of such Acquired Assets has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal wear and tear). The foregoing notwithstanding, all personal property is sold "as is." Seller has made no warranties that the property is fit for any particular purpose.

3.6 No Undisclosed Liabilities. Seller does not have any subsidiaries and does not directly or indirectly own or have any capital stock or other equity interest in any Person. Except (a) to the extent and for the amount reflected as a Liability on the balance sheet included in the Unaudited Financial Statements, (b) Liabilities incurred in the Ordinary Course of Business since the date of the balance sheet included in the Unaudited Financial Statements (none of which will or may reasonably be expected to have an adverse effect upon the Business), or (c) as set forth on Schedule 3.6, Seller does not have any Liabilities whatsoever, known or unknown, asserted or unasserted, liquidated or unliquidated, accrued, absolute, contingent, or otherwise, there is no basis for any claim against Seller, the System or any of the Acquired Assets for any such Liability and there is no basis for any such Liability to become the Liability of Buyer from and after the Closing.

3.7 Tax Matters.

(a) Seller has timely and properly filed all Tax Returns that it was required to file. All such Tax Returns were complete and correct in all respects and were prepared in compliance with all applicable Laws. All Taxes owed by Seller have been paid. Seller is not the beneficiary of any extensions of time within which to file any Tax Return. No claim has ever been made by an authority in a jurisdiction where Seller does not file Tax Returns that Seller is or may be subject to taxation by that jurisdiction. There are no Encumbrances on any of the Acquired Assets that arose in connection with any failure (or alleged failure) to pay any Tax.

(b) Seller has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, member, stockholder, or other third party. Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(c) There are no audits or examinations of any Tax Returns pending or threatened that relate to Seller's operation of the System or the Acquired Assets. Seller is not a party to any action or Proceeding by any Governmental Authority for the assessment or collection of Taxes relating to the operation of the System or Acquired Assets, nor has such event been asserted or threatened. There is no waiver or tolling of any statute of limitations in effect with respect to any Tax Returns relating to Seller's operation of the System or the Acquired Assets.

(d) None of the Acquired Assets (i) has been or could be treated as a partnership or corporation for United States federal income Tax purposes or (ii) is property that is required to be treated for Tax purposes as being owned by any other Person (other than those Acquired Assets that are leased).

(e) None of the Acquired Assets represent property or obligations of Seller, including but not limited to uncashed checks to vendors, customers or employees, non-refunded overpayments or unclaimed subscription balances, that is escheatable to any Governmental Authority under any applicable escheatment Laws as of the date hereof

or that may at any time after the date hereof become escheatable to any Governmental Authority under any applicable escheatment Law.

3.8 Contracts. Set forth on Schedule 3.8 is a complete and correct list of all Contracts related to the System to which Seller is a party or is otherwise bound. Seller has delivered or caused to be delivered to Buyer correct and complete copies of each such Contract (including any and all amendments), a description of the terms of each such Contract which is not in writing, if any, and all documents affecting the rights or obligations of any party thereto.

3.9 Environmental Matters.

(a) To the best of its Knowledge, Seller is and at all times has been in full compliance with and has not been and is not in violation of or liable under any applicable Environmental Law. Seller has no basis to expect nor has it received any actual or threatened Order, notice or other communication from any Governmental Authority or other Person of any actual or potential violation or failure to comply with any Environmental Law or of any actual or threatened obligation to undertake or bear the cost of any Environmental, Health and Safety Liabilities with respect to the Real Property or any other properties or assets (whether real, personal or mixed) in which Seller has or has had an interest or with respect to the Real Property or any other real property at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used or processed by Seller or any other Person for whose conduct it is or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled or received.

(b) There are no pending or threatened claims, Encumbrances or other restrictions of any nature, resulting from any Environmental, Health and Safety Liabilities or arising under or pursuant to any Environmental Law with respect to or affecting the Real Property or any other properties and assets (whether real, personal or mixed) in which Seller has or had an interest.

(c) To the best of its Knowledge, neither Seller nor any other Person for whose conduct it is or may be held to be responsible has any Environmental, Health and Safety Liabilities with respect to the Real Property or with respect to any other properties and assets (whether real, personal or mixed) in which Seller (or any predecessor) has or has had an interest or at any property geologically or hydrologically adjoining the Real Property or any such other property or assets that could reasonably be expected to have a material adverse effect thereon.

(d) To the best of its Knowledge, there are no Hazardous Materials, except those used in connection with the operation of the System and set forth in the list on Schedule 3.9(d), present on or in the Environment at the Real Property or at any geologically or hydrologically adjoining property, including any Hazardous Materials contained in barrels, above or underground storage tanks, landfills, land deposits, dumps, equipment (whether moveable or fixed) or other containers, either temporary or permanent and deposited or located in land, water, sumps or any other part of the Real

Property or such adjoining property or incorporated into any structure therein or thereon. Neither Seller nor any other Person for whose conduct it is or may be held to be responsible has permitted or conducted, or is aware of, any Hazardous Activity conducted with respect to the Real Property or any other properties or assets (whether real, personal or mixed) in which Seller has or has had an interest except in material compliance with all applicable Environmental Laws. There has been no Release or threat of Release, of any Hazardous Materials at or from the Real Property or from or by any other properties and assets (whether real, personal or mixed) in which Seller has or has had an interest, or any geologically or hydrologically adjoining property, whether by Seller or any other Person.

(e) Except as set forth in Schedule 3.9(e), none of the following exists at the System or on the Real Property: (1) underground storage tanks; (2) asbestos-containing material in any form; (3) materials or equipment containing polychlorinated biphenyl; (4) groundwater monitoring wells; or (5) landfills, surface impoundments, or disposal areas.

(f) Except as set forth in Schedule 3.9(f) neither Seller nor any of its Affiliates is obligated to provide financial assurance in consideration of the System under Environmental Law.

(g) Seller has delivered to Buyer true and complete copies and results of any reports, studies, analyses, tests or monitoring possessed or initiated by Seller or its predecessors pertaining to Hazardous Materials or Hazardous Activities in, on or under the Real Property, or concerning compliance by Seller, its predecessors, or any other Person for whose conduct Seller is or may be held to be responsible, with Environmental Laws, said reports, studies, etc. to include without limitation, any and all Phase I environmental reports now or hereafter in the possession or control of Seller.

3.10 Permits. Set forth on Schedule 3.10 is a complete and correct list of all Permits used by Seller in the continuing operation of the System. Such Permits constitute all those necessary for the continuing operation of the System and are all valid and subsisting and in full force and effect. No fact or circumstance exists which is reasonably likely to cause any such Permit to be revoked or materially altered subsequent to the execution of this Agreement and the Closing Date. Neither the execution of this Agreement nor the Closing do or will constitute or result in a default under or violation of any such Permit.

3.11 Insurance. Seller maintains and has maintained appropriate insurance necessary for the full protection of all of its assets, properties, the System, operations, products and services. All such policies are in full force and effect and Seller will use commercially reasonable efforts to cause such policies to be outstanding and in full force and effect as of Closing and immediately following the execution of this Agreement and the consummation of the Contemplated Transactions. There are no pending Proceedings arising out of, based upon or with respect to any of such policies of insurance and, to Seller's Knowledge, no basis for any such Proceedings exists. Seller is not in default with respect to any provisions contained in any such insurance

policies and no insurance provider is in default with respect to such insurance policies. Set forth in Schedule 3.11 is a true and accurate list of all such insurance policies Seller maintains, and the premiums therefor have been paid in full as they have become due and payable.

3.12 Absence of Certain Changes. There has not been any occurrence or event which, individually or in the aggregate, has had or is reasonably expected to have any Material Adverse Effect. Seller has continually operated the System and the Business only in the Ordinary Course of Business. Without limitation of the foregoing, Seller has not entered into, amended, terminated or received notice of termination of any Permit necessary for the continued operation of the System. In addition, Seller has not taken any action in connection with the System or the Business which, if taken on or after the date hereof, would have required the prior written Consent of Buyer pursuant to Section 6.6 hereof.

3.13 Litigation and Proceedings. There are no Proceedings, either pending or threatened, anticipated or contemplated, against Seller or involving the operation of the System, any of the Acquired Assets, or any of Seller's agents or other personnel in their capacity as such, which could directly affect any of the Acquired Assets or the System. Seller has not been charged with, nor is it under investigation with respect to, any charge which has not been resolved to its favor concerning any violation of any applicable Law with respect to any of the Acquired Assets or the System and there is no valid basis for any such charge or investigation. Neither Seller nor any of its Affiliates has been subject to or threatened to be subject to any Proceeding or Order relating to personal injury, death or property or economic damage arising from products sold, licensed or leased and services performed by Seller or any of its Affiliates with respect to the System or the Business. No judgment, Order, writ, injunction, decree, assessment or other command of any Governmental Authority affecting Seller or any of the Acquired Assets or the System has been entered which is presently in effect. There is no Proceeding pending or, to Seller's Knowledge, threatened which challenges the validity of this Agreement or the Contemplated Transactions or otherwise seeks to prevent, directly or indirectly, the consummation of the Contemplated Transactions, nor is there any valid basis for any such Proceeding.

3.14 Compliance with Laws. To the best of its Knowledge, Seller is in compliance with all Laws, Permits, Orders, ordinances, rules and regulations, whether civil or criminal, of any federal, state, local or foreign governmental authority applicable to the System or the Business and has not committed any violation of any Law or any provision of its [articles of incorporation or bylaws (or equivalent] governing documents[]) applicable to the Acquired Assets and/or the operation of the System. Except as set forth in Schedule 3.14 neither Seller nor any of its Affiliates has received any notice alleging such default, breach or violation.

3.15 Financial Statements. Attached as Schedule 3.15 are the Financial Statements. The Financial Statements have been prepared in accordance with GAAP and the Accounting Methodologies, subject in the case of the Unaudited Financial Statements to normal year-end adjustments and the absence of footnotes. The

Financial Statements were derived from the books and records of Seller, are true, correct and complete in all material respects and present fairly in all material respects the financial condition, operating results and cash flows of Seller as of the dates and during the periods indicated therein (subject, in the case of the Unaudited Financial Statements, to normal year-end adjustments and the absence of footnotes).

3.16 Transactions with Related Parties. Except as set forth on Schedule 3.16, no city employee has any financial interest, direct or indirect, in any supplier or customer of, or other business which has any transactions or other business relationship with, Seller. Without limiting the generality of the foregoing, neither Seller nor any of its Affiliates nor any executive officer of Seller, any of its Affiliates or the Business owns, directly or indirectly, any interest in or is an owner, sole proprietor, member, stockholder, partner, director, officer, employee, consultant or agent of any Person which is a lessor, lessee, customer, licensee, or supplier of the Business and none of the employees of or servicing the Business owns, directly or indirectly, in whole or in part, any tangible property, patent, trademark, service mark, trade name, copyright, franchise, invention, Permit or license which was developed by or is used and necessary for the operation of the Business

3.17 Customer Advances. Set forth on Schedule 3.16 is a complete and accurate list of all unexpired Extension Deposit Agreements (or similar agreements) to which Seller is a party (each an “Extension Deposit Agreement”) and which contain unexpired obligations of Seller to provide for the payment of periodic refunds to parties making advances for the construction of facilities for water service. Seller will provide to Buyer within 15 days of the execution of this Agreement (to be updated at Closing), true and complete copies of each such Extension Deposit Agreement. All records of Seller relating to each Extension Deposit Agreement is complete and accurate in all material respects and, together with the relevant Extension Deposit Agreement, is all the information reasonably required to determine Seller’s, and, consequently, Buyer’s obligations to each party to the Extension Deposit Agreements; and there are no disputes or disagreements with any party to an Extension Deposit Agreement relating to the amount due under that agreement or the method of calculating that amount. Schedule 3.16 may be updated at Closing only with the mutual consent of the parties.

3.18 Accounts Receivable. Set forth on Schedule 3.18 is a list of all the accounts receivable of Seller with respect to the System and an aging schedule related thereto, as of **October 31, 2017**. Such accounts receivable, together with any such accounts receivable arising between such date and the Closing Date (collectively, the “Accounts Receivable”), are (to the extent not yet paid in full) valid, genuine and existing and arose or will have arisen from bona fide sales of products or services actually made in the Ordinary Course of Business. The Accounts Receivable are not subject to, and Seller has received no notice of, any counterclaim, set-off, defense or Encumbrance with respect to the Accounts Receivable. Except to the extent paid prior to Closing, the Accounts Receivable are and will be current and fully collectible. No agreement for deduction, free goods, discount or deferred price or quantity adjustment has been made with respect to any Accounts Receivable.

3.19 Brokers, Finders. Except as set forth in Schedule 3.19, no finder, broker, agent or other intermediary, acting on behalf of Seller or any of Seller's Affiliates, is entitled to a commission, fee or other compensation in connection with the negotiation or consummation of this Agreement or any of the transactions contemplated hereby.

3.20 Water and Sewer Utility Account Deposits. Buyer will not be acquiring any utility account deposits, and all such deposits shall be returned to customers prior to closing.

ARTICLE 4

Representations and Warranties of Buyer

Buyer hereby makes the following representations and warranties to Seller:

4.1 Organization. Buyer is a duly organized and validly existing corporation in good standing under the Laws of Missouri and has the power and authority to own, lease and operate its assets and properties.

4.2 Enforcement; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of Buyer and is enforceable against Buyer in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar Laws affecting the rights of creditors generally and by general principles of equity. Buyer has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder.

(b) Neither the execution or delivery of this Agreement nor the consummation of the Contemplated Transactions shall result in: (i) a violation of or a conflict with any provision of the articles of incorporation or the bylaws of Buyer; (ii) a material breach of or default under any term, condition or provision of any Contract to which Buyer is a party, or an event which, with the giving of notice, lapse of time, or both, would result in any such breach or default; or (iii) a material violation of any applicable Law, Order, judgment, writ, injunction, decree or award or any event which, with the giving of notice, lapse of time, or both, would result in any such violation.

4.3 Brokers, Finders. No finder, broker, agent or other intermediary, acting on behalf of Buyer or any of Buyer's Affiliates, is entitled to a commission, fee or other compensation in connection with the negotiation or consummation of this Agreement or any of the transactions contemplated hereby.

4.4 Capital Investment. As the result of negotiations between Buyer and Seller, Buyer has included in the Purchase Price one million dollars (\$1,000,000) which represents capital improvements begun by the Seller in calendar year 2019.

ARTICLE 5

Conditions Precedent to Closing

5.1 Conditions Precedent to the Obligations of Buyer. Buyer's obligations to consummate the Contemplated Transactions are subject to the satisfaction in full, unless expressly waived in writing by Buyer, of each of the following conditions:

(a) Authorization of Contemplated Transactions. Buyer shall have obtained all necessary corporate approvals to consummate the Contemplated Transactions, including but not limited to the approval of its Board of Directors;

(b) Representations and Warranties. Each of the representations and warranties of Seller contained in this Agreement or in any Transaction Document shall have been true, correct and accurate in all respects on and as of the date hereof and shall also be true, correct and accurate in all material respects (other than Section 3.5 and representations and warranties qualified as to materiality, which shall have been true, correct and accurate in all respects) on and as of the Closing Date with the same force and effect as though made by Seller on and as of the Closing Date (except to the extent that any such representation or warranty is made solely as of the date hereof or as of another date earlier than the Closing Date, which shall be accurate as of such date);

(c) Covenants. Seller shall have performed, observed and complied in all material respects with all of its obligations, covenants, undertakings and agreements contained in this Agreement or any Transaction Document and required to be performed, observed or complied with by Seller prior to or at the Closing;

(d) Certificates. Seller shall have delivered to Buyer a certificate, dated as of the Closing Date and executed by an officer or other duly authorized representative of Seller, to the effect that the conditions set forth in Sections 5.1(b), (c) and (i) have been satisfied;

(e) Proceedings. No provision of any Law or Order shall be in effect, and no Proceeding by any Person shall be threatened or pending before any Governmental Authority, or before any arbitrator, which would: (i) prevent consummation of the Contemplated Transactions; (ii) have a likelihood of causing the Contemplated Transactions to be rescinded following consummation; (iii) adversely affect the right of Buyer to own any of the Acquired Assets; or (iv) adversely affect the System prospects or the value or condition of any of the Acquired Assets or the System;

(f) Closing Deliverables. Seller shall have delivered or caused to be delivered to Buyer each of the items set forth in Section 2.5(a);

(g) Governmental and Third Party Approvals. (i) Buyer shall have obtained a certificate of convenience and necessity and all necessary regulatory approvals by the MoPSC, or any other applicable regulatory body, and all other applicable Consents and approvals from Governmental Authorities and other third parties which are required in connection with the Contemplated Transactions, each in form and substance (including without limitation with respect to the terms and conditions contained in any such approval) acceptable to Buyer in its sole and absolute discretion, and (ii) any waiting

periods under existing Laws, and all extensions thereof, the passing of which is necessary to consummate the Contemplated Transactions, shall have expired;

(h) Due Diligence. Buyer shall have completed and be satisfied, in its sole and absolute discretion, with the results of its due diligence review of the Acquired Assets and Seller, including without limitation with the results of any Phase I Environmental Site Assessment or other environmental assessment performed with respect to the Real Property or the Acquired Assets or chain of title search, all material contracts and operating permits and licenses of the System, and the Seller's operations, contracts, employment practices, compliance, accounting and other items as Buyer deems necessary, as each of the foregoing items relate to the System or the Acquired Assets; and

(i) No Material Adverse Effect. Buyer shall have determined that there shall not have occurred any event or circumstance which, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

5.2 Conditions Precedent to Obligations of Seller. Seller's obligation to consummate the Contemplated Transactions is subject to the satisfaction in full, unless expressly waived in writing by Seller, of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Buyer contained in this Agreement or in any Transaction Document shall have been true, correct and accurate in all respects on and as of the date hereof and shall also be true, correct and accurate in all material respects (other than representations and warranties qualified as to materiality, which shall have been true, correct and accurate in all respects) on and as of the Closing Date with the same force and effect as though made by Buyer on and as of the Closing Date (except to the extent that any such representation or warranty is made solely as of the date hereof or as of another date earlier than the Closing Date, which shall be accurate as of such date);

(b) Covenants. Buyer shall have performed, observed and complied in all material respects with all of its obligations, covenants, undertakings and agreements contained in this Agreement or any Transaction Document and required to be performed, observed or complied with by Buyer prior to or at the Closing;

(c) Proceedings. No provision of any Law or Order shall be in effect which would prevent the consummation of the Contemplated Transactions; and

(d) Closing Deliverables. Buyer shall have delivered or caused to be delivered to Seller each of the items set forth in Section 2.5(b).

(e) Public Vote. Parties agree that prior to the Closing Date there must be a public vote pursuant to the provisions of Section 88.770 RSMo. Seller will make diligent efforts to place the matter on the ballot as soon as practicable unless otherwise agreed by the Parties. In the event the proposition fails to receive the required approval at such an election, this Agreement will terminate immediately upon the certification of

such election, without any further actions of the parties being required, and be of no further effect.

ARTICLE 6

Covenants and Special Agreements

6.1 Access to Information; Confidentiality

(a) Access. Between the date of this Agreement and the Closing Date, Buyer may, directly and through its representatives, make such confirmatory investigation of the System and the Acquired Assets as each deems necessary or advisable. In furtherance of the foregoing, Buyer and its representatives shall have reasonable access, upon reasonable notice during normal business hours, to all employees, properties, books, Contracts, customer lists, commitments and records of the Business, and Seller shall furnish and cause to be furnished to Buyer and its representatives such financial and operating data and other information as may from time to time be reasonably requested relating to the System, shall permit Buyer or its representatives to conduct such physical inspections and environmental audits of the Real Property as requested by Buyer and shall permit Buyer or its representatives to conduct interviews of employees of or servicing the Business. Seller and the management, employees, accountants and attorneys of or servicing the Business shall cooperate fully with Buyer and its representatives in connection with such investigation.

(b) Confidentiality.

(i) Prior to Closing, each Party shall ensure that all Confidential Information which such Party or any of its respective officers, directors, employees, counsel, agents, or accountants may have obtained, or may hereafter obtain, from the other Party (or create using any such information) relating to the financial condition, results of operations, System, properties, assets, Liabilities or future prospects of the other Party, any Related Person of the other Party or any customer or supplier of such other Party or any such Related Person shall not be published, disclosed or made accessible by any of them to any other Person at any time or used by any of them, in each case without the prior written Consent of the other Party; provided, however, that the restrictions of this sentence shall not apply (i) as may otherwise be required by Law, including but not limited to the provisions of Chapter 610 RSMo, commonly known as the Sunshine Law, (ii) to the extent such Confidential Information shall have otherwise become publicly available, and (iii) as to Buyer, to disclosure by or on its behalf to regulatory authorities or other third parties whose Consent or approval may be required to consummate the Contemplated Transactions and to its lenders and professionals for the purpose of obtaining financing of such transactions. Following Closing, Seller shall ensure that all Confidential Information relating to the financial condition, results of operations, System, properties, assets, Liabilities or future prospects of the Buyer, any Related Person of the Buyer or any customer or supplier of the Buyer or any such Related Person shall not be published, disclosed or made accessible by any of them to any other Person at any time or used by any of them, in each case without the prior written Consent of the Buyer; provided, however, that the restrictions of this sentence

shall not apply (i) as may otherwise be required by Law, (ii) to the extent such Confidential Information shall have otherwise become publicly available, and (iii) as to Buyer, to disclosure by or on its behalf to regulatory authorities or other third parties whose Consent or approval may be required to consummate the Contemplated Transactions and to its lenders and professionals for the purpose of obtaining financing of such transactions.

(ii) In the event of termination of negotiations or failure of the Contemplated Transactions to close for any reason whatsoever, each Party promptly will destroy or deliver to the other Party and will not retain any documents, work papers and other material (and any reproductions thereof) obtained by each Party or on its behalf from such other Party or its subsidiaries as a result of this proposal or in connection therewith, whether so obtained before or after the execution hereof, and will not use any information so obtained and will cause any information so obtained to be kept confidential and not used in any way detrimental to such other Party.

6.2 Publicity; Announcements. Until after the Closing, no press release concerning this Agreement or the transactions contemplated hereby shall be issued or made without the prior approval of the parties hereto, except as required by applicable law.

6.3 Cooperation. Subject to the terms and conditions of this Agreement, the Parties shall cooperate fully with each other and their respective counsel and accountants in connection with, and take or cause to be taken and do or cause to be done, any actions required to be taken under applicable Law to make effective the Contemplated Transactions as promptly as practicable. Prior to the Closing, the parties shall proceed expeditiously and in good faith to make such filings and take such other actions as may be reasonably necessary to satisfy the conditions to Closing set forth in Section 5.1(g). Any and all filing fees in respect of such filings shall be paid by Seller. From and after the Closing, the parties shall do such acts and execute such documents and instruments as may be reasonably required to make effective the transactions contemplated hereby. On or after the Closing Date, the parties shall, on request, cooperate with one another by furnishing any additional information, executing and delivering any additional documents and instruments, including contract assignments, and doing any and all such other things as may be reasonably required by the parties or their counsel to consummate or otherwise implement the transactions contemplated by this Agreement. Should Seller, in its reasonable discretion, determine after the Closing that books, records or other materials constituting Acquired Assets are still in the possession of Seller, Seller shall promptly deliver them to Buyer at no cost to Buyer. Seller hereby agrees to cooperate with Buyer to ensure a proper transition of all customers with respect to billing and customer service activities. Buyer shall take the lead in obtaining MoPSC approval with respect to the Contemplated Transactions.

6.4 Exclusivity. Seller will not and will not permit its affiliates, officers, directors, employees or other agents or representatives to, at any time prior to the termination of this Agreement, directly or indirectly, (i) take any action to solicit, initiate or encourage the making of any Acquisition Proposal, or (ii) discuss or engage in

negotiations concerning any Acquisition Proposal with, or further disclose any non-public information relating to Seller to, any person or entity in connection with an Acquisition Proposal, in each case, other than Buyer and its representatives.

6.5 No Inconsistent Action. Prior to the Closing Date, no Party shall take any action, and each Party will use its commercially reasonable efforts to prevent the occurrence of any event (but excluding events which occur in the Ordinary Course of Business and events over which such Party has no control), which would result in any of its representations, warranties or covenants contained in this Agreement or in any Transaction Document not to be true and correct, or not to be performed as contemplated, at and as of the time immediately after the occurrence of such action or event. If at any time prior to the Closing Date, a Party obtains knowledge of any facts, circumstances or situation which constitutes a breach, or will with the passage of time or the giving of notice constitute a breach, of any representation, warranty or covenant of such Party under this Agreement or any Transaction Document or will result in the failure of any of the conditions contained in Article 5 to be satisfied, such Party shall give the other Party prompt written notice thereof; provided, however, that no such notice shall cure any breach of any representation, warranty or covenant contained herein or therein or will relieve any such Party of any obligations hereunder or thereunder unless specifically agreed to in writing by the other Party.

6.6 Conduct of Business. Between the date of this Agreement and the Closing Date, Seller shall carry on the operation of the System, the Business and the Acquired Assets in the Ordinary Course of Business and in compliance with Law, not introduce any materially new method of management or operation, use reasonable best efforts to preserve the System, the Business and the Acquired Assets, conserve the goodwill and relationships of its customers, suppliers, Governmental Authorities and others having business relations with it, maintain in full force and effect all policies of insurance now in effect for the benefit of Seller, maintain supplies at a level which is sufficient to operate the System in accordance with past practice and maintain the Acquired Assets in substantially the condition currently existing, normal wear and tear excepted. By way of illustration and not limitation, Seller will not, between the date hereof and the Closing Date, directly or indirectly do, or prepare to do, any of the following without the prior written Consent of Buyer, (a) sell, lease, transfer or otherwise dispose of, or license, mortgage or otherwise encumber, or give a security interest in or subject to any Encumbrances, any of the Acquired Assets, (b) merge or consolidate with or acquire, or agree to merge or consolidate with or acquire (by merging or consolidating with, or by purchasing a substantial portion of the stock or assets of, or by any other manner), any business or corporation, partnership, joint venture, association or other business organization or division thereof or otherwise change the overall character of the Business in any material way, (c) enter into any Contract other than in the Ordinary Course of Business, (d) abandon, sell, license, transfer, convey, assign, fail to maintain or otherwise dispose of any item of the transferred intellectual property, (e) make any change in any of its present accounting methods and practices, (f) make any new Tax election, or change or revoke any existing Tax election, or settle or compromise any Tax liability or file any income Tax Return prior to the last day (including extensions) prescribed by Law, in the case of any of the foregoing, material to

the business, financial condition or results of operations of Seller, (g) engage in any transactions with any Related Person which would survive Closing, (h) pay, discharge, settle or satisfy any material claims or Liabilities (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the Ordinary Course of Business or in accordance with their terms, of Liabilities reflected or reserved against in the Financial Statements (or the notes thereto), or not required by GAAP to be so reflected or reserved, or incurred since **December 31, 2016** in the Ordinary Course of Business, or waive any material benefits of, or agree to modify any material confidentiality, standstill, non-solicitation or similar agreement with respect to the Business to which Seller or any of its Affiliates is a party, (i) engage in any activity with the purpose or intent of (A) accelerating the collection of accounts receivable or (B) delaying the payment of the accounts payable, (j) enter into commitments for new capital expenditures in excess of \$25,000 in the aggregate, (k) create or issue or grant an option or other right to subscribe, purchase or redeem any of its securities or other equity interests (other than with Buyer), (l) adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such a liquidation or dissolution, merger, consolidation, restructuring, recapitalization or reorganization or (m) enter into any agreement (conditional or otherwise) to do any of the foregoing.

6.7 No Transfer at Odds with Law. Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall be deemed to require the conveyance, assignment or transfer of any Acquired Asset that by operation of applicable Law cannot be conveyed, assigned, transferred or assumed. Each Party shall continue to use reasonable best efforts to obtain at the earliest practicable date all unobtained Consents or approvals required to be obtained by it in connection with the transfer of the Acquired Assets or performance of any Transaction Document. If and when any such Consents or approvals shall be obtained, then Seller shall promptly, and hereby does, assign its rights and obligations thereunder to Buyer without payment of consideration and Buyer shall, and hereby does, without the payment of any consideration therefor, (i) assume such rights and obligations or (ii) perform (or agree to perform) under such Transaction Document, as applicable. Each Party shall execute such good and sufficient instruments as may be necessary to evidence such assignment and assumption. The entire beneficial interest in and to, and the risk of loss with respect to, the Acquired Assets shall, regardless of when legal title thereto shall be transferred to Buyer, pass to Buyer at Closing as of the Effective Time, and Seller shall, without consideration therefor, pay, assign and remit to Buyer all monies, rights and other consideration received in respect of such performance. To the extent permitted by Law, Seller shall exercise or exploit its rights in respect of such Acquired Assets only as directed by Buyer.

6.8 Release of Encumbrances. Seller promptly shall take such actions as shall be requested by Buyer to secure the release of all Encumbrances relating to the Acquired Assets, in each case in substance and form reasonably satisfactory to Buyer and its counsel.

6.9 Retention of Records. Subject to applicable Law and, subject to any applicable restrictions as to confidentiality (as to which Buyer does not provide indemnification, or the waiver of which Seller shall not have obtained after using reasonable best efforts), Seller shall preserve any books and records relating to the System or the Business that are not delivered to Buyer hereunder for a period no less than seven (7) years after the Closing Date (or such longer period as shall be required by applicable Law), and Seller shall make available such books and records for review and copying to Buyer and its authorized representatives following the Closing at Buyer's expense upon reasonable notice during normal business hours. During such period, Seller shall permit, to the extent permitted by applicable Law and upon request of Buyer, Buyer and any of its agents, representatives, advisors or consultants reasonable access to employees of or servicing the Business for information related to periods up to and including the Closing.

6.10 Tax Covenants.

(a) Seller shall pay all Taxes of Seller, the System and the Acquired Assets for any Tax year or period (or portion thereof) ending at or before the Closing. For the purposes of this Section 6.10(a), the portion of such personal property or similar ad valorem Tax that relates to the Tax period ending as of the Closing shall be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction, the numerator of which is the number of days in the Tax period ending as of the Closing and the denominator of which is the number of days in the entire Tax period. For purpose of this Section 6.10(a), the portion of all other Taxes that relates to the Tax period ending as of the Closing shall be determined on the basis of an interim closing of the books.

(b) Each Party agrees to furnish or cause to be furnished to the other Party, upon request, as promptly as practical, such information (including reasonable access to books and records, Tax Returns and Tax filings) and assistance as is reasonably necessary for the filing of any Tax Return, the conduct of any Tax audit, and for the prosecution or defense of any claim, suit or Proceeding relating to any Tax matter. The Parties shall cooperate with each other in the conduct of any Tax audit or other Tax Proceedings and each shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 6.10(b).

**ARTICLE 7
Indemnification**

7.1 Survival of Representations and Warranties and Covenants.

(a) All of the representations and warranties made by Seller in this Agreement, its Schedules, or any certificates or documents delivered hereunder shall survive the Closing Date and consummation of the Contemplated Transactions for a period of three (3) years; provided, however, that the representations and warranties contained in Sections 3.1, 3.2, 3.3, 3.5, 3.6, 3.7, 3.9 and 3.19 shall survive indefinitely.

7.2 Indemnification and Payment of Damages by Seller.

(a) From and after Closing and subject to the other provisions of this Article 7, Seller shall, to the extent permitted by law, indemnify and hold harmless Buyer, its Representatives, affiliates, successors and assigns (collectively, the “Buyer Indemnitees”) from and against any and all Losses arising out of or resulting from:

(i) any representations and warranties made by Seller in or pursuant to this Agreement not being true and correct when made or when required by this Agreement to be true and correct, or any breach or default by Seller in the performance of its covenants, agreements, or obligations under this Agreement required to be performed prior to Closing;

(ii) any breach or default by Seller in the performance of its covenants, agreements, or obligations under this Agreement or any Related Document delivered pursuant hereto required to be performed on or after Closing; and

(iii) any Retained Liabilities.

(b) Provided further, that in no event shall the Seller be liable to Buyer for any consequential damages or damages representing lost profits.

7.3 Indemnification By Buyer. Buyer hereby agrees to fully pay, protect, defend, indemnify and hold harmless Seller and its respective successors and assigns, from any and all Damages incurred by any of them arising out of, resulting from, relating to or caused by (i) any inaccuracy in or breach of any representation or warranty of, or any failure to perform or nonfulfillment of any provision or covenant contained in this Agreement or any other Transaction Document by, Buyer or (ii) transaction costs and expenses incurred by or on behalf of Buyer in connection with this Agreement or the Contemplated Transactions.

7.4 Notice of Claim. In the event that either party seeks indemnification on behalf of an Indemnified Person, such party seeking indemnification (the “Indemnified Party”) shall give reasonably prompt written notice to the indemnifying party (the “Indemnifying Party”) specifying the facts constituting the basis for such claim and the amount, to the extent known, of the claim asserted; provided, however, that the right of a person or entity to be indemnified hereunder shall not be adversely affected by a failure to give such notice unless, and then only to the extent that, an Indemnifying Party is actually irrevocably and materially prejudiced thereby. Subject to the terms hereof, the Indemnifying Party shall pay the amount of any valid claim not more than 10 days after the Indemnified Party provides notice to the Indemnifying Party of such amount.

7.5 Right to Contest Claims of Third Persons. If an Indemnified Party is entitled to indemnification hereunder because of a claim asserted by any Third Person, the Indemnified Party shall give the Indemnifying Party reasonably prompt notice thereof after such assertion is actually known to the Indemnified Party; provided, however, that the right of a Person to be indemnified hereunder in respect of claims made by a Third Person shall not be adversely affected by a failure to give such notice

unless, and then only to the extent that, an Indemnifying Party is actually irrevocably and materially prejudiced thereby. Buyer shall have the right, upon written notice to Seller, to investigate, contest or settle the Third Person Claim. Seller may thereafter participate in (but not control) the defense of any such Third Person Claim with its own counsel at its own expense. If Seller thereafter seeks to question the manner in which Buyer defended such Third Person Claim or the amount or nature of any such settlement, Seller shall have the burden to prove by clear and convincing evidence that conduct of Buyer in the defense and/or settlement of such Third Person Claim constituted gross negligence or willful misconduct. The Parties shall make available to each other all relevant information in their possession relating to any such Third Person Claim and shall cooperate in the defense thereof, provided that Buyer shall control the defense thereof. Promptly (and in any event within 10 days) following the resolution of any Third Person Claim, Seller shall pay to Buyer any amount to which Buyer is entitled pursuant to this Article 7 with respect to such Third Person Claim.

7.6 Certain Indemnification Matters.

(a) Notwithstanding anything contained herein or elsewhere to the contrary, all “material” and “Material Adverse Effect” or similar materiality type qualifications contained in the representations and warranties set forth in this Agreement shall be ignored and not given any effect for purposes of the indemnification provisions hereof, including, without limitation, for purposes of determining whether or not a breach of a representation or warranty has occurred and/or determining the amount of any Damages.

(b) No information or knowledge acquired, or investigations conducted, by Buyer or its representatives, of Seller or the System or otherwise shall in any way limit, or constitute a waiver of, or a defense to, any claim for indemnification by any Indemnified Persons under this Agreement.

ARTICLE 8 Termination

8.1 Termination. This Agreement may be terminated at any time prior to the Closing only (a) by mutual written Consent of Seller and Buyer, (b) by Buyer, if the Seller is unable to obtain the assignment contemplated in section 2.5(xii) within a reasonable amount of time, (c) by Buyer, if Buyer is not in material breach of any of its representations, warranties, covenants and agreements under this Agreement and there has been a material breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of Seller and Seller has not cured such breach within five (5) Business Days after receipt of notice of such breach (provided, however, that, no cure period shall be required for a breach which by its nature cannot be cured), (d) by Buyer, if, at any time before Closing, Buyer is not satisfied with the results of its due diligence review of the System and the Acquired Assets, (e) by Seller if Seller is not in material breach of any of its representations, warranties, covenants and agreements under this Agreement and there has been a material breach of any representation, warranty, covenant or agreement contained in

this Agreement on the part of Buyer and Buyer has not cured such breach within five (5) Business Days after receipt of notice of such breach (provided, however, that, no cure period shall be required for a breach which by its nature cannot be cured), (f) by Seller or Buyer upon written notice to the other, if any court of competent jurisdiction or other competent Governmental Entity shall have issued a statute, rule, regulation, Order, decree or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the Contemplated Transactions, and such statute, rule, regulation, Order, decree or injunction or other action shall have become final and non-appealable, (g) by Buyer, if all necessary regulatory approvals (including rate treatment, refunds and setting of rate base and all approvals described in Section 5.1(g)) contemplated hereby or otherwise necessary to close the Contemplated Transactions have not been obtained within 270 days of the date hereof, or (h) by Buyer if any Material Adverse Effect shall have occurred or, in the reasonable judgment of Buyer, shall be reasonably likely to occur.

8.2 Effect of Termination. The right of each Party to terminate this Agreement under Section 8.1 is in addition to any other rights such Party may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate, except that the obligations set forth in the Confidentiality Agreement, Section 6.1(b) (“Confidentiality”), Section 6.2 (“Publicity; Announcements”), this Section 8.2 (“Effect of Termination”) or Article 9 (“General Provisions”) will survive; provided, however, that if this Agreement is terminated by a Party because of the breach of the Agreement by another Party or because one or more of the conditions to the terminating Party’s obligations under this Agreement is not satisfied as a result of the other Party’s failure to comply with its obligations under this Agreement, the terminating Party’s right to pursue all legal remedies will survive such termination unimpaired.

ARTICLE 9 General Provisions

9.1 Amendment and Modification. No amendment, modification or supplement of any provision of this Agreement will be effective unless the same is in writing and is signed by the Parties.

9.2 Assignments. Seller may not assign or transfer any of its rights or obligations under this Agreement to any other Person without the prior written Consent of Buyer. Buyer may not assign its rights and obligations under this Agreement to any third party, without the prior written Consent of Seller, but may assign its rights and obligations under this Agreement to any Related Person or successor in interest without the Consent of Seller. Subject to this Section 9.2, all provisions of this Agreement are binding upon, inure to the benefit of and are enforceable by or against the Parties hereto and their respective heirs, executors, administrators or other legal representatives and permitted successors and assigns.

9.3 Captions; Construction. Captions contained in this Agreement and any table of contents preceding this Agreement have been inserted herein only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement.

9.4 Counterparts; Facsimile. This Agreement may be executed by the Parties hereto on any number of separate counterparts, and all such counterparts so executed constitute one agreement binding on all the Parties hereto notwithstanding that all the Parties hereto are not signatories to the same counterpart. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by e-mail, facsimile machine or telecopier is to be treated as an original document.

9.5 Entire Agreement. This Agreement and the other Transaction Documents constitute the entire agreement among the Parties hereto pertaining to the subject matter hereof and supersede all prior agreements, letters of intent, understandings, negotiations and discussions of the Parties hereto, whether oral or written, executed by the Parties pertaining to the subject matter hereof. All of the Exhibits and Schedules attached to this Agreement are deemed incorporated herein by reference.

9.6 Governing Law. This Agreement and the rights and obligations of the Parties hereunder are to be governed by and construed and interpreted in accordance with the Laws of the State of Missouri applicable to Contracts made and to be performed wholly within Missouri, without regard to choice or conflict of laws rules.

9.7 Legal Fees, Costs. Except as provided herein, all legal, consulting and advisory fees and other costs and expenses incurred in connection with this Agreement and the Contemplated Transactions are to be paid by the Buyer.

9.8 Notices. All notices, Consents, requests, demands and other communications hereunder are to be in writing and are deemed to have been duly given, made or delivered: (i) when delivered in person or by e-mail, (ii) three (3) Business Days after deposited in the United States mail, first-class postage prepaid, or (iii) in the case of telegraph or overnight courier services, one (1) Business Day after delivery to the telegraph company or overnight courier service with payment provided, in each case addressed as follows:

(a) if to Seller, (i) to City of Peculiar, 250 S. Main Street Peculiar, MO 64078 . Attn: City Administrator (bratliff@cityofpeculiar.com), with a copy to Mr. Joe Lauber, at 250 NE Tudor Road, Lee's Summit, Missouri 64086 (jlauber@laubermunicipal.com) or

(b) if to Buyer, (i) to Missouri-American Water Company, 727 Craig Road, St. Louis, Missouri 63141, Attn: Ms. Deborah Dewey, President (Deborah.Dewey@amwater.com), (ii) with a copy to Missouri-American Water

Company, 727 Craig Road, St. Louis, Missouri 63141, Attn: Legal Department (tim.luft@amwater.com) or to such other address as any Party hereto may designate by notice to the other Parties in accordance with the terms of this Section.

9.9 Severability. This Agreement shall be deemed severable; the invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of this Agreement or of any other term hereof, which shall remain in full force and effect, for so long as the economic or legal substance of the Contemplated Transactions is not affected in any manner materially adverse to any Party.

9.10 Specific Performance and Injunctive Relief; Remedies. The Parties hereto recognize that if any or all of them fail to perform, observe or discharge any of their respective obligations under this Agreement, a remedy at law may not provide adequate relief to the other Parties hereto. Therefore, in addition to any other remedy provided for in this Agreement or under applicable Law, any Party hereto may demand specific performance of this Agreement, and such Party shall be entitled to temporary and permanent injunctive relief, in a court of competent jurisdiction at any time when any of the other Parties hereto fail to comply with any of the provisions of this Agreement applicable to such Party. To the extent permitted by applicable Law, all Parties hereto hereby irrevocably waive any defense based on the adequacy of a remedy at law which might be asserted as a bar to such Party's remedy of specific performance or injunctive relief. Except as otherwise provided herein, all rights and remedies of the parties under this Agreement are cumulative and without prejudice to any other rights or remedies under Law. Nothing contained herein shall be construed as limiting the Parties' rights to redress for fraud.

9.11 No Third-Party Beneficiary. This Agreement is solely for the benefit of the Parties hereto and their respective successors and permitted assigns (and those Persons entitled to recover under the indemnity provisions hereof), and no other Person (other than those Persons entitled to recover under the indemnity provisions hereof) has any right, title, priority or interest under this Agreement or the existence of this Agreement.

9.12 Waiver of Compliance; Consents. Any failure of a Party to comply with any obligation, covenant, agreement or condition herein may be waived by the other Party only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits Consent by or on behalf of any Party hereto, such Consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 9.12.

IN WITNESS WHEREOF, the Parties have executed this Asset Purchase Agreement as of the date first set forth above:

**Missouri-American Water Company, a
Missouri corporation**

The City of Peculiar

By: _____
Deborah Dewey, President

By: _____
Holly Stark, Mayor

Attest:

Attest:

EXHIBIT B Definitions

“Acquired Assets” means all right, title, and interest in and to all of the assets which are owned or held by Seller as of the Effective Time that constitute the System or that are used in the operation thereof, including, with respect to the System, all of its (a) Real Property now used and required in the ongoing operation of the System, (b) Tangible Personal Property, (c) intellectual property, goodwill associated therewith, licenses and sublicenses granted and obtained with respect thereto, and rights thereunder, remedies against past, present, and future interests therein under the Laws of all jurisdictions, (d) leases, subleases, easements, rights of way, and rights thereunder, (e) all rights of Seller in and to the Assumed Contracts, (f) all rights of Seller in and to any indentures, mortgages, instruments, Encumbrances, or guaranties secured for the operation of the System, (g) accounts, notes, and other receivables arising after the Effective Time, (h) claims, deposits, prepayments, refunds, causes of action, rights of recovery, rights of set-off, and rights of recoupment (including any such item relating to the payment of Taxes), (i) franchises, approvals, Permits, pending application for Permits and Permit renewals, exemptions from any Permits, licenses, Orders, registrations, certificates, variances, and similar rights obtained from governments and governmental agencies in each case to the extent assignable or transferable to Missouri-American, (j) books, data, records, ledgers, files, documents, correspondence, lists, plats, architectural plans, drawings, specifications, creative materials, studies, reports, and other printed or written materials related to Seller’s construction, maintenance, and operation of the System, and (k) all of the intangible rights and property, if any, of Seller utilized in the operation of the System, provided that Acquired Assets shall not include any Excluded Assets.

“Acquisition Proposal” means any offer or proposal for the acquisition of Seller, the Acquired Assets or any portion thereof, whether by way of merger, consolidation or statutory share exchange or the acquisition of shares of capital stock, the acquisition of assets or similar transaction.

“Affiliate” means, with respect to any Person, any Person which, directly or indirectly controls, is controlled by, or is under common control with, such Person.

“Allocation” means a reasonable and supportable allocation of the Purchase Price and the Assumed Liabilities among the Acquired Assets in accordance with Code section 1060 and the Treasury regulations thereunder (and any similar provisions of state or local Law, as appropriate).

“Assignment and Assumption Agreement” means an Assignment and Assumption Agreement for the Assumed Liabilities in form and substance reasonably acceptable to Missouri-American.

“Assumed Contracts” means the Contracts listed on Exhibit 3.

“Assumed Liabilities” means only the Liabilities arising out of, resulting from or relating to the Assumed Contracts, but only to the extent such Liabilities (A) are to be

performed after the Effective Time, (B) do not arise as a consequence of any breach or default prior to the Effective Time, and (C) are accompanied by a correlated duty of performance or payment on the part of the other party(s) thereto.

“Audited Financial Statements” means the audited balance sheets of Seller as of December 31, 2016, 2017 and 2018 and the related audited statements of income and cash flows for the twelve (12) month period ended September 30, 2016, 2017 and 2018, respectively.

“Bill of Sale” means a bill of sale for all of the Acquired Assets that are Tangible Personal Property in form and substance reasonably acceptable to Missouri-American.

“Business” means the business of Seller as the same is conducted by Seller as of the date hereof and as the same shall be conducted by Seller as of immediately prior to the Closing.

“Business Day(s)” means any day other than (i) Saturday or Sunday, or (ii) any other day on which governmental offices in the State of Missouri are permitted or required to be closed.

“Cleanup” means investigation, cleanup, removal, containment or other remediation or response actions.

“Closing” means the closing of the Contemplated Transactions.

“Closing Date” means the date on which the Closing actually occurs.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations and other guidance promulgated thereunder.

“Confidential Information” means (i) information not available to the general public concerning the System and financial affairs with respect to a Party hereto or its Affiliates, and (ii) analyses, compilations, forecasts, studies and other documents prepared on the basis of such information by the Parties or their agents, representatives, any Related Person, employees or consultants.

“Consent” means any approval, consent, ratification, waiver or other authorization.

“Contemplated Transactions” means the transactions contemplated by this Agreement and the Transaction Documents.

“Contract” means any agreement, contract, obligation, legally binding commitment or undertaking (whether written or oral and whether express or implied).

“Damages” means any and all claims, losses and other liabilities, plus reasonable attorneys’ fees and expenses, including court costs and expert witness fees and costs, incurred in connection with such claims, losses and other liabilities and/or enforcement of this Agreement.

“DNR” means the Missouri Department of Natural Resources.

“Effective Time” means 12:01 a.m. on the Closing Date.

“Encumbrance” means any charge, claim, community property interest, condition, easement, equitable interest, encumbrance, lien, mortgage, option, pledge, security interest, right of first refusal, right of way, servitude or restriction of any kind, including any restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, or any repayment obligation under any grant.

“Environment” means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins and wetlands), groundwater, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life and any other environmental medium or natural resource.

“Environmental, Health and Safety Liabilities” means any cost, damages, expense, liability, obligation or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to (a) any environmental, health or safety matters or conditions (including on-site or off-site contamination, occupational safety and health and regulation of chemical substances or products), (b) fines, penalties, judgments, awards, settlements, legal or administrative Proceedings, damages, losses, claims, demands and response, investigative, remedial or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law, (c) financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any Cleanup required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Authority or any other Person) and for any natural resource damages, or (d) any other compliance, corrective, investigative or remedial measures required under Environmental Law or Occupational Safety and Health Law. The terms “removal,” “remedial,” and “response action,” include the types of activities covered by the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., as amended, and the United States Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as amended.

“Environmental Law” means any Law relating to pollution or protection of human health, safety, the environment, natural resources or Law relating to releases or threatened releases of Hazardous Materials into the indoor or outdoor environment (including, without limitation, ambient air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, release, transport or handling of Hazardous Materials.

“Excluded Assets” means (a) all cash, cash equivalents and short-term investments of Seller, including all bank accounts, demand accounts, certificates of deposit, time deposits, marketable securities, negotiable instruments and the proceeds of accounts receivable paid prior to the Closing Date, other than deposits and funds included in the Acquired Assets, (b) all accounts receivable of Seller accrued and

payable prior to the Effective Time, (c) all intercompany accounts receivable of Seller and notes for those accounts receivable, (d) all Contracts to which the Seller is a party (other than the Assumed Contracts), including the Contracts listed on Schedule 3.8 (other than the Assumed Contracts listed thereon), (e) all equity interests owned or held by Seller, (f) all insurance policies of Seller and rights thereunder, (g) all causes of action, judgments, claims, reimbursements and demands of whatever nature (including rights under and pursuant to all warranties, representations and guarantees made by suppliers of products, materials or equipment, or components thereof) in favor of Seller to the extent related to any Excluded Asset or Excluded Liability, (h) all corporate minute books and stock Records of Seller and personnel Records and other Records that Seller is required by Law to retain in its possession, (i) all rights of Seller under this Agreement and the Transaction Documents and (j) all rights, properties and assets set forth on Schedule A.

“Excluded Liabilities” means any and all Liabilities of Seller, whether or not incurred in connection with the operation of the System, other than the Assumed Liabilities.

“Financial Statements” means the Audited Financial Statements and the Unaudited Financial Statements.

“Franchise Agreement” means that certain Franchise Agreement in form and substance reasonably acceptable to Missouri-American.

“Governmental Authority(ies)” means any (a) nation, state, county, city, village, district or other jurisdiction of any nature, (b) federal, state, local, municipal, foreign or other government, (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal), (d) multi-national organization or body or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature. For purposes of this Agreement, Seller shall not be deemed included in the definition of a “Governmental Authority.”

“Hazardous Activity” means the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment or use (including any withdrawal or other use of groundwater) of Hazardous Materials in, on, under, about or from the System or any part thereof into the Environment, and any other act, system, operation or thing that increases the danger or risk of danger, or poses an unreasonable risk of harm to persons or property on or off the System, or that may affect the value of the System or the Business.

“Hazardous Materials” means any waste or other substance that is listed, defined, designated or classified as, or otherwise determined to be, hazardous, radioactive or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials.

“Improvements” means all buildings, structures, fixtures, building systems and equipment, and all components thereof, including the roof, foundation, load-bearing walls, and other structural elements thereof, heating, ventilation, air conditioning, mechanical, electrical, plumbing, and other building systems, environmental control, remediation, and abatement systems, sewer, storm, and waste water systems, irrigation and other water distribution systems, parking facilities, fire protections, security, and surveillance systems, and telecommunications, computer, wiring, and cable installations, included in the Real Property.

“Indemnified Persons” means Missouri-American and Missouri-American’s Affiliates and the past, present and future officers, directors, shareholders, partners, employees, agents, attorneys, representatives, successors and assigns of each of them in their capacities as such.

“Intangible Assignments” means the assignments of all of the Acquired Assets which are intangible personal property in form and substance reasonably acceptable to Missouri-American.

“Knowledge” means (i) the actual knowledge of a particular fact by any of the Persons listed on Schedule B (each, a “Knowledge Party”), and (ii) knowledge that would have been acquired by any Knowledge Party acting reasonably and diligently in the performance of such person’s role with and duties to Seller. The words “know,” “knowing” and “known” shall be construed accordingly.

“Law(s)” means any law, rule, regulation or ordinance of any federal, foreign, state or local Governmental Authority or other provisions having the force or effect of law, including all judicial or administrative Orders and determinations, and all common law.

“Lease” means that certain real property lease in form and substance reasonably acceptable to Missouri-American.

“Liability” or “Liabilities” means any liability, indebtedness or obligation of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise and whether or not the same is required to be accrued on the financial statements of a Person.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, Liabilities (contingent or otherwise), operations or condition (financial or otherwise) of the System, the Business and the Acquired Assets, taken as a whole; provided, however, that “Material Adverse Effect” shall not include any changes resulting from general business or economic conditions, including such conditions related to the industry in which the System is operated, which do not specifically relate to the System and which are not disproportionately adverse to the System than to other businesses being operated in the industries in which the System operates, or (b) the ability of Seller to consummate the Contemplated Transactions.

“MoPSC” means the Missouri Public Service Commission.

“Occupational Safety and Health Law” means any Law designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

“Order” means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made or rendered by any court, administrative agency or other Governmental Authority or by any arbitrator.

“Ordinary Course of Business” means, with respect to the System and the Business, only the ordinary course of commercial operations customarily engaged in by the System and the Business consistent with past practices, and specifically does not include (a) activity (i) involving the purchase or sale of the System or the Business or any product line or business unit thereof, or (ii) that requires approval by governing persons or equity holders of Seller or any of its Affiliates, as applicable, or (b) the incurrence of any Liability for any tort or any breach or violation of or default under any Contract or Law.

“Permit” means any approval, Consent, license, permit, waiver or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law.

“Person” means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, cooperative, estate, trust, association, organization, labor union or other entity or Governmental Authority.

“Proceeding” means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

“Purchase Price” means Sixteen Million Nine Hundred Thousand Dollars (\$16,900,000).

In addition, the purchase price will include the following:

1. Additional cash payments of Three Hundred Thousand Dollars (\$300,000) following the closing on the system payable as \$150,000 in year one, \$100,000 in year two, and \$50,000 in year three. The first payment will be made six months after closing, the following two in one year intervals after that.
2. In addition, Seller shall retain all unrestricted cash on hand at the time of closing

3. In the event that the Missouri Department of Natural Resources (“DNR” shall compel the Seller to perform additional improvements to the system (that is in addition to the existing system and any projects already currently underway at the time of the execution of this agreement, Seller being unable to postpone such improvements until after the closing date, then the out of pocket costs of the Seller prior to closing of any such additional mandated improvements shall be added to the total compensation paid by the Buyer to the Seller. Seller will involve Buyer and DNR in any such discussions, to ascertain whether DNR may allow those improvements to take place after closing.

“Real Property” means those parcels of real property and those easements or any right-of-way used in the operation of the System, together with all fixtures, fittings, buildings, structures and other Improvements erected therein or thereon. The term “Real Property” will not include any of the following properties, the exact descriptions of which, if unknown, will be agreed to by the parties prior to Closing:

City Hall

Old City Hall and old Public Works buildings

New Public Works Building

All property to the south of the Wastewater Treatment section of property, which is Raiseback Park and No property north of the Wastewater Treatment section of property, commonly called the salt shed area.

County Barn

All existing Parks and trails

All city owned monument sign areas

If any of these properties require a lot split or re-platting, Seller will insure that such is accomplished prior to the Closing.

“Records” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

“Related Person” means: (a) with respect to a particular individual, (i) each other member of such individual’s Family, (ii) any Person that is directly or indirectly controlled by such individual or one or more members of such individual’s Family, (iii) any Person in which such individual or members of such individual’s Family hold (individually or in the aggregate) a Material Interest, and (iv) any Person with respect to which such individual or one or more members of such individual’s Family serves as a director, officer, partner, executor or trustee (or in a similar capacity) and (b) with respect to a specified Person other than an individual, (i) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person, (ii) any Person that holds a Material Interest in such

specified Person, (iii) each Person that serves as a director, officer, partner, executor or trustee of such specified Person (or in a similar capacity), (iv) any Person in which such specified Person holds a Material Interest, (v) any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity) and (vi) any Related Person of any individual described in clause (ii) or (iii). For purposes of this definition, (x) the “Family” of an individual includes (A) the individual, (B) the individual’s spouse, (C) any other natural person who is related to the individual or the individual’s spouse within the second degree, and (D) any other natural person who resides with such individual; and (y) “Material Interest” means direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of voting securities or other voting interests representing at least five percent (5%) of the outstanding equity securities or equity interests in a Person.

“Release” means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping or other releasing into the Environment, whether intentional or unintentional.

“Tangible Personal Property” means all machinery, equipment, tools, furniture, office equipment, computer hardware, supplies (including chemicals and spare parts), materials, vehicles and other items of tangible personal property of every kind owned or leased by Seller (wherever located and whether or not carried on Seller’s books), together with any express or implied warranty by the manufacturers or lessors of any item or component part thereof, and all maintenance records and other documents relating thereto.

“Tax” or “Taxes” means all taxes, charges, withholdings, fees, duties, levies, or other like assessments including, without limitation, income, gross receipts, ad valorem, value added, excise, property, sales, employment, withholding, social security, Pension Benefit Guaranty Corporation premium, environmental (under Section 59A of the Code) occupation, use, service, service use, license, payroll, franchise, transfer and recording taxes, fees and charges, windfall profits, severance, customs, import, export, employment or similar taxes, charges, fees, levies or other assessments, imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or any other basis, and shall include any interest, fines, penalties, assessments, or additions to tax resulting from, attributable to, or incurred in connection with any such Tax or any contest or dispute thereof, and including any Liability for the Taxes of another Person under Treasury Regulation section 1.1502-6 (or any similar provisions of state, local, or foreign Law), as transferee or successor, by Contract or otherwise.

“Tax Return” or “Tax Returns” means any return, declaration, report, claim for refund, or information return or statement relating to, or required to be filed in connection with any Taxes, including any schedule or attachment thereto and including any amendment thereof.

“Third Person” means a claimant other than an indemnified person hereunder.

“Third Person Claim” means a claim alleged by a Third Person.

“Transaction Documents” means this Agreement, the Bill of Sale, the Intangible Assignments, the Assignment and Assumption Agreement, the Franchise Agreement, the Lease and all other documents, certificates, assignments and agreements executed and/or delivered in connection with this Agreement in order to consummate the Contemplated Transactions, as the same may be amended, restated, modified or otherwise replaced from time to time.

“Unaudited Financial Statements” means the unaudited balance sheet of Seller as of September 30, 2019 and the related compiled consolidated statements of income and cash flows for the three month period then ended.

Rules of Construction

For purposes of this Agreement and the other documents executed in connection herewith, the following rules of construction shall apply, unless specifically indicated to the contrary: (i) wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter; (ii) the term “or” is not exclusive; (iii) the term “including” (or any form thereof) shall not be limiting or exclusive; (iv) the terms “hereof,” “herein” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including the Schedules and Exhibits hereto) and not to any particular provision of this Agreement; (v) all references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations as well as all rules and regulations promulgated thereunder, unless the context otherwise requires; (vi) all references in this Agreement or in the Schedules to this Agreement to sections, schedules, exhibits and attachments shall refer to the corresponding sections, schedules, exhibits and attachments of or to this Agreement; and (vii) all references to any instruments or agreements, including references to any of the documents executed in connection herewith, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof.

Utility Bill Comparison

Volume (Gallons)	0	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000	5,500	6,000	6,500	...	300,000
Peculiar	\$53.71	\$53.71	\$68.27	\$82.83	\$97.39	\$111.95	\$126.51	\$141.07	\$155.63	\$170.19	\$184.75	\$199.31	\$213.87	...	\$9,424.39
MAWC	\$79.21	\$86.58	\$90.26	\$93.33	\$97.64	\$101.33	\$105.01	\$108.70	\$112.38	\$116.07	\$119.74	\$123.43	\$127.11	...	\$2,290.21
Difference	\$ (25.50)	\$ (32.87)	\$ (21.99)	\$ (10.50)	\$(0.25)	\$ 10.62	\$21.50	\$32.37	\$43.25	\$54.12	\$65.01	\$75.88	\$86.76	...	\$ 7,134.18

Other Fees and Charges for Water Services

	Turn On Fee	Turn Off Fee	Water Tap	Meter Testing	Penalty	Returned Check
Peculiar	\$0.00	\$50.00	\$1,300.00	\$50.00	10%	\$18.00
MAWC	\$27.50	\$55.00	Actual Cost	\$41.50	1.50%	\$12.00

Other Fees and Charges for Sewer Services

	Sewer Tap	Penalties	Returned Check
Peculiar	\$2,107.00	10%	\$18.00
MAWC	Actual Cost	1.50%	\$12.00

**AN ORDINANCE OF THE CITY OF PECULIAR, MISSOURI,
CALLING FOR AN ELECTION TO BE HELD ON TUESDAY,
APRIL 7, 2020;**

Whereas, the City of Peculiar, Missouri (the “City”), a city of the fourth class; and

Whereas, the City of Peculiar owns and operates, among others, two municipal utilities; namely a public water supply system and a public wastewater system (“Utilities”); and

Whereas, the City is empowered under the laws and constitution of the State of Missouri (the “State”) including, without limitation, Section 88.770 of the Revised Statutes of the State of Missouri, to sell, lease, or encumber the Utilities; and

Whereas, the City has entered into an agreement with Missouri American Water company, to sell the Utilities, contingent upon the approval of the voters of the city as, as required by said Section 88.770;

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

SECTION 1. A special election is hereby called and ordered to be held on Tuesday, April 7, 2020 (the “Election”) for the purpose of submitting to the qualified voters of the City the question of whether the City shall be authorized to sell the city public water supply system and the city wastewater collection and treatment system, together with certain land and equipment, substantially according to the terms of an agreement between the City and Missouri American Water Company approved by the City by Resolution _____ (collectively, the “Proposition”).

SECTION 2. The ballot upon which the Proposition shall be submitted to the qualified voters of the City shall contain the question in substantially the following form:

“Shall the City of Peculiar be authorized to sell the city public water supply system and the city wastewater collection and treatment system, together with certain land and equipment, substantially according to the terms of an agreement between the City and Missouri American Water Company approved by the city by Resolution 2020-02”

YES

NO

Instructions to Voters: If you are in favor of the proposition, place an X in the box opposite “YES.” If you are opposed to the proposition, place an X in the box opposite “NO.”

SECTION 3. The Deputy City Clerk is hereby authorized and directed to notify the proper election authority of the adoption of this Ordinance no later than 5:00 P.M. on the tenth Tuesday prior to the Election or such other date as required by the election authority or by law, and to include in said notification all of the terms and provisions required by Chapter 115 of the Revised Statutes of Missouri, as amended, and to take such other steps as may be required so that an election may be lawfully conducted. The form of the Notice of Election for said election, a copy of which is attached hereto as Exhibit A and incorporated as if fully set out herein, is hereby approved.

SECTION 4. The Mayor of the City, the Deputy City Clerk, and the City Attorney, are hereby authorized to take such actions as are necessary or desirable to cause the Proposition to be submitted to the qualified voters of the City at the Election. The election authority of Warren County shall conduct such election according to the law and certify the results thereof. The election authority shall designate such polling places as shall be required for said Election and shall appoint such election officials as may be necessary for the conduct thereof. The election authority shall be required by law and shall do and perform such other necessary acts as may be required to conduct the Election in accordance with the laws of the State of Missouri.

SECTION 5. The portions of this Ordinance shall be severable. In the event that any portion of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining portions of this Ordinance are valid, unless the court finds that the valid portions of this Ordinance are so essential and inseparably connected with and dependent upon the void portion that it cannot be presumed that the Board of Aldermen would have enacted the valid portions without the invalid ones, or unless the court finds that the valid portions standing alone are incomplete and are incapable of being executed in accordance with the legislative intent.

SECTION 6. This ordinance shall take effect and be in full force from and after the passage and approval thereof.

Read the first time by title only and approved by the Board of Aldermen of the City of Peculiar, Missouri, this Missouri this _____ day of _____, 2020.

Read the second time by title only and passed by the Board of Aldermen and approved by the Mayor of the City of Peculiar, Missouri this _____ day of _____, 2020.

BE IT REMEMBERED THE PRECEDING ORDINANCE WAS ADOPTED ON ITS SECOND READING THIS ____ DAY OF _____, 2020, BY THE FOLLOWING VOTE:

Alderman Broadhurst _____
Alderman Harlan _____
Alderman Erickson _____

Alderman Borden _____
Alderman Gillespie _____

Approved:

Holly Stark, Mayor

ATTEST:

Cyndora Gauthreaux, City Clerk

APPROVED BY THE MAYOR of the City of Peculiar, Missouri, this this _____ day of _____, 2020.

Holly Stark, Mayor

ATTEST:

Cyndora Gauthreaux, Deputy City Clerk

EXHIBIT A

**NOTICE OF SPECIAL ELECTION
CITY OF PECULIAR, MISSOURI**

Notice is hereby given to the qualified voters of the City of Peculiar, Missouri that the Board of Aldermen of said City has called an election to be held in said City on Tuesday, April 7, 2020, commencing at 6 a.m. and closing at 7 p.m. on the question contained in the following sample ballot.

**OFFICIAL BALLOT
SPECIAL ELECTION
CITY OF PECULIAR, MISSOURI
APRIL 7, 2020**

Shall the City of Peculiar be authorized to sell the city public water supply system and the city wastewater collection and treatment system, together with certain land and equipment, substantially according to the terms of an agreement between the City and Missouri American Water Company approved by the city by Resolution 2020-02

YES

NO

Instructions to Voters: If you are in favor of the proposition, place an X in the box opposite "YES." If you are opposed to the proposition, place an X in the box opposite "NO."

The election will be held at the following polling places in the City of Peculiar:

POLLING PLACE: #26 – West Peculiar-City – Peculiar Lions Club Community Center, 500 Schug Ave., Peculiar, Missouri

Given under my hand the official seal of the City of Peculiar, Missouri this _____ day of _____, 2020

(Seal)

Cyndora Gauthreaux, Deputy City Clerk
City of Peculiar