

AN ORDINANCE AUTHORIZING THE CITY OF CHESTERFIELD, MISSOURI TO ENTER INTO A LEASE PURCHASE TRANSACTION, THE PROCEEDS OF WHICH WILL BE USED TO PAY THE COSTS OF ACQUIRING AND IMPROVING LAND AND REFUNDING THE OUTSTANDING CERTIFICATES OF PARTICIPATION (CITY OF CHESTERFIELD, MISSOURI, LESSEE), SERIES 2014; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Chesterfield, Missouri (the "City") authorized the delivery of \$8,600,000 original principal amount of Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2014 (the "Series 2014 Certificates"), which were delivered for the purpose of providing funds to refund (a) \$4,550,000 original principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2009A, and (b) \$5,695,000 original principal amount of Taxable Certificates of Participation (City of Chesterfield, Missouri, Lessee) (Build America Bonds – Direct Payment to City), Series 2009B (together, the "Series 2009 Certificates"), which Series 2009 Certificates were delivered to renovate and improve the City's Central Park and Chesterfield Valley Athletic Complex (the "Project"); and

WHEREAS, the City finds and determines that it is advantageous and in the best interests of the City to enter into certain transactions with Wells Fargo Bank, N.A., as trustee (the "Trustee"), relating to the delivery of (a) approximately \$6,000,000 principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A (the "Series 2020A Certificates") to provide funds, together with other available funds of the City, to (i) pay the costs of acquiring and improving certain vacant land (the "Series 2020 Project"), (ii) prepay the principal of the Series 2014 Certificates maturing on December 1, 2020 and interest owing on all Series 2014 Certificates on December 1, 2020 and (iii) pay certain costs in connection with the execution and delivery of the Series 2020A Certificates, and (b) approximately \$6,000,000 principal amount of Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B (the "Series 2020B Certificates" and, together with the Series 2020A Certificates, the "Series 2020 Certificates") to provide funds, together with other available funds of the City, to (i) advance prepay all of the principal and accrued interest of the Series 2014 Certificates maturing on December 1, 2021 and thereafter (the "Refunded Certificates") and (ii) pay the costs of delivering the Series 2020B Certificates; and

WHEREAS, the City owns certain real property upon which the City's Parks Administration Building and Maintenance Facility is located (the "Real Property"), which was improved in part with a portion of the proceeds of the Series 2009 Certificates, and which the City is leasing to the Trustee pursuant to a Base Lease dated as of December 1, 2008; and

WHEREAS, in order to facilitate the foregoing and to pay the cost thereof, it is necessary and desirable for the City to take the following actions:

1. Enter into a Fourth Supplemental Lease Purchase Agreement dated as of October 1, 2020 (the "Fourth Supplemental Lease") with the

Trustee, as lessor, the form of which is attached hereto as **Exhibit A**, which supplements and amends the Lease Purchase Agreement dated as of December 1, 2008 (the "Original Lease"), as amended by the First Supplemental Lease Purchase Agreement dated as of September 1, 2009 (the "First Supplemental Lease"), as further amended by the Second Supplemental Lease Purchase Agreement dated as of September 1, 2014 (the "Second Supplemental Lease") and as further amended by the Third Supplemental Lease Purchase Agreement dated as of April 1, 2016 (the "Third Supplemental Lease" and collectively with the Original Lease, the First Supplemental Lease, the Second Supplemental Lease and the Fourth Supplemental Lease, the "Lease"), pursuant to which the City is leasing the Real Property and the portion of the Project located thereon (the "Leased Property"), from the Trustee on a year-to-year basis with an option to purchase the Trustee's interest in the Leased Property;

2. Execute the Continuing Disclosure Undertaking dated as of October 1, 2020 (the "Continuing Disclosure Undertaking") pursuant to which the City agrees to provide certain financial and other information with respect to the Series 2020 Certificates, the form of which is attached hereto as **Exhibit B**;

3. Enter into a Tax Compliance Agreement dated as of October 1, 2020 (the "Tax Compliance Agreement") with the Trustee, pursuant to which the City makes certain representations and covenants related to the exclusion of the Interest Portions of Basic Rent (as defined in the Lease) under the Lease with respect to the Series 2020A Certificates from gross income for purposes of federal income taxation, the form of which is attached hereto as **Exhibit C**;

4. Approve a Fourth Supplemental Declaration of Trust dated as of October 1, 2020 (the "Fourth Supplemental Declaration of Trust") by the Trustee, pursuant to which the Series 2020 Certificates will be executed and delivered, the form of which is attached hereto as **Exhibit D**, which supplements and amends the Declaration of Trust dated as of December 1, 2008 (the "Original Declaration of Trust"), as amended by the First Supplemental Declaration of Trust dated as of September 1, 2009 (the "First Supplemental Declaration of Trust"), as further amended by the Second Supplemental Declaration of Trust dated as of September 1, 2014 (the "Second Supplemental Declaration of Trust") and as further amended by the Third Supplemental Declaration of Trust dated as of April 1, 2016 (the "Third Supplemental Declaration of Trust" and collectively with the Original Declaration of Trust, the First Supplemental Declaration of Trust, the Second Supplemental Declaration of Trust and the Fourth Supplemental Declaration of Trust, the "Declaration of Trust");

5. Approve an Official Statement with respect to the Series 2020 Certificates, to be in substantially the same form as the Preliminary Official Statement with respect to the Series 2020 Certificates, the form of which is attached hereto as **Exhibit E** (the "Preliminary Official Statement," and together, the "Official Statement"); and

6. Enter into an Escrow Trust Agreement (the "Escrow Agreement") between the City and BOKF, N.A., as escrow agent, the form of which is attached hereto as **Exhibit F**; and

(the Fourth Supplemental Lease, the Continuing Disclosure Undertaking, the Tax Compliance Agreement and the Escrow Agreement are referred to together herein as the "City Documents"); and

WHEREAS, the City desires to have a competitive public sale of the Series 2020 Certificates to occur on or about October 8, 2020, as described in the Notice of Sale for the Series 2020 Certificates (the "Notice of Sale") attached hereto as **Exhibit G**;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHESTERFIELD, MISSOURI, AS FOLLOWS:

Section 1. Approval of Sale and Delivery of the Series 2020 Certificates.

(a) Subject to the limitations set forth in subsection (b) below, the City hereby authorizes the delivery by the Trustee of the Series 2020 Certificates for the purposes stated herein.

(b) The Series 2020 Certificates shall be delivered and secured pursuant to the Declaration of Trust and shall be in such denominations and forms, shall be subject to prepayment prior to the stated payment dates thereof, shall have such other terms and provisions, and shall be executed and delivered by the Trustee in such manner, subject to the provisions, covenants and agreements as are set forth in the Fourth Supplemental Declaration of Trust and the following limitations set forth below:

(1) the aggregate principal amount of the Series 2020 Certificates shall not exceed \$12,000,000;

(2) the costs of issuing the Series 2020 Certificates, excluding the underwriter's discount, shall not exceed 1.50% of the principal amount of the Series 2020 Certificates;

(3) the Series 2020 Certificates shall have a final maturity not later than December 1, 2030, and shall have a weighted average maturity of not less than 2 years and not more than 8 years;

(4) principal of the Series 2020 Certificates shall be payable annually on December 1, commencing December 1, 2021, and interest shall be payable semiannually on June 1 and December 1, commencing June 1, 2021;

(5) the Series 2020A Certificates shall bear interest at various interest rates, with the true interest cost not to exceed 2.25% per annum;

(6) the Series 2020B Certificates shall bear interest at various interest rates, with the true interest cost not to exceed 2.50% per annum;

(7) the Series 2020A Certificates shall be subject to prepayment at the option of the City, as a whole or in part, on or after a date that is not later than December 1, 2028, at a Prepayment Price equal to 100% of the principal being prepaid, plus the interest accrued to the Prepayment Date; and

(8) the Series 2020B Certificates are not subject to prepayment, except as provided in **Section 4.02(c)** of the Fourth Supplemental Lease.

Subject to the foregoing limitations, the final terms of the Series 2020 Certificates shall be specified in the Fourth Supplemental Declaration of Trust.

(c) The City hereby ratifies and approves the Notice of Sale attached hereto as **Exhibit G**. The Series 2020 Certificates shall be sold at a public sale to the purchasers (the "Purchasers") whose bids (1) are in compliance with subsection (b) above and the terms in the Notice of Sale, (2) are not otherwise rejected by the City in accordance with the provisions of the Notice of Sale, and (3) will result in the lowest "true interest cost" to the City as described in the Notice of Sale. The City Administrator and Finance Director are authorized to accept the Purchasers' winning bids and to execute and deliver the winning bid forms to the Purchasers on behalf of the City.

Section 2. Limited Obligations. The Series 2020 Certificates and the interest thereon shall be limited obligations, payable solely out of the rents, revenues and receipts received by the Trustee from the City pursuant to the Lease. Neither the Lease nor the Series 2020 Certificates shall constitute a debt or liability of the City or of the State of Missouri or of any political subdivision thereof, and neither the Lease nor the Series 2020 Certificates shall constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Section 3. Authorization and Approval of the City Documents and the Fourth Supplemental Declaration of Trust. The City Documents and the Fourth Supplemental Declaration of Trust are hereby approved in substantially the forms submitted to and reviewed by the City Council on the date hereof, with such changes therein as are approved by the Mayor or President Pro Tem. The Mayor's or President Pro Tem's execution of the City Documents will be conclusive evidence of such approval.

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

The Mayor and President Pro Tem are hereby authorized and directed to execute and deliver the City Documents and to approve changes to the Fourth Supplemental Declaration of Trust on behalf of and as the act and deed of the City. The City Clerk and the Deputy City Clerk are hereby authorized to affix the City's seal to the City Documents and attest said seal.

Section 4. Prepayment of the Refunded Certificates. The Refunded Certificates maturing on December 1, 2022 and thereafter are hereby called for prepayment prior to maturity on December 1, 2021. Such Refunded Certificates shall be prepaid at the designated corporate trust office of the Trustee, by the payment on the prepayment date of the principal thereof, without prepayment premium, plus accrued interest thereon to the prepayment date. The officers of the City are hereby authorized and directed to take such other action as may be necessary in order to effect the prepayment of such Refunded Certificates.

Section 5. Approval of Official Statement. The final Official Statement is hereby authorized and approved, supplementing, amending and completing the Preliminary Official Statement, with such changes therein and additions thereto as are approved by the officer of the City executing the final Official Statement, said officer's execution thereof to be conclusive evidence of said officer's approval thereof, and the public distribution of the final Official Statement by the Purchasers is in all respects hereby authorized and approved for use in connection with the sale of the Series 2020 Certificates. The Mayor of the City and the President Pro Tem are hereby authorized to execute and deliver the final Official Statement on behalf of and as the act and deed of the City.

For the purpose of enabling the Purchasers to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the "Rule"), the City hereby deems the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by the Rule, and the appropriate officers of the City are hereby authorized, if requested, to provide the Purchasers 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 Purchasers to comply with the requirement of such Rule.

Section 6. Further Authority. The City will, and the officials and agents of the City are hereby authorized and directed to, take such actions, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the City Documents, the other documents authorized or approved hereby.

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

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

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

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Passed and approved this 21st day of September, 2020.

Bob Nation
PRESIDING OFFICER

Bob Nation
Bob Nation, MAYOR

ATTEST:

Vickie McGownd
Vickie McGownd, CITY CLERK

FIRST READING HELD:

9/21/20

(The above space is reserved for Recorder's Certification)

TITLE OF DOCUMENT:	FOURTH SUPPLEMENTAL LEASE PURCHASE AGREEMENT
DATE OF DOCUMENT:	OCTOBER 1, 2020
GRANTOR:	WELLS FARGO BANK, N.A., as Trustee
GRANTOR'S MAILING ADDRESS:	1445 Ross Avenue, 43rd Floor MAC T9216-430 Dallas, Texas 75202-2711
GRANTEE:	CITY OF CHESTERFIELD, MISSOURI
GRANTEE'S MAILING ADDRESS:	690 Chesterfield Parkway West Chesterfield, Missouri 63017
RETURN DOCUMENTS TO:	Jason S. Terry, Esq. Gilmore & Bell, P.C. 211 North Broadway, Suite 2000 St. Louis, Missouri 63102
LEGAL DESCRIPTION:	See Schedule 1

FOURTH SUPPLEMENTAL LEASE PURCHASE AGREEMENT

between

**WELLS FARGO BANK, N.A.,
as Lessor and Trustee**

and the

**CITY OF CHESTERFIELD, MISSOURI,
as Lessee**

Dated as of October 1, 2020

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FOURTH SUPPLEMENTAL LEASE PURCHASE AGREEMENT

THIS FOURTH SUPPLEMENTAL LEASE PURCHASE AGREEMENT (this “Fourth Supplemental Lease”), dated as of October 1, 2020, is entered into between **WELLS FARGO BANK, N.A.**, a national banking association organized and existing under the laws of the United States of America, as Trustee (the “Trustee”), and the **CITY OF CHESTERFIELD, MISSOURI**, a third-class city and political subdivision organized and existing under the laws of the State of Missouri (the “City”).

RECITALS:

1. The City and the Trustee entered into a Base Lease dated as of December 1, 2008 (the “Base Lease”), pursuant to which the City leased to the Trustee the real property described on **Schedule 1**, including any existing improvements thereon (the “Real Property”).
2. The Trustee and the City entered into a Lease Purchase Agreement dated as of December 1, 2008 (the “Original Lease”), pursuant to which the Trustee leased to the City the Real Property and the hereinafter-defined Project located thereon (together, the “Leased Property”), in consideration of Basic Rent (as defined therein) and subject to the other terms and conditions contained therein.
3. In order to provide funds to pay the costs of the Project, the Trustee executed a Declaration of Trust dated as of December 1, 2008 (the “Original Declaration of Trust”), under which the Trustee delivered \$4,720,000 original principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2008 (the “Series 2008 Certificates”) to provide funds to pay (a) a portion of the costs of renovating and improving the City’s Central Park and the Chesterfield Valley Athletic Complex (the “Project”), and (b) certain costs in connection with the execution and delivery of the Series 2008 Certificates.
4. The Trustee entered into a First Supplemental Declaration of Trust dated as of September 1, 2009 (the “First Supplemental Declaration of Trust”) under which the Trustee delivered (a) \$4,550,000 principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2009A (the “Series 2009A Certificates”), and (b) \$5,695,000 principal amount of Taxable Certificates of Participation (City of Chesterfield, Missouri, Lessee) (Build America Bonds – Direct Payment to City), Series 2009B (the “Series 2009B Certificates” and together with the Series 2009A Certificates, the “Series 2009 Certificates”) to provide funds to pay (i) additional costs of the Project and (ii) the costs of delivering the Series 2009 Certificates.
5. The City and the Trustee entered into a First Supplemental Lease Purchase Agreement dated as of September 1, 2009 (the “First Supplemental Lease”) pursuant to which the Original Lease was amended in order to revise the amount of the Basic Rent payable thereunder upon the terms and conditions set forth therein.
6. The Trustee entered into a Second Supplemental Declaration of Trust dated as of September 1, 2014 (the “Second Supplemental Declaration of Trust”) under which the Trustee delivered \$8,600,000 original principal amount of Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2014 (the “Series 2014 Certificates”) to provide funds to (a) currently prepay all of the then outstanding Series 2009 Certificates and (b) pay the costs of delivering the Series 2014 Certificates.

7. The City and the Trustee entered into a Second Supplemental Lease Purchase Agreement dated as of September 1, 2014 (the "Second Supplemental Lease") pursuant to which the Original Lease was amended in order to revise the amount of the Basic Rent payable thereunder upon the terms and conditions set forth therein.

8. The Trustee entered into a Third Supplemental Declaration of Trust dated as of April 1, 2016 (the "Third Supplemental Declaration of Trust") under which the Trustee delivered \$3,000,000 original principal amount of Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2016 (the "Series 2016 Certificates") to provide funds to (a) advance prepay a portion of the outstanding Series 2008 Certificates, being the Series 2008 Certificates with a stated maturity in the year 2020 and all of the outstanding Series 2008 Certificates with stated maturities in the years 2022 and thereafter and (b) pay the costs of delivering the Series 2016 Certificates.

9. The City and the Trustee entered into a Third Supplemental Lease Purchase Agreement dated as of April 1, 2016 (the "Third Supplemental Lease") pursuant to which the Original Lease was amended in order to revise the amount of the Basic Rent payable thereunder upon the terms and conditions set forth therein.

10. Concurrently herewith, the Trustee proposes to enter into a Fourth Supplemental Declaration of Trust (the "Fourth Supplemental Declaration of Trust" and together with the Original Declaration of Trust, the First Supplemental Declaration of Trust, the Second Supplemental Declaration of Trust and the Third Supplemental Declaration of Trust, the "Declaration of Trust") under which the Trustee will deliver (a) \$6,055,000 principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A (the "Series 2020A Certificates") to provide funds to (i) pay a portion of the costs of acquiring and improving certain vacant land (the "Series 2020 Project"), (ii) prepay the principal of the Series 2014 Certificates maturing on December 1, 2020 and interest owing on all Series 2014 Certificates on December 1, 2020 and (iii) pay certain costs in connection with the execution and delivery of the Series 2020A Certificates and (b) \$4,730,000 principal amount of Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B (the "Series 2020B Certificates" and, together with the Series 2020A Certificates, the "Series 2020 Certificates") to provide funds to (i) advance prepay all of the Series 2014 Certificates maturing on December 1, 2021 and thereafter and (ii) pay the costs of delivering the Series 2020B Certificates.

11. The City and the Trustee desire to enter into this Fourth Supplemental Lease (together with the Original Lease, the First Supplemental Lease, the Second Supplemental Lease and the Third Supplemental Lease, the "Lease") pursuant to which the Original Lease, as amended, will be further amended in order to revise the amount of the Basic Rent payable thereunder upon the terms and conditions set forth therein.

12. **Article VIII** of the Original Declaration of Trust and **Section 13.05** of the Original Lease permit the amendment, change or modification of the Original Lease as may be permitted under the Original Declaration of Trust, and it is hereby found and determined that this Fourth Supplemental Lease will comply in all respects with the Original Declaration of Trust, as amended, and the Original Lease, as amended.

13. The City is authorized under the constitution and laws of the State of Missouri to enter into this Fourth Supplemental Lease for the purposes set forth herein.

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All capitalized words and terms used in this Fourth Supplemental Lease shall have the meanings as set forth in the Original Declaration of Trust, as amended, and the Original Lease, as amended (which definitions are hereby incorporated by reference), and elsewhere in this Fourth Supplemental Lease.

Section 1.02. Rules of Construction.

(a) Words of the masculine gender will be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context will otherwise indicate, the words importing the singular number will include the plural and vice versa, and words importing person will include firms, associations and corporations, including public bodies, as well as natural persons.

(b) The words “herein,” “hereby,” “hereunder,” “hereof,” “hereto,” “hereinbefore,” “hereinafter” and other equivalent words refer to the Lease and not solely to the particular article, section, paragraph or subparagraph hereof in which such word is used.

(c) Reference herein to a particular article, section, exhibit, schedule or appendix will be construed to be a reference to the specified article or section hereof or exhibit, schedule or appendix hereto unless the context or use clearly indicates another or different meaning or intent.

(d) Whenever an item or items are listed after the words “including,” such listing is not intended to be a listing that excludes items not listed.

(e) The section and article headings herein are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions hereof.

(f) The dating of this Fourth Supplemental Lease as of October 1, 2020, is intended as and for the convenient identification of this Fourth Supplemental Lease only and is not intended to indicate that this Fourth Supplemental Lease was executed and delivered on said date, this Fourth Supplemental Lease being executed and delivered and becoming effective simultaneously with the initial execution and delivery of the Series 2020 Certificates.

Section 1.03. Execution of Counterparts. This Fourth Supplemental Lease may be executed simultaneously in two or more counterparts, each of which will be deemed to be an original, and all of which together will constitute but one and the same instrument.

Section 1.04. Severability.

(a) If any provision of the Lease is held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances will not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

(b) The invalidity of any one or more phrases, sentences, clauses or sections in the Lease contained will not affect the remaining portions of the Lease, or any part thereof.

Section 1.05. Governing Law. The Lease will be governed by and construed in accordance with the laws of the State.

ARTICLE II

REPRESENTATIONS

Section 2.01. Representations of the City. The City represents and warrants, as of the date of delivery hereof, as follows:

(a) The City is a third-class city duly created, organized and existing under and by virtue of the constitution and laws of the State with full power and authority to enter into the Lease and the transaction contemplated thereby and hereby and to perform all of its obligations thereunder and hereunder.

(b) The City has full power and authority to enter into the transactions contemplated by the Lease and has been duly authorized to execute and deliver this Fourth Supplemental Lease by proper action by its governing body. This Fourth Supplemental Lease is a valid, legal and binding obligation of the City enforceable in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws and equitable principles affecting creditor's rights generally.

(c) The lease of the Leased Property by the Trustee to the City, as provided in the Lease, is necessary, desirable, in the public interest and consistent with the permissible scope of the City's authority. The City hereby declares its current need for the Leased Property and its current expectation that it will continue to need and use the Leased Property for the maximum Lease Term.

(d) The City's financial statements that have been used in connection with any offering of the Certificates present fairly, in accordance with generally accepted accounting principles and applicable regulations consistently applied throughout the periods involved, the financial position of the City as at their respective dates and the revenues and expenses and changes in fund balances for the periods covered thereby.

(e) Neither the execution and delivery of the Lease, nor the fulfillment of or compliance with the terms and conditions thereof or hereof, nor the consummation of the transactions contemplated thereby or hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is a party or by which the City is bound.

(f) There is no proceeding pending or to the City's knowledge threatened in any court or before any governmental authority or arbitration board or tribunal challenging the validity of the proceedings of the governing body of the City authorizing the Lease or the power or authority of the City to enter into the Lease or the validity or enforceability of the Lease or

that, if adversely determined, would adversely affect the transactions contemplated by the Lease or the interest of the Trustee under the Lease.

(g) The City has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer, any act or thing whereby the City's interests in any property now or hereafter included in the Leased Property will be or may be impaired, changed or encumbered in any manner whatsoever, except as contemplated by the Base Lease and the Lease.

(h) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists.

ARTICLE III

RENT

Section 3.01. Amendment of Exhibit A to Original Lease. The Schedule of Basic Rent Payments attached to the Original Lease as **Exhibit A**, as amended by **Exhibit A** to the First Supplemental Lease, as further amended by **Exhibit A** to the Second Supplemental Lease and as further amended by **Exhibit A** to the Third Supplemental Lease, is hereby amended by deleting the existing **Exhibit A** and inserting in substitution thereof the Amended Schedule of Basic Rent Payments attached as **Exhibit A** hereto.

Section 3.02. Continuation of Lease Term by the City. The City hereby ratifies and confirms its representations in **Section 3.03** of the Original Lease that (1) the City reasonably believes that legally available funds in an amount sufficient to make all payments of Rent during each of the Renewal Terms can be obtained and (2) its responsible financial officer will do all things lawfully within his or her power to obtain and maintain funds from which the Rent may be paid, including making provision for such payments to the extent necessary in each proposed budget or appropriation request submitted for adoption in accordance with applicable provisions of law and to exhaust all available reviews and appeals if such portion of the budget or appropriation request is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to extend the Lease for any Renewal Term is to be made in accordance with the City's normal procedures for such decisions by the then current governing body of the City.

ARTICLE IV

COVENANTS OF THE CITY

Section 4.01. Tax Covenants with Respect to the Series 2020A Certificates. The City covenants and agrees that (a) it will comply with the provisions of the Tax Compliance Agreement with respect to the Series 2020A Certificates and with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion of the Basic Rent with respect to the Series 2020A Certificates and (b) it will not use or permit the use of any proceeds of Series 2020A Certificates or any other funds of the City nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income for federal income tax purposes of the Interest Portion of the Basic Rent with respect to the Series 2020A Certificates. The City will, in addition, adopt 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 Portion of the Basic Rent with respect to the Series 2020A Certificates will remain excluded from gross income for federal income tax purposes, to the extent any such actions can be taken by the City.

Section 4.02. The City's Continuing Existence. The City will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.

Section 4.03. Continuing Disclosure. The City hereby covenants and agrees that it will comply and carry out all of the provisions of the Continuing Disclosure Undertaking. Notwithstanding any other provision of the Lease, failure of the City to comply with the Continuing Disclosure Undertaking will not be considered a default or an Event of Default under the Lease. The Trustee may, however (and, at the request of the Owners of Certificates of at least 25% aggregate principal amount of Outstanding Certificates and if indemnified to its satisfaction as provided in the Declaration of Trust, will) or any Owners of Certificates may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

ARTICLE V

OPTION TO PURCHASE; PARTIAL PREPAYMENT

Section 5.01. Purchase Option. The City may purchase the Trustee's interest in the Leased Property, upon giving written notice to the Trustee at least 30 days before the purchase date, at the following times and on the following terms:

(a) On or after December 1, 2027, upon payment in full of Rent Payments then due under the Lease plus a Purchase Price equal to 100% of the remaining Principal Portions of Basic Rent for the maximum Lease Term plus Interest Portions of Basic Rent accrued to the prepayment date.

(b) Upon deposit of moneys or Government Obligations or both with the Trustee in accordance with **Article X** of the Declaration of Trust in the amount necessary to provide for the Basic Rent Payments until and on, and the Purchase Price calculated as described in (a) above on the Certificates to, the prepayment date, which will be on or after December 1, 2027.

(c) In the event of substantial damage to or destruction or condemnation (other than condemnation by the City or any entity controlled by or otherwise affiliated with the City) of, or loss of title to, substantially all of the Leased Property, or as a result of changes in the constitution of the State or legislative or administrative action by the State or the United States, the Base Lease or the Lease becomes unenforceable, on the date the City specifies as the purchase date in the City's notice to the Trustee of its exercise of the purchase option, upon payment in full of the Rent Payments then due under the Lease plus then remaining Principal Portions of Basic Rent for the maximum Lease Term, plus Interest Portions of Basic Rent accrued to the prepayment date.

Section 5.02. Partial Prepayment.

(a) On or after December 1, 2027, the City may prepay the Basic Rent Payments with respect to the Series 2020A Certificates in whole or in part, upon giving written notice to the Trustee at least 30 days before the prepayment date, at the prepayment price equal to 100% of the Principal Portion of Basic Rent being so prepaid plus the Interest Portion of Basic Rent accrued thereon to such Basic Rent Payment Date.

(b) The Basic Rent Payments with respect to the Series 2020B Certificates are not subject to partial prepayment.

(c) The Principal Portion of Basic Rent prepaid pursuant to this **Section 5.02** will be in integral multiples of \$5,000 and will be credited in such order of stated payment dates as is determined by the City. Upon any partial prepayment, the amount of each Interest Portion of Basic Rent coming due thereafter will be reduced by the amount of such Interest Portion attributable to such prepaid Principal Portion determined by applying the annual interest rate corresponding to such prepaid Principal Portion as shown on **Exhibit A**.

Section 5.03. Determination of Fair Rent and Purchase Price. The City hereby agrees and determines that the Rent hereunder during the Original Term and any Renewal Term represents the fair value of the use of the Leased Property and that the Purchase Price required to exercise the City's option to purchase the Trustee's interest in the Leased Property pursuant to **Section 5.01** represents, as of the end of the Original Term or any Renewal Term, the fair Purchase Price of the Leased Property. The City hereby determines that the Rent does not exceed a reasonable amount so as to place the City under an economic practical compulsion to renew the Lease or to exercise its option to purchase the Leased Property hereunder. In making such determinations, the City has given consideration to Project Costs, the uses and purposes for which the Leased Property will be employed by the City, the benefit to the City by reason of the acquisition, construction, equipping, making and installation of the Series 2020 Project and the use and occupancy of the Leased Property pursuant to the terms and provisions of the Lease and the City's option to purchase the Leased Property. The City hereby determines and declares that the Series 2020 Project and the leasing of the Leased Property pursuant to the Lease will result in a Leased Property of comparable quality and meeting the same requirements and standards as would be necessary if the Series 2020 Project were performed by the City other than pursuant to the Lease. The City hereby determines and declares that the maximum Lease Term does not exceed the useful life of the Leased Property.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Anti-Discrimination Against Israel Act.

(a) The State of Missouri has adopted the "Anti-discrimination Against Israel Act," Section 34.600, Revised Statutes of Missouri (the "Act"), which provides that "[a] public entity shall not enter into a contract with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract includes a written certification that the company is not currently engaged in and shall not, for the duration of the contract, engage in a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by, or organized under the

laws of the State of Israel; or persons or entities doing business in the State of Israel.” The Act provides that any contract that fails to comply with the Act’s provisions shall be void as against public policy.

(b) The Trustee hereby certifies and agrees that, to the extent the Act is applicable to the Lease, the Trustee is not currently engaged in and shall not, for the duration of the Lease, engage in a boycott of goods or services from the State of Israel, companies doing business in or with Israel or authorized by, licensed by or organized under the laws of the State of Israel or persons or entities doing business with the State of Israel, in all respects within the meaning of the Act.

(c) The foregoing certification shall not be deemed an admission or agreement that the Act is applicable to the Lease but the foregoing certification is provided if the Act is applicable. If the Act is initially deemed or treated as applicable to the Lease, but it is subsequently determined not to apply to the Lease for any reason including by reason of applicable federal law, including without limitation, 50 U.S.C. Section 4607, the repeal or amendment of the Act or any ruling of a court of competent jurisdiction as to the unenforceability or invalidity of the Act, then the foregoing certification shall cease and not exist.

Section 6.02. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

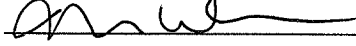
Section 6.03. Applicability of Original Lease. Except as otherwise provided in this Fourth Supplemental Lease, the provisions of the Original Lease, as amended by the First Supplemental Lease, the Second Supplemental Lease and the Third Supplemental Lease, are hereby ratified, approved and confirmed.

Section 6.04. Foreign Account Tax Compliance Act. The City hereby certifies that nothing contained in this Fourth Supplemental Lease or the Fourth Supplemental Declaration of Trust shall be deemed to be a material modification of the Series 2008 Certificates, the Series 2014 Certificates, the Series 2016 Certificates or the Series 2020 Certificates for the purposes of the Foreign Account Tax Compliance Act (“FATCA”). The City hereby agrees that it shall give prompt written notice to the Trustee of any material modification of the Lease or the Declaration of Trust for the purposes of FATCA. The Trustee will assume that no material modification for FATCA purposes has occurred unless the Trustee receives written notice of such material modification from the City.

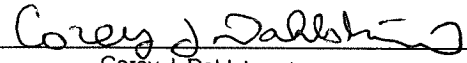
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IN WITNESS WHEREOF, the Trustee and the City have caused this Fourth Supplemental Lease to be executed in their names by their duly authorized representatives as of the date first above written.

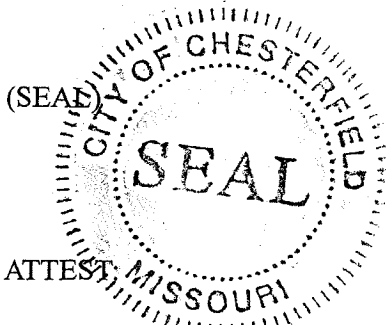
WELLS FARGO BANK, N.A., as Trustee

By: 
Name: Jessica Wuomos
Title: Vice President

ATTEST:

By: 
Name: Corey J. Dahlstrand
Title: Corporate Trust Officer

CITY OF CHESTERFIELD, MISSOURI



By: Bob Nation
Name: Bob Nation
Title: Mayor

By: Vickie McGownd
Name: Vickie McGownd
Title: City Clerk

[Fourth Supplemental Lease Purchase Agreement]

ACKNOWLEDGMENT

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this 19 day of October, 2020, before me, the undersigned, a Notary Public, appeared Jessica Wurnos, who being before me duly sworn did say that he/she is a VP and authorized signatory of **WELLS FARGO BANK, N.A.**, a national banking association organized and existing under the laws of the United States of America and that said instrument was signed on behalf of said association by authority of its board of directors, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said association.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last above written.



Beth C. Johnson
Printed Name: _____
Notary Public in and for said State
Commissioned in MAJ

My commission expires: 1/31/24.

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF ST. LOUIS)

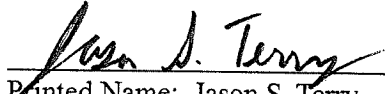
On this 12th day of October, 2020, before me, the undersigned, a Notary Public, appeared **BOB NATION**, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the **CITY OF CHESTERFIELD, MISSOURI**, a body politic and corporate duly authorized, incorporated and existing under and by virtue of the laws of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed in behalf of said City by authority of its governing body, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last above written.

(SEAL)



JASON S. TERRY
My Commission Expires
March 31, 2021
St. Louis County
Commission #13655761


Printed Name: Jason S. Terry
Notary Public in and for said State
Commissioned in St. Louis County

My commission expires: March 31, 2021.

**SCHEDULE 1
TO LEASE PURCHASE AGREEMENT**

DESCRIPTION OF THE REAL PROPERTY

A part of Lot 1 of CVAC Consolidation Plat, a subdivision in St. Louis County, Missouri, according to the plat thereof recorded in Plat Book 359, Page 82, more particularly described as follows:

Part of Lots 1 and 2 of the Subdivision of Richard H. Stevens Farm in U.S. Survey 150 and Part of Lot 3 of Fenn and Cummings Subdivision in U.S. Survey 102 and together described as follows: Beginning at a point in the North line of Interstate 64 (formerly known as Highway 40) at the Southwest corner of property conveyed to Bonnie J. Hill et al by deed recorded in Book 7068, Page 1393, of the St. Louis County records, said point being located N83°04'34"W 702.47 feet from State Plane Coordinates Point "21" and S83°04'34"E 784.07 feet from Point "22" as such Points are identified on said Plat; thence along the West line of property conveyed to Bonnie J. Hill et al as aforesaid and the West line of property conveyed to Chesterfield Community Association, Inc. by deed recorded in Book 6960, Page 1565, N10°52'23"W (record N12°01'00"W) 1993.02 feet to a point; thence leaving the West line of property conveyed to Chesterfield Community Association, Inc. as aforesaid and running S86°59'25"W 753.64 feet (record N85°51'27"W 753.35') to a point; thence along a line parallel to the west line of property conveyed to Chesterfield Community Association, Inc. as aforesaid S10°52'23"E (record S12°01'00"E) 1856.48 feet to a point in the North line of said Highway 40; thence along the North line of said Highway 40 S83°04'34"E 784.07 feet (record S84°12'20"E 783.82') to the point of beginning.

Commonly known as: 17891 N. Outer 40 Road

EXHIBIT A

AMENDED SCHEDULE OF BASIC RENT PAYMENTS

City of Chesterfield, Missouri
Series 2016, Series 2020A, and Series 2020B

Date	Series 2016		Series 2020A		Series 2020B		Fiscal Total
	Principal	Interest	Principal	Interest	Principal	Interest	
10/29/2020							
12/1/2020	285,000.00	30,863.75	-	-	-	-	315,863.75
6/1/2021	-	28,013.75	-	55,429.17	-	83,563.33	-
12/1/2021	290,000.00	28,013.75	-	47,062.50	155,000.00	70,950.00	758,032.50
6/1/2022	-	25,113.75	-	47,062.50	-	68,625.00	-
12/1/2022	300,000.00	25,113.75	-	47,062.50	480,000.00	68,625.00	1,061,602.50
6/1/2023	-	22,713.75	-	47,062.50	-	61,425.00	-
12/1/2023	300,000.00	22,713.75	-	47,062.50	1,450,000.00	61,425.00	2,012,402.50
6/1/2024	-	19,713.75	-	47,062.50	-	39,675.00	-
12/1/2024	310,000.00	19,713.75	-	47,062.50	1,415,000.00	39,675.00	1,937,902.50
6/1/2025	-	16,613.75	-	47,062.50	-	18,450.00	-
12/1/2025	315,000.00	16,613.75	-	47,062.50	1,230,000.00	18,450.00	1,709,252.50
6/1/2026	-	11,888.75	-	47,062.50	-	-	-
12/1/2026	320,000.00	11,888.75	1,470,000.00	47,062.50	-	-	1,907,902.50
6/1/2027	-	7,088.75	-	32,362.50	-	-	-
12/1/2027	335,000.00	7,088.75	1,500,000.00	32,362.50	-	-	1,913,902.50
6/1/2028	-	3,655.00	-	17,362.50	-	-	-
12/1/2028	340,000.00	3,655.00	1,535,000.00	17,362.50	-	-	1,917,035.00
6/1/2029	-	-	-	9,687.50	-	-	-
12/1/2029	-	-	1,550,000.00	9,687.50	-	-	1,569,375.00
Total	2,795,000.00	300,466.25	6,055,000.00	691,941.67	4,730,000.00	530,863.33	15,103,271.25

CONTINUING DISCLOSURE UNDERTAKING

Dated as of October 1, 2020

by the

CITY OF CHESTERFIELD, MISSOURI

\$6,055,000
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI,
LESSEE)
SERIES 2020A

\$4,730,000
TAXABLE REFUNDING
CERTIFICATES OF PARTICIPATION (CITY
OF CHESTERFIELD, MISSOURI, LESSEE)
SERIES 2020B

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of October 1, 2020 (this **“Continuing Disclosure Undertaking”**), is executed and delivered by the **CITY OF CHESTERFIELD, MISSOURI** (the **“City”**).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the City in connection with the delivery of (a) \$6,055,000 principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A (the **“Series 2020A Certificates”**) and (b) \$4,730,000 principal amount of Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B (the **“Series 2020B Certificates”** and, together with the Series 2020A Certificates, the **“2020 Certificates”**), pursuant to a Declaration of Trust dated as of December 1, 2008, as supplemented by the First Supplemental Declaration of Trust dated as of September 1, 2009, the Second Supplemental Declaration of Trust dated as of September 1, 2014, the Third Supplemental Declaration of Trust dated as of April 1, 2016 and the Fourth Supplemental Declaration of Trust dated as of October 1, 2020 (as supplemented, the **“Declaration of Trust”**), granted by Wells Fargo Bank, N.A., as trustee (the **“Trustee”**).

2. The City is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the 2020 Certificates and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the **“Rule”**). The City is the only **“obligated person”** with responsibility for continuing disclosure hereunder.

The City covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Declaration of Trust, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the City pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

“Beneficial Owner” means any registered owner of any 2020 Certificates and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2020 Certificates (including persons holding 2020 Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2020 Certificates for federal income tax purposes.

“Business Day” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the Trustee or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“Dissemination Agent” means any entity designated in writing by the City to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the City a written acceptance of such designation.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the **12-month** period beginning on **January 1** and ending on **December 31** or any other **12-month** period selected by the City as the Fiscal Year of the City for financial reporting purposes.

“Material Events” means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“Participating Underwriter” means any of the original underwriter(s) of the 2020 Certificates required to comply with the Rule in connection with the offering of the 2020 Certificates.

Section 2. Provision of Annual Reports.

- (a) The City shall, not later than 180 days after the end of the City’s Fiscal Year, commencing with the year ending December 31, 2020, file with the MSRB, through EMMA, the following financial information and operating data (the **“Annual Report”**):
 - (1) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with accounting principles generally accepted in the United States. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the 2020 Certificates, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the 2020 Certificates, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the City.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is

an “obligated person” (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The City shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

- (b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than **10 Business Days** after the occurrence of any of the following events, the City shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the 2020 Certificates (“**Material Events**”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2020 Certificates, or other material events affecting the tax status of the 2020 Certificates;
- (7) modifications to rights of certificate holders, if material;
- (8) certificate calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the 2020 Certificates, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the City has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the City shall send a notice to the MSRB of the failure of the City to file on a timely basis the Annual Report, which notice shall be given by the City in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The City's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the 2020 Certificates. If the City's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the 2020 Certificates, the City shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the City. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the City pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the City may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Special Tax Counsel or other counsel experienced in federal securities law matters provides the City with its written opinion that the undertaking of the City contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the City chooses to include any

information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the City shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the City fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the 2020 Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Declaration of Trust, the Lease or the 2020 Certificates, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the City to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the City, the Participating Underwriter, and the Beneficial Owners from time to time of the 2020 Certificates, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Declaration of Trust or the 2020 Certificates shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

CITY OF CHESTERFIELD, MISSOURI

By: Bob Norton
Title: Mayor

**EXHIBIT A
TO CONTINUING DISCLOSURE UNDERTAKING**

**FINANCIAL INFORMATION AND OPERATING DATA TO BE
INCLUDED IN ANNUAL REPORT**

The financial information and operating data contained in the tables in Appendix A of the final Official Statement relating to the 2020 Certificates under the sections captioned contained:

1. **“FINANCIAL INFORMATION CONCERNING THE CITY - The General Fund,”
“- General Sales Tax Collection” and “ - Park Sales Tax”.**
2. **“PROPERTY TAX INFORMATION - Property Valuations – *Current Assessed Valuation*,” “- History of Tax Levies” and “- Tax Collection Record.”**

TAX COMPLIANCE AGREEMENT

Dated as of October 1, 2020

Between the
CITY OF CHESTERFIELD, MISSOURI

and

WELLS FARGO BANK, N.A.,
as Trustee

\$6,055,000
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI, LESSEE)
SERIES 2020A

Evidencing a Proportionate Interest
in Basic Rent
Payments to be Made by the
City of Chesterfield, Missouri
Pursuant to an
Annually-Renewable Lease Purchase Agreement

TAX COMPLIANCE AGREEMENT

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* * *

TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT (the “Tax Agreement”), entered into as of October 1, 2020, between the **CITY OF CHESTERFIELD, MISSOURI**, a political subdivision organized and existing under the laws of the State of Missouri (the “City”) and **WELLS FARGO BANK, N.A.**, a national banking association duly organized and existing under the laws of the United States of America, as Trustee (the “Trustee”).

RECITALS

1. This Tax Agreement is being executed and delivered in connection with the execution and delivery of \$6,055,000 principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A (the “Certificates”), evidencing a proportionate interest of the owners thereof in Basic Rent Payments to be made by the City pursuant to an annually-renewable Lease Purchase Agreement dated as of December 1, 2008, as amended and supplemented through and including the Fourth Supplemental Lease Purchase Agreement, dated as of the date of this Tax Agreement (collectively, the “Lease”), which Certificates are delivered under a Declaration of Trust dated as of December 1, 2008, as amended and supplemented through and including the Fourth Supplemental Declaration of Trust, dated the date of this Tax Agreement (collectively, the “Declaration”) made by the Trustee, for the purposes described in this Tax Agreement, the Declaration and the Lease.

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

3. The City and the Trustee are entering into this Tax Agreement in order to set forth certain facts, covenants, representations, and expectations relating to the use of Certificate proceeds and the property financed or refinanced with those proceeds and the investment of the Certificate proceeds and of certain other related money, in order to establish and maintain the exclusion of the Interest Portion of Basic Rent Payments represented by the Certificates from gross income for federal income tax purposes.

4. The City adopted a Tax-Advantaged Financing Compliance Policy and Procedure on August 19, 2013 (the “Tax Compliance Procedure”), a copy of which is attached hereto as **Exhibit F**, for the purpose of setting out general procedures for the City to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

“Base Lease” means the Base lease dated as of December 1, 2008, between the City as lessor, and the Trustee, as lessee.

“Basic Rent Payments” means a payment of rent required by the Lease, with each such payment comprised of a Principal Portion and an Interest Portion.

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

“Bond Compliance Officer” means the Finance Director or other person named in the Tax Compliance Procedure.

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

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

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

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

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

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

The City selects October 1, 2025, as the first Computation Date but reserves the right to select a different date consistent with the Regulations.

“Costs of Issuance Fund” means the Series 2020A Account within the Costs of Issuance Fund, established pursuant to the Declaration.

“Declaration” means the Declaration of Trust dated as of December 1, 2008, as originally executed by the Trustee, as amended and supplemented through and including the Fourth Supplemental Declaration of Trust, as further amended and supplemented in accordance with the provisions of the Declaration.

“Final Written Allocation” means the written allocation of expenditures of proceeds of the Original Obligations as summarized on **Exhibit C** hereto.

“Financed Facility” means any of the property being financed or refinanced with the proceeds of the New Money Portion and the Original Obligations as described on **Exhibit C** hereto.

“Fourth Supplemental Declaration of Trust” means the Fourth Supplemental Declaration of Trust, dated as of October 1, 2020, as executed by the Trustee.

“Fourth Supplemental Lease Purchase Agreement” means the Fourth Supplemental Lease Purchase Agreement, dated as of October 1, 2020, between the Trustee, as lessor, and the City, as lessee.

“Gross Proceeds” means (a) sale proceeds (any amounts actually or constructively received by the City from the sale of the Certificates, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest), (b) Investment proceeds (any amounts received from investing sale proceeds, other Investment proceeds or transferred proceeds) (c) any amounts held in a sinking fund for the Certificates, (d) any amounts held in a pledged fund or reserve fund for the

Certificates, (e) any other replacement proceeds and (f) any transferred proceeds. Specifically, Gross Proceeds includes (but is not limited to) amounts held in the following funds and accounts:

- (1) Costs of Issuance Fund.
- (2) Project Fund.
- (3) Lease Revenue Fund.
- (4) Series 2014 Account of the Lease Revenue Fund.
- (5) Rebate Fund (to the extent funded with sale proceeds or Investment proceeds of the Certificates).

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

“Interest Component” means the portion of each Basic Rent Payments that represents the payment of interest, as provided by the Lease.

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

“IRS” means the United States Internal Revenue Service.

“Issue Date” means October 29, 2020.

“Lease” means the Lease Purchase Agreement dated as of December 1, 2008, between the Trustee, as lessor, and the City, as lessee, as amended and supplemented through and including the Fourth Supplemental Lease Purchase Agreement, as further amended and supplemented in accordance with the provisions thereof.

“Lease Revenue Fund” means the Series 2020A Subaccount of the Series 2020 Account of the Lease Revenue Fund, established pursuant to the Declaration.

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

“Measurement Period” means, with respect to each item of property financed as part of the Financed Facility with proceeds of the New Money Portion, the period beginning on the later of (a) the Issue Date or (b) the date the property is placed in service and ending on the earlier of (1) the final maturity date of the Certificates or (2) the end of the expected economic useful life of the property. For each item of property financed as part of the Financed Facility with proceeds of the Original Obligations, “measurement period” means the period beginning on the later of (a) the issue date of the Original Obligations or (b) the date the property was or will be placed in service, and ending on the earlier of (1) the final maturity date of the Certificates or (2) the expected economic useful life of the property.

“Minor Portion” means \$100,000.

“Municipal Advisor” means Piper Sandler & Co., St. Louis, Missouri.

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

“New Money Portion” means the portion of the Certificates properly allocable to the financing of new money capital expenditures and related common costs of the Certificates.

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

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

“Official Intent Date” means, with respect to the Original Obligations, September 21, 2009, and with respect to the New Money Portion, September 21, 2020, as described in **Section 2.1(i)** hereof.

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

“Original Obligations” means, collectively, (a) the Series 2009A Certificates, which was the first issue of tax-exempt governmental obligations that financed or refinanced a portion of the Financed Facility, and (b) the Series 2009B Certificates, which was the first issue of tax-advantaged bonds that financed or refinanced a portion of the Financed Facility.

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

“Principal Portion” means the portion of each Basic Rent Payment that represents the payment of principal, as provided by the Lease.

“Project” means all of the property being acquired, developed, constructed, renovated, and equipped by the City using proceeds of the New Money Portion, the Original Obligations and Qualified Equity, as described on **Exhibit C**.

“Project Fund” means the Series 2020 Project Account within the Project Fund, established pursuant to the Declaration.

“Qualified Equity” means funds that are not derived from proceeds of a tax-exempt financing that are spent on the Project at any time during the period beginning not earlier than the later of (a) 60 days before the Official Intent Date or (b) three years before the Issue Date, and ending not later than the

date the Project is capable of and actually used at substantially its designed level. Qualified Equity excludes a pre-existing ownership interest in real property or tangible personal property.

“Qualified Use Agreement” means any of the following:

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

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

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

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

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

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

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

“Rebate Fund” means the Rebate Fund held by the Trustee pursuant to the Declaration.

“Refunded Obligations” means the \$6,085,000 outstanding principal amount of the Series 2014 Certificates, scheduled to mature December 1 in the years 2021 and thereafter.

“Refunding Portion” means the sale proceeds of the Certificates properly allocable to the refunding of the Refunded Obligations and related common costs of the Certificates.

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

“Series 2009A Certificates” means the \$4,550,000 original principal amount Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2009A, evidencing a proportionate interest in Basic Rent Payments to be made by the City pursuant to the Lease, executed and delivered pursuant to the Declaration and issued and delivered on September 25, 2009, the proceeds of which were used to financed new money capital expenditures.

“Series 2009B Certificates” means the \$5,695,000 original principal amount Taxable Certificates of Participation (City of Chesterfield, Missouri, Lessee) (Build America Bonds – Direct Payment to City), Series 2009B, evidencing a proportionate interest in Basic Rent Payments to be made by the City pursuant to the Lease, executed and delivered pursuant to the Declaration and issued and delivered on September 25, 2009, the proceeds of which were used to financed new money capital expenditures.

“Series 2014 Certificates” means the \$8,600,000 original principal amount Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2014, evidencing a proportionate interest in Basic Rent Payments to be made by the City pursuant to the Lease, executed and delivered pursuant to the Declaration and issued and delivered on September 17, 2014, the proceeds of which were used to current refund the Series 2009A Certificates and the Series 2009B Certificates.

“Series 2020B Certificates” means the \$4,730,000 principal amount Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B sold and issued at the same time as the Certificates.

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

“Tax-Advantaged Bond File” means documents and records for the Lease and the Certificates and the Original Obligations maintained by the Bond Compliance Officer pursuant to the Tax Compliance Procedure.

“Tax Agreement” means this Tax Compliance Agreement as it may from time to time be amended and supplemented in accordance with its terms.

“Tax Compliance Procedure” means the City’s Tax-Advantaged Financing Compliance Policy and Procedure dated August 19, 2013, a copy of which is attached hereto as **Exhibit F**.

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

“**Trustee**” means Wells Fargo Bank, N.A., and its successor or successors and any other corporation or association which at any time may be substituted in its place at the time serving as Trustee under the Declaration.

“**Underwriter**” means Commerce Bank Capital Markets Group, the original purchaser of the Certificates.

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

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the City. The City represents and covenants as follows:

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

(b) *Tax-Exempt Status of Certificates – General Representation and Covenants and Allocation of Proceeds.*

(1) General. In order to maintain the exclusion of the Interest Portion of the Basic Rent Payments represented by the Certificates from gross income for federal income tax purposes, the City (1) will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code, (2) will not use or invest, or permit the use or investment of, any Certificate proceeds, other money held under the Declaration, or other funds of the City, in a manner that would violate applicable provisions of the Code and (3) will not use, or permit the use of, any portion of the Financed Facility in a manner that would cause the Lease or any Certificate to become a “private activity bond” as defined in Code § 141.

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

(c) *Governmental Obligations – Use of Proceeds.* Throughout the Measurement Period, (1) all of the Financed Facility has been and is expected to be owned by the City or another Qualified User, (2) no portion of the Financed Facility has been or is expected to be used in a Non-Qualified Use and (3) the City will not permit any Non-Qualified Use of the Financed Facility without first consulting with Special Tax Counsel.

(d) *Governmental Obligations – Private Security or Payment.* As of the Issue Date, the City expects that none of the Basic Rent Payments represented by the Certificates will be, and the payment of the prepayment price and accrued interest on the Refunded Obligations and on all other obligations which directly or indirectly refinanced the Original Obligations has not been (under the terms of the Lease or any underlying arrangement), directly or indirectly:

(1) secured by (A) any interest in property used or to be used for a Non-Qualified Use or (B) any interest in payments in respect of such property; or

(2) derived from payments (whether or not such payments are made to the City) in respect of property, or borrowed money, used or to be used for a Non-Qualified Use.

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

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

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

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

(h) *Limit on Maturity.* A list of the assets included in the Financed Facility and a computation of the “average reasonably expected economic life” is attached to this Tax Agreement as **Exhibit C** hereto. Based on this computation, the “average maturity” of the Certificates, as computed by Special Tax Counsel, does not exceed the average reasonably expected economic life of the Financed Facility. The “average reasonably expected economic life” of the Financed Facility was determined as follows: the average economic life of the Financed Facility as of the issue date of the Original Obligations was first multiplied by 120%, then reduced by the number of years elapsed from the issue date of the Original Obligations to the Issue Date. The “average maturity” of the Certificates, as computed by the Special Tax Counsel, does not exceed the average reasonably expected economic life of the Financed Facility, as such terms are used in Code § 147(b).

(i) *Expenditure of Certificate Proceeds.*

(1) Original Obligations.

(a) Allocations. The City evidenced each allocation of the proceeds of the Original Obligations and Qualified Equity for the Project to an expenditure in writing. No allocation was made more than 18 months following the later of (i) the date of the expenditure or (ii) the date the Financed Facility was placed in service.

(b) Reimbursement of Expenditures; Official Intent. On the Official Intent Date for the Original Obligations, the governing body of the City adopted a resolution declaring the intent of the City to finance the Financed Facility with tax-exempt or tax-advantaged bonds and to reimburse the City for expenditures made for the Financed Facility prior to the issuance of those bonds. No portion of the Net Proceeds of the Original Obligations was used to reimburse an expenditure paid by the City more than 60 days prior to the date the resolution was adopted, except as described in the Tax Compliance Agreements for the Original Obligations.

(2) New Money Portion.

(a) Allocations. The City will evidence each allocation of the proceeds of the New Money Portion and Qualified Equity for the Project to an expenditure in writing. No allocation will be made more than 18 months following the later of (A) the date of the expenditure or (B) the date the Financed Facility was placed in service.

(b) Reimbursement of Expenditures; Official Intent. On the Official Intent Date for the New Money Portion, the governing body of the City adopted a resolution declaring the intent of the City to finance the Project with tax-exempt obligations and to reimburse the City for expenditures made for the Project before the issuance of those obligations. \$-0- of the proceeds of the New Money Portion will be allocated to expenditures paid by the City before the Issue Date. No portion of the Net Proceeds of the Certificates will be used to reimburse an expenditure paid by the City more than 60 days before the date the resolution was adopted. No reimbursement allocation will be made for an expenditure made more than 3 years before the date of the reimbursement allocation.

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

(k) *No Federal Guarantee.* The City will not take any action or permit any action to be taken which would cause the Lease or Certificates to be “federally guaranteed” within the meaning of Code § 149(b).

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

(m) *Hedge Bonds.* At least 85% of the net sale proceeds (the sale proceeds of the New Money Portion less any sale proceeds invested in a reserve fund) of the New Money Portion will be used to carry out the governmental purpose of the New Money Portion within 3 years after the Issue Date, and not more than 50% of the proceeds of the New Money Portion will be invested in Investments having a substantially guaranteed Yield for 4 years or more. At least 85% of the net sale proceeds (the sale proceeds of the Original Obligations less any sale proceeds invested in a reserve fund) of the Original Obligations were used to carry out the governmental purpose of the Original Obligations within 3 years

after the issue date of the Original Obligations, and not more than 50% of the proceeds of the Original Obligations were invested in Investments having a substantially guaranteed Yield for 4 years or more.

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

(o) *Single Issue; No Other Issues.* The Certificates constitute a single “issue” under Regulations § 1.150-1(c). The Series 2020B Certificates are being sold and issued at the same time as the Certificates but constitute a separate issue from the Certificates because the interest portion of basic rent payments of the Series 2020B Certificates is includable in gross income for federal income tax purposes. Except for the Series 2020B Certificates, no other debt obligations of the City (1) are being sold within 15 days of the sale of the Lease and Certificates, (2) are being sold under the same plan of financing as the Lease and Certificates and (3) are expected to be paid from substantially the same source of funds as the Lease and Certificates (disregarding guarantees from unrelated parties, such as bond insurance).

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

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

(r) *Bank Qualified Tax-Exempt Obligation.* The City designates the Lease as a “qualified tax-exempt obligations” under Code § 265(b)(3), and with respect to this designation certifies as follows:

(1) the City reasonably anticipates that the amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) that will be issued by or on behalf of the City (and all subordinate entities of the City) during the calendar year that the Lease is executed and the Certificates are delivered, including the Lease, will not exceed \$10,000,000; and

(2) the City (including all subordinate entities of the City) will not issue tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) during the calendar year that the Lease is executed and the Certificates are delivered, including the Lease, in an aggregate principal amount or aggregate issue price in excess of \$10,000,000, without first consulting with Special Tax Counsel that the designation of the Lease as a “qualified tax-exempt obligations” will not be adversely affected.

Section 2.2. Representations and Covenants of the Trustee. The Trustee represents and covenants to the City as follows:

(a) The Trustee will comply with the provisions of this Tax Agreement that apply to it as Trustee and any written letter, advice or Opinion of Special Tax Counsel, specifically referencing the Lease or Certificates and received by the Trustee, that sets forth any action necessary to comply with any statute, regulation or ruling that may apply to it as Trustee and relating to reporting requirements or other

requirements necessary to maintain the exclusion of the Interest Portion of the Basic Rent Payments from gross income for federal income tax purposes.

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

(c) The Trustee will retain records related to the investment and expenditure of Gross Proceeds held in funds and accounts maintained by the Trustee and any records provided to the Trustee by the City related to the Post-Issuance Tax Requirements in accordance with **Section 4.2(a)** of this Tax Agreement. The Trustee will retain these records until three years following the final maturity of (i) the Certificates or (ii) any obligation issued to refund the Certificates; provided, however, if the Trustee is not retained to serve as trustee for any obligation issued to refund the Certificates (a “Refunding Obligation”), then the Trustee may satisfy its record retention duties under this **Section 2.3(c)** by providing copies of all records in its possession related to the Certificates to the trustee for the Refunding Obligation or other party agreed upon by the City.

(d) (i) The State of Missouri has adopted the “Anti-discrimination Against Israel Act,” Section 34.600, Revised Statutes of Missouri (the “Act”), which provides that “[a] public entity shall not enter into a contract with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract includes a written certification that the company is not currently engaged in and shall not, for the duration of the contract, engage in a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel.” The Act provides that any contract that fails to comply with the Act’s provisions shall be void as against public policy.

(ii) The Trustee hereby certifies and agrees that, to the extent the Act is applicable to this Tax Agreement, the Trustee is not currently engaged in and shall not, for the duration of this Tax Agreement, engage in a boycott of goods or services from the State of Israel, companies doing business in or with Israel or authorized by, licensed by or organized under the laws of the State of Israel or persons or entities doing business with the State of Israel, in all respects within the meaning of the Act.

(iii) The foregoing certification shall not be deemed an admission or agreement that the Act is applicable to this Tax Agreement but the foregoing certification is provided if the Act is applicable. If the Act is initially deemed or treated as applicable to this Tax Agreement, but it is subsequently determined not to apply to this Tax Agreement for any reason including by reason of applicable federal law, including without limitation, 50 U.S.C. Section 4607, the repeal or amendment of the Act or any ruling of a court of competent jurisdiction as to the unenforceability or invalidity of the Act, then the foregoing certification shall cease and not exist.

Section 2.3. Survival of Representations and Covenants. All representations, covenants and certifications of the City and the Trustee contained in this Tax Agreement or in any certificate or other instrument delivered by the City or the Trustee under this Tax Agreement, will survive the execution and delivery of such documents and the approval and delivery of the Lease and Certificates, as representations

of facts existing as of the date of execution and delivery of the instruments containing such representations. The foregoing covenants of this Section will remain in full force and effect notwithstanding the defeasance of the Lease.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

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

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

Section 3.3. Purpose of Financing. The Lease is being executed and Certificates are being delivered for the purpose of providing funds to (a) refund the Refunded Obligations, (b) pay costs of the Financed Facility, and (c) pay certain costs in connection with the execution and delivery of the Lease and Certificates. The purpose of refunding the Refunded Obligations is to achieve interest cost savings.

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

- Costs of Issuance Fund.
- Project Fund.
- Lease Revenue Fund
- Rebate Fund.

Section 3.5. Amount and Use of Certificate Proceeds.

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

Principal Amount	\$6,055,000.00
Plus Original Issue Premium	289,015.35
Less Underwriting Discount	<u>(39,478.60)</u>
Total Proceeds Received by the City	<u>\$6,304,536.75</u>

(b) *Use of Certificate Proceeds and Other Money.* The Certificate proceeds and other money available to the City are expected to be allocated to expenditures as follows:

(1) \$80,311.75 of proceeds of the Certificates will be deposited in the Costs of Issuance Fund and used to pay the costs of delivery of the Certificates.

(2) \$474,225.00 of proceeds of the Refunding Portion will be deposited in the Series 2014 Account of the Lease Revenue Fund to be applied to the payment of the principal portion and interest portion of basic rent payments of the Refunded Obligations on December 1, 2020.

(3) \$5,750,000.00 of proceeds of the New Money Portion, together with \$2,750,000.00 of City cash, will be deposited in the Project Fund, of which \$_____ will be used to reimburse the City for costs of the Financed Facility paid before the Issue Date, and the remaining amount will be used to pay future costs of the Financed Facility.

Section 3.6. [Reserved.]

Section 3.7. No Advance Refunding. No Certificate proceeds will be used more than 90 days following the Issue Date to pay principal of or interest on any other debt obligation.

Section 3.8. Current Refunding. Proceeds of the Refunding Portion will be used to pay the principal portion and interest portion of basic rent payments on the Refunded Obligations. All of these proceeds will be spent on December 1, 2020, which is not later than 90 days after the Issue Date.

(b) *Transferred Proceeds.* There are no unspent proceeds (sale proceeds, Investment proceeds or transferred proceeds) of the Refunded Obligations. Therefore, there are no transferred proceeds of the Certificates.

Section 3.9. Project Completion; New Money Portion. The City has incurred, or will incur within 6 months after the Issue Date, a substantial binding obligation to a third party to spend at least 5% of the Net Proceeds of the New Money Portion on the Financed Facility. The completion of the Financed Facility and the allocation of the Net Proceeds of the New Money Portion to expenditures will proceed with due diligence. At least 85% of the net sale proceeds of the New Money Portion will be allocated to expenditures on the Financed Facility within 3 years after the Issue Date.

Section 3.10. Sinking Funds. The City is required to make periodic payments in amounts sufficient to pay the Basic Rent Payments represented by the Certificates. Such payments will be deposited into the Lease Revenue Fund. Except for the Lease Revenue Fund, no sinking fund or other similar fund that is expected to be used to pay Basic Rent Payments has been established or is expected to be established. The Lease Revenue Fund is used primarily to achieve a proper matching of revenues with Basic Rent Payments within each Certificate Year, and the City expects that the Lease Revenue Fund will qualify as a Bona Fide Debt Service Fund.

Section 3.11. Reserve, Replacement and Pledged Funds.

(a) *Reserve Fund.* No reserve or replacement fund has been established for the Certificates.

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

Section 3.12. Purpose Investment Yield. The Certificate proceeds will not be used to purchase an Investment for the purpose of carrying out the governmental purpose of the financing.

Section 3.13. Issue Price and Yield.

(a) *Issue Price.* Based on the Underwriter's certifications in the Underwriter's Receipt and Closing Certificate and the Municipal Advisor's certifications in the Municipal Advisor's Closing Certificate, the City hereby elects to establish the issue prices of the Certificates pursuant to Regulations § 1.148-1(f)(2)(iii) (relating to the so-called "competitive sales rule"). Therefore, the aggregate issue price of the Certificates for such purpose is \$6,344,015.35.

(b) *Yield.* Based on the issue price, the Yield on the Lease is 0.85346%, as computed by Special Tax Counsel and shown on **Exhibit A**. The City has not entered into an interest rate swap agreement with respect to any portion of the proceeds of the Certificate proceeds.

Section 3.14. Miscellaneous Arbitrage Matters.

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

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

Section 3.15. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Agreement, the City does not expect that the Certificate proceeds will be used in a manner that would cause the Lease or any Certificate to be an "arbitrage bond" within the meaning of Code § 148 and the Regulations.

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1. General.

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

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

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

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

(a) *Record Keeping.* The Bond Compliance Officer will maintain the Tax-Advantaged Bond File for the Certificates in accordance with the Tax Compliance Procedure. Unless otherwise specifically instructed in a written Opinion of Special Tax Counsel or to the extent otherwise provided in this Tax Agreement, the Bond Compliance Officer shall retain records related to the Post-Issuance Tax Requirements until 3 years following the final maturity of (1) the Certificates or (2) any obligation issued to refund the Certificates. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (A) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (B) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (C) exhibit a high degree of legibility and readability both electronically and in hardcopy, (D) provide support for other books and records of the City and (E) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the City's premises.

(b) *Accounting and Allocation of Certificate Proceeds and Qualified Equity to Expenditures.* The Bond Compliance Officer will account for the investment and expenditure of proceeds of the Certificates in the level of detail required by the Tax Compliance Procedure. The Bond Compliance Officer will supplement the expected allocation of New Money Portion proceeds to expenditures with a Final Written Allocation as required by the Tax Compliance Procedure. A sample form of Final Written Allocation is attached as **Exhibit E**. Proceeds of the Refunding Portion will be used as described in **Sections 3.5** and **3.8**. The Bond Compliance Officer will maintain accounting records showing the investment and expenditure of this money as part of the Tax-Advantaged Bond File. The Bond Compliance Officer has prepared written records substantiating the allocation of proceeds the Original Obligations to the Financed Facility through requisitions from the project fund established under the indentures for the Original Obligations. This allocation is summarized on **Exhibit C** and is intended to constitute the Final Written Allocation for the Original Obligations.

(c) *Annual Compliance Checklist.* Attached as **Exhibit D** hereto is a form of Annual Compliance Checklist for the Certificates. The Bond Compliance Officer will prepare and complete an

Annual Compliance Checklist for the Financed Facility at least annually in accordance with the Tax Compliance Procedure. In the event the Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Agreement, the Bond Compliance Officer will take the actions identified in advice or an Opinion of Special Tax Counsel or the Tax Compliance Procedure to correct any deficiency.

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

Section 4.3. Investment Yield Restriction. Except as described below, the City will not invest Gross Proceeds at a Yield greater than the Yield on the Lease:

(a) *Project Fund and Costs of Issuance Fund.* Certificate proceeds deposited in the Project Fund and the Costs of Issuance Fund allocable to the New Money Portion and Investment earnings on those proceeds may be invested without Yield restriction for up to 3 years following the Issue Date. If any unspent proceeds remain in those funds after 3 years, those amounts may continue to be invested without Yield restriction so long as the City pays to the IRS all Yield reduction payments in accordance with Regulations § 1.148-5(c). These payments are required whether or not the Certificates are exempt from the arbitrage rebate requirements of Code § 148.

(b) *Proceeds Allocable to Current Refunding.* Proceeds of the Refunding Portion allocable to a current refunding of the Refunded Obligations (see **Section 3.8**) may be invested without Yield restriction for up to 90 days after the Issue Date.

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

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

Section 4.4. Procedures for Establishing Fair Market Value.

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

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

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

(d) *Guaranteed Investment Contracts.* The City is applying Regulations § 1.148-5(d)(6)(iii)(A) (relating to electronic bidding of Guaranteed Investment Contracts) to the Certificates. The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:

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

(A) The bid specifications are in writing and are timely forwarded to potential providers, or are made available on an internet website or other similar electronic media that is regularly used to post bid specifications to potential bidders. A writing includes a hard copy, a fax, or an electronic e-mail copy.

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

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

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

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

(F) All potential providers have an equal opportunity to bid. If the bidding process affords any opportunity for a potential provider to review other bids before providing a bid, then providers have an equal opportunity to bid only if all potential providers have an equal opportunity to review other bids. Thus, no potential provider may be given an opportunity to review other bids that is not equally given to all potential providers (there is no exclusive “last look”).

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

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

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

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

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

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

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

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

(A) A copy of the Guaranteed Investment Contract.

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

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

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

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

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

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

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

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

(b) *Applicable Spending Exceptions.*

(1) The City expects that at least 75% of the Available Construction Proceeds will be used for construction or rehabilitation expenditures for property owned by the City.

(2) The following optional rebate spending exceptions can apply to the New Money Portion and the Refunding Portion:

New Money Portion:

- 6-month spending exception (Code § 148(f)(4)(B) and Regulations § 1.148-7(c)).
- 18-month spending exception (Regulations § 1.148-7(d)).
- 2-year spending exception (Code § 148(f)(4)(C) and Regulations § 1.148-7(e)).

Refunding Portion:

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

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

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

(e) *Documenting Application of Spending Exception.* At any time prior to the first Computation Date, the City may engage the Rebate Analyst to determine whether one or more spending

exceptions has been satisfied, and the extent to which the City must continue to comply with **Section 4.6** hereof.

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

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

(2) The 6-month spending exception generally is met if all Adjusted Gross Proceeds of the New Money Portion or the Refunding Portion, as applicable, are spent within 6 months following the Issue Date. The test may still be satisfied even if up to 5% of the sale proceeds remain at the end of the initial 6-month period, so long as this amount is spent within 1 year of the Issue Date.

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

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

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

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

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

(6) For purposes of applying the 18-month and 2-year spending exceptions only, the Certificates meet the applicable spending test even if, at the end of the **final** spending period, proceeds not exceeding a Reasonable Retainage remain unspent, so long as such Reasonable

Retainage is spent within 30 months after the Issue Date in the case of the 18-month exception or 3 years after the Issue Date in the case of the 2-year spending exception.

(7) Spending exceptions may be applied separately to the New Money Portion and the Refunding Portion of the Certificates.

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

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

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

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

Internal Revenue Service Center
Ogden, UT 84201

Section 4.7. Successor Rebate Analyst. If the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason, or if the City desires that a different firm act as the Rebate

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

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

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

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Agreement. This Tax Agreement will be effective concurrently with the execution of the Lease and delivery of the Certificates and will continue in force and effect until all of the Basic Rent Payments represented by the Certificates have been fully paid and all such Certificates are cancelled; provided that, the provisions of **Article IV** hereof regarding payment of arbitrage rebate and all related penalties and interest will remain in effect until all such amounts are paid to the United States and the provisions of **Section 4.2** hereof relating to record keeping shall continue in force for the period described therein for records to be retained.

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

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

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

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

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

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

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

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

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

[Remainder of Page Intentionally Left Blank.]

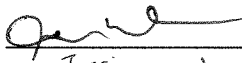
The parties to this Tax Agreement have caused this Tax Compliance Agreement to be duly executed by their duly authorized officers as of the Issue Date.

CITY OF CHESTERFIELD, MISSOURI

By: Bob Nation
Name: Bob Nation
Title: Mayor

By: J. Kelly
Name: Jeannette Kelly
Title: Finance Director

WELLS FARGO BANK, N.A., as Trustee

By: 
Name: Jessica Vuornos
Title: Vice President

[Tax Compliance Agreement]

EXHIBIT A

DEBT SERVICE SCHEDULE AND PROOF OF YIELD

BOND DEBT SERVICE

City of Chesterfield, Missouri
Certificates of Participation, Series 2020A

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
10/29/2020						6,055,000	6,055,000
06/01/2021			55,429.17	55,429.17		6,055,000	6,055,000
12/01/2021			47,062.50	47,062.50	102,491.67	6,055,000	6,055,000
06/01/2022			47,062.50	47,062.50		6,055,000	6,055,000
12/01/2022			47,062.50	47,062.50	94,125.00	6,055,000	6,055,000
06/01/2023			47,062.50	47,062.50		6,055,000	6,055,000
12/01/2023			47,062.50	47,062.50	94,125.00	6,055,000	6,055,000
06/01/2024			47,062.50	47,062.50		6,055,000	6,055,000
12/01/2024			47,062.50	47,062.50	94,125.00	6,055,000	6,055,000
06/01/2025			47,062.50	47,062.50		6,055,000	6,055,000
12/01/2025			47,062.50	47,062.50	94,125.00	6,055,000	6,055,000
06/01/2026			47,062.50	47,062.50		6,055,000	6,055,000
12/01/2026	1,470,000	2.000%	47,062.50	1,517,062.50	1,564,125.00	4,585,000	4,585,000
06/01/2027			32,362.50	32,362.50		4,585,000	4,585,000
12/01/2027	1,500,000	2.000%	32,362.50	1,532,362.50	1,564,725.00	3,085,000	3,085,000
06/01/2028			17,362.50	17,362.50		3,085,000	3,085,000
12/01/2028	1,535,000	1.000%	17,362.50	1,552,362.50	1,569,725.00	1,550,000	1,550,000
06/01/2029			9,687.50	9,687.50		1,550,000	1,550,000
12/01/2029	1,550,000	1.250%	9,687.50	1,559,687.50	1,569,375.00		
	6,055,000		691,941.67	6,746,941.67	6,746,941.67		

PROOF OF ARBITRAGE YIELD

City of Chesterfield, Missouri
Certificates of Participation, Series 2020A

Date	Debt Service	Present Value to 10/29/2020 @ 0.8534646573%
06/01/2021	55,429.17	55,151.87
12/01/2021	47,062.50	46,628.08
06/01/2022	47,062.50	46,429.95
12/01/2022	47,062.50	46,232.66
06/01/2023	47,062.50	46,036.21
12/01/2023	47,062.50	45,840.59
06/01/2024	47,062.50	45,645.81
12/01/2024	47,062.50	45,451.85
06/01/2025	47,062.50	45,258.72
12/01/2025	47,062.50	45,066.40
06/01/2026	47,062.50	44,874.91
12/01/2026	1,517,062.50	1,440,398.70
06/01/2027	32,362.50	30,596.52
12/01/2027	1,532,362.50	1,442,587.28
06/01/2028	17,362.50	16,275.84
12/01/2028	1,552,362.50	1,449,022.28
06/01/2029	9,687.50	9,004.18
12/01/2029	1,559,687.50	1,443,513.49
	6,746,941.67	6,344,015.35

Proceeds Summary

Delivery date	10/29/2020
Par Value	6,055,000.00
Premium (Discount)	289,015.35
Target for yield calculation	6,344,015.35

EXHIBIT B

IRS FORM 8038-G

Information Return for Tax-Exempt Governmental Bonds

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

► Go to www.irs.gov/F8038G for instructions and the latest information.

OMB No. 1545-0720

Part I Reporting AuthorityIf Amended Return, check here ☐

1 Issuer's name City of Chesterfield, Missouri		2 Issuer's employer identification number (EIN) 43-1484652	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Jason S. Terry, Special Tax Counsel		3b Telephone number of other person shown on 3a (314) 436-1000	
4 Number and street (or P.O. box if mail is not delivered to street address) 211 N. Broadway	Room/suite 2350	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code St. Louis, Missouri 63102		7 Date of issue 10/29/2020	
8 Name of issue Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A		9 CUSIP number 16645P HV6	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Jeannette Kelly, Finance Director		10b Telephone number of officer or other employee shown on 10a (636) 537-4726	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ► Public Improvements	18	6,344,015	35
19a If bonds are TANs or RANs, check only box 19a	<input type="checkbox"/>		
b If bonds are BANs, check only box 19b	<input type="checkbox"/>		
20 If bonds are in the form of a lease or installment sale, check box	<input type="checkbox"/>		

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12/01/2029	\$ 6,055,000	\$ 6,055,000	7.5784 years	0.8535 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	0	00
23 Issue price of entire issue (enter amount from line 21, column (b))	23	6,344,015	35
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	119,790	35
25 Proceeds used for credit enhancement	25	0	00
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0	00
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	474,225	00
28 Proceeds used to refund prior taxable bonds. Complete Part V	28	0	00
29 Total (add lines 24 through 28)	29	594,015	35
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	5,750,000	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	0.0889 years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	N/A years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	12/1/2020
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	9/17/2014

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35**
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions **36a**
- b** Enter the final maturity date of the GIC ► (MM/DD/YYYY) _____
- c** Enter the name of the GIC provider ► _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37**
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► ☐ and enter the following information:
- b** Enter the date of the master pool bond ► (MM/DD/YYYY) _____
- c** Enter the EIN of the issuer of the master pool bond ► _____
- d** Enter the name of the issuer of the master pool bond ► _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ► ☒
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ► ☐
- 41a** If the issuer has identified a hedge, check here ► ☐ and enter the following information:
- b** Name of hedge provider ► _____
- c** Type of hedge ► _____
- d** Term of hedge ► _____
- 42** If the issuer has superintegrated the hedge, check box ► ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ► ☒
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ► ☒
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ► ☐ and enter the amount of reimbursement ► _____
- b** Enter the date the official intent was adopted ► (MM/DD/YYYY) _____

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative JS Kelly Date 10.12.2020 Type or print name and title Jeannette Kelly, Finance Director

Paid Preparer Use Only

Print/Type preparer's name Jason S. Terry	Preparer's signature <u>Jason S. Terry</u>	Date 10/12/2020	Check <input type="checkbox"/> if self-employed	PTIN P01482953
Firm's name ► <u>Gilmore & Bell, P.C.</u>			Firm's EIN ► <u>43-1611738</u>	
Firm's address ► <u>2405 Grand Boulevard, Suite 1100, Kansas City, MO 64108</u>			Phone no. <u>816-221-1000</u>	

EXHIBIT C

DESCRIPTION OF PROPERTY COMPRISING THE FINANCED FACILITY

[See attached spreadsheet]

EXHIBIT D

SAMPLE ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt obligation ("Certificates")	\$6,055,000 Certificates of Participation (City of
financing Financed Facility*:	Chesterfield, Missouri, Lessee), Series 2020A
Issue Date of Certificates:	October 29, 2020
Placed in service date of Financed Facility:	
Name of Bond Compliance Officer:	
Period covered by request ("Annual Period"):	

Item	Question	Response
1 Ownership	For federal income tax purposes, was the entire Financed Facility owned by the City during the entire Annual Period? If "Yes," skip to Item 2.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "No," was advice of Special Tax Counsel obtained prior to the transfer?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If "Yes," include a description of the advice in the Tax-Advantaged Bond File.	
	If "No," contact Special Tax Counsel and include description of resolution in the Tax-Advantaged Bond File.	
2 Leases & Other Rights to Possession	During the Annual Period, was any part of the Financed Facility leased (other than the Base Lease and the Lease) at any time pursuant to a lease or similar agreement that provided the lessee or licensee use of the Financed Facility on more than 50 separate occasions (including any agreement with the federal government or an agency of the federal government)? If "No," skip to Item 3.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was advice of Special Tax Counsel obtained prior to entering into the lease or other arrangement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If "Yes," include a description of the advice in the Tax-Advantaged Bond File.	
	If "No," contact Special Tax Counsel and include description of resolution in the Tax-Advantaged Bond File.	

* Capitalized words and terms used herein, unless otherwise defined herein or the context requires otherwise, shall have the same meanings ascribed to them in the City's Tax-Advantaged Financing Compliance Policy and Procedure adopted on August 19, 2013, as amended and supplemented.

Item	Question	Response
3 Management or Service Agreements	Has the management of all or any part of the operations of the Financed Facility (e.g., concessions, parking, park management, etc.) been assumed by or transferred to another entity? If "No," skip to Item 4.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If answer above was "Yes," was advice of Special Tax Counsel obtained prior to entering into the Management or Service Agreement?</p> <p>If "Yes," include a description of the advice in the Tax-Advantaged Bond File.</p> <p>If "No," contact Special Tax Counsel and include description of resolution in the Tax-Advantaged Bond File.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights or privileges to such individual or entity that are not otherwise available to the general public to the Financed Facility? If "No," skip to Item 5.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If answer above was "Yes," was advice of Special Tax Counsel obtained prior to entering into the agreement?</p> <p>If "Yes," include a description of the advice in the Tax-Advantaged Bond File.</p> <p>If "No," contact Special Tax Counsel and include description of resolution in the Tax-Advantaged Bond File.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
5 Arbitrage & Rebate	Have all rebate and yield reduction calculations mandated in the Federal Tax Certificate been prepared for the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Advantaged Bond File.	

Bond Compliance Officer: _____

Date Completed: _____

EXHIBIT E

SAMPLE FINAL WRITTEN ALLOCATION

\$6,055,000
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI, LESSEE)
SERIES 2020A

Final Written Allocation

The undersigned is the Bond Compliance Officer of the City of Chesterfield, Missouri (the “City”) and in that capacity is authorized to execute federal income tax returns required to be filed by the City and to make appropriate elections and designations regarding federal income tax matters on behalf of the City. This allocation of the proceeds of the obligation referenced above (the “Certificates”) is necessary for the City to satisfy ongoing reporting and compliance requirements under federal income tax laws.

Purpose. This document, together with the schedules and records referred to below, is intended to memorialize allocations of Certificate proceeds to expenditures for purposes of §§ 141 and 148 of the Internal Revenue Code (the “Code”). All allocations are or were previously made no later than 18 months following the date the expenditure was made by the City or, if later, the date the “project” was “placed in service” (both as defined below), and no later than 60 days following the 5th anniversary of the issue date of the Certificates.

Background. The Certificates were delivered on October __, 2020 (the “Issue Date”), by Wells Fargo Bank, N.A. as trustee (the “Trustee”), pursuant to a Declaration of Trust dated as of December 1, 2008, as amended and supplemented. The Certificates were issued in order to provide funds needed to pay the costs of renovating and improving the City’s Central Park and the Chesterfield Valley Athletic Complex (the “Project”). Proceeds of the Certificates were deposited to the following accounts:

- Project Fund
- Costs of Issuance Fund
- Series 2014 Account of the Lease Revenue Fund

Sources Used to Fund Project Costs and Allocation of Proceeds to Project Costs. A portion of the costs of the Project was paid from sale proceeds of the Certificates and the remaining portion of the costs of the Project was paid from earnings from the investment of Certificate sale proceeds [and from other money of the City] as shown on **Schedule 1** to this Final Written Allocation.

Identification of Financed Assets. The portions of the Project financed from Certificate proceeds (i.e., the “Financed Facility” referenced in the Federal Tax Certificate) are listed on page 1 of **Schedule 2** to this Final Written Allocation.

Identification and Timing of Expenditures for Arbitrage Purposes. For purposes of complying with the arbitrage rules, the City allocates the proceeds of the Certificates to the various expenditures described in the invoices, requisitions or other substantiation attached as **Schedule 2** to this Final Written Allocation. In each case, the cost requisitioned was either paid directly to a third party or reimbursed the

City for an amount it had previously paid or incurred. Amounts received from the sale of the Certificates and retained as underwriters discount are allocated to that purpose and spent on the Issue Date. Amounts allocated to interest expense are treated as paid on the interest payment dates for the Certificates.

Placed In Service. The Project was “placed in service” on the date set out on **Schedule 2** to this Final Written Allocation. For this purpose, the assets are considered to be “placed in service” as of the date on which, based on all the facts and circumstances: (a) the constructing and equipping of the asset has reached a degree of completion which would permit its operation at substantially its design level; and (b) the asset is, in fact, in operation at that level.

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

CITY OF CHESTERFIELD, MISSOURI

By: _____
Title: _____

Dated: _____

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

Date of Review: _____

**SCHEDULE 1
TO FINAL WRITTEN ALLOCATION**

ALLOCATION OF SOURCES AND USES

[Insert Spreadsheet]

**SCHEDULE 2
TO FINAL WRITTEN ALLOCATION**

**IDENTIFICATION OF FINANCED ASSETS
&
DETAILED LISTING OF EXPENDITURES**

[Insert Spreadsheet]

EXHIBIT F

TAX-ADVANTAGED FINANCING COMPLIANCE POLICY AND PROCEDURE

CITY OF CHESTERFIELD, MISSOURI
TAX-ADVANTAGED FINANCING COMPLIANCE POLICY AND PROCEDURE

Dated as of August 19, 2013

TAX-ADVANTAGED FINANCING COMPLIANCE POLICY AND PROCEDURE

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Exhibit A – List of Tax-Advantaged Bonds Covered by this Compliance Procedure

* * *

TAX-ADVANTAGED FINANCING COMPLIANCE POLICY AND PROCEDURE

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized words and terms used in this Compliance Procedure have the following meanings:

“Annual Compliance Checklist” means a questionnaire and/or checklist described in Section 6.1 hereof that is completed each year for a Tax-Advantaged Bond issue.

“Annual Report” means the Issuer’s audited financial statements (or unaudited financial statements as permitted by the Continuing Disclosure Undertaking for the Tax-Advantaged Bonds) and certain other financial information and operating data required to be filed annually with the MSRB for the Tax-Advantaged Bonds.

“Bond Compliance Officer” means the Issuer’s Finance Director or, if the position of Finance Director is vacant, the person filling the responsibilities of the Finance Director for the Issuer.

“Bond Counsel” means a law firm selected by the Issuer to provide a legal opinion regarding the tax status of interest on Tax-Advantaged Bonds as of the issue date or the law firm selected to advise the Issuer on matters referenced in this Compliance Procedure.

“Bond Restricted Funds” means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Agreement for a Tax-Advantaged Bond issue.

“Bond Transcript” means the “transcript of proceedings” or other similar titled set of documents assembled by Bond Counsel following the issuance of Tax-Advantaged Bonds.

“City Council” means the City Council of the Issuer.

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

“Compliance Procedure” means this Tax-Advantaged Financing Compliance Policy and Procedure.

“Continuing Disclosure Undertaking” means, collectively, the Omnibus Continuing Disclosure Agreement or other written certifications and agreements of the Issuer setting out covenants for satisfying the Issuer’s requirements for providing information to the MSRB pursuant to SEC Rule 15c2-12 on an ongoing basis for one or more Tax-Advantaged Bond issues.

“Cost” or “Costs” means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Project or costs of issuing Tax-Advantaged Bonds.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"Final Written Allocation" means the Final Written Allocation of Tax-Advantaged Bond proceeds prepared pursuant to Section 5.4 hereof.

"Financed Assets" means that part of a Project treated as financed with Tax-Advantaged Bond proceeds as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Issuer and the Tax Agreement for the Tax-Advantaged Bond issue.

"Intent Resolution" means a resolution of the City Council stating (a) the intent of the Issuer to finance all or a portion of the Project with proceeds of the Tax-Advantaged Bonds, (b) the expected maximum size of the Tax-Advantaged Bonds and (c) the intent of the Issuer to reimburse the Costs paid by the Issuer from proceeds of the Tax-Advantaged Bonds.

"IRS" means the Internal Revenue Service.

"Issuer" means the City of Chesterfield, Missouri.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Placed In Service" means that date (as determined by the Bond Compliance Officer) when the Project is substantially complete and in operation at substantially its designed level.

"Project" means all tangible or intangible property financed in whole or in part with Tax-Advantaged Bonds that is functionally related or integrated in use, that is located on the same physical site or proximate sites, and that is expected to be Placed In Service within a one-year period.

"Rebate Analyst" means the rebate analyst for the Tax-Advantaged Bonds selected pursuant to the Tax Agreement.

"Tax-Advantaged Bond(s)" means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Issuer, the proceeds of which are to be loaned or otherwise made available to the Issuer, and the interest on which is excludable from gross income for federal income tax purposes. A list of all Tax-Advantaged Bonds outstanding or authorized and subject to this Compliance Procedure as of the date of this Compliance Procedure, is attached as **Exhibit A** hereto.

"Tax-Advantaged Bond File" means documents and records which may consist of paper and electronic medium, maintained for each Tax-Advantaged Bond. Each Tax-Advantaged Bond File will include the following information if applicable:

- (a) Intent Resolution.
- (b) Bond Transcript.
- (c) Final Written Allocation and/or all available accounting records related to the Project showing expenditures allocated to the proceeds of a Tax-Advantaged Bond and expenditures (if any) allocated to other sources of funds.

- (d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculation.
- (e) Forms 8038-T together with proof of filing and payment of rebate.
- (f) Investment agreement bid documents (unless included in the Bond Transcript) including:
 - (1) bid solicitation, bid responses, certificate of broker;
 - (2) written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
 - (3) copies of the investment agreement and any amendments.
- (g) Any item required to be maintained by the terms of the Tax Agreement involving the use of the Project or expenditures related to tax compliance for the Tax-Advantaged Bonds.
- (h) Any opinion of Bond Counsel regarding the Tax-Advantaged Bonds not included in the Bond Transcript.
- (i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript.
- (j) Any correspondence with the IRS relating to the Tax-Advantaged Bonds including all correspondence relating to an audit by the IRS of the Tax-Advantaged Bonds or any proceedings under the Tax-Advantaged Bonds Voluntary Closing Agreement Program (VCAP).
- (k) Any available questionnaires or correspondence substantiating the use of the Project in accordance with the terms of the Tax Agreement for the Tax-Advantaged Bond issue.
- (l) For refunding bond issues, the Tax-Advantaged Bond File for the refunded Tax-Advantaged Bonds.

"Tax Agreement" means the Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Issuer setting out representations and covenants for satisfying the post-issuance tax compliance requirements for a Tax-Advantaged Bond issue.

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

- (a) Issuer's Use of Tax-Advantaged Financing. The Issuer finances various Projects and assets with proceeds of Tax-Advantaged Bonds. The Issuer understands that it receives favorable interest

rates and terms on Tax-Advantaged Bonds but that in exchange for the right to issue Tax-Advantaged Bonds, federal tax law imposes ongoing requirements on the Issuer that it must comply with in order for the favorable interest rates and terms to continue. These requirements focus on the investment, use and expenditure of proceeds of the Tax-Advantaged Bonds and related funds as well as restrictions on the use of the Project.

(b) IRS Recommends Separate Written Policies and Procedures; Purpose of Compliance Procedure. The Issuer recognizes that the IRS has stated all issuers of Tax-Advantaged Bonds should have a *separate* written policy and procedure regarding ongoing compliance with the federal tax requirements for Tax-Advantaged Bonds. The Issuer is committed to full compliance with IRS requirements for all of its outstanding and future tax-exempt or tax-advantaged financings. This Compliance Procedure is adopted by the City Council to comply with the IRS directive and to improve tax compliance and documentation.

(c) Continuing Disclosure Undertaking; Issuer Commitment. The Issuer is required under the Continuing Disclosure Undertaking to provide disclosures of certain financial information and operating data and to file notices of certain material events to the marketplace to facilitate informed secondary market trading in Tax-Advantaged Bonds issued by the Issuer. The Issuer is committed to full compliance with the federal tax and securities law requirements for all of its outstanding and future tax-exempt and tax-advantaged financings. This Compliance Procedure is adopted by the City Council to comply with the IRS and Securities and Exchange Commission directives and to improve tax and securities law compliance and documentation.

Section 2.2. Scope of Compliance Procedure; Conflicts. This Compliance Procedure applies to all Tax-Advantaged Bonds currently outstanding or authorized and all Tax-Advantaged Bonds issued in the future. If the provisions of this Compliance Procedure conflict with a Tax Agreement, the Continuing Disclosure Undertaking or any other specific written instructions of Bond Counsel, the terms of the Tax Agreement, the Continuing Disclosure Undertaking or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Advantaged Bonds will be incorporated in the Tax Agreement for the future issue. Any requirements imposed on the Issuer in the Tax Agreement will be noted by the Bond Compliance Officer and incorporated into the Annual Compliance Checklist. The Issuer acknowledges that the Continuing Disclosure Undertaking may also apply to one or more issues of taxable securities issued by the Issuer.

Section 2.3. Amendments and Publication of Compliance Procedure. This Compliance Procedure may be amended from time-to-time by the City Council. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Issuer.

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with other employees that use the Project to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Bond Counsel, legal counsel to the Issuer, accountants, tax return preparers and other outside experts to the extent necessary to carry out the purposes of this Compliance Procedure. The Bond Compliance Officer will report at least annually to the City Administrator, and to the City Council, as necessary, regarding (i) implementation of this Compliance Procedure, (ii) any

recommended changes or amendments to this Compliance Procedure, and (iii) results of the Annual Compliance Checklist, specifically whether any responses require further action, including those actions described in Section 4.4 hereof.

Section 3.2. Training.

(a) **General.** Periodically, as individuals acting as the Issuer's Bond Compliance Officer pass the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the outgoing individual is responsible for training the incoming individual to ensure the Issuer's continued compliance with the provisions of this Compliance Procedure and all Tax Agreements for any outstanding Tax-Advantaged Bonds.

(b) **Training Opportunities.** Prior to each future issuance of Tax-Advantaged Bonds, the Bond Compliance Officer will discuss tax requirements related to such Tax-Advantaged Bonds with Bond Counsel. When appropriate, the Bond Compliance Officer will take advantage of training opportunities regarding tax-advantaged financing that are relevant to the Issuer such as:

- Subscribing for IRS Newswire updates related to tax-advantaged financing at <http://www.irs.gov/newsroom/article/0,,id=154805,00.html>
- Attending training programs offered by the IRS or other industry professionals
- Consulting Bond Counsel from time-to-time with questions regarding tax requirements applicable to the Issuer

ARTICLE IV

TAX-ADVANTAGED BONDS CURRENTLY OUTSTANDING

Section 4.1. Tax-Advantaged Bonds Covered by Article IV Procedures. This Article IV applies to all Tax-Advantaged Bonds issued or authorized prior to the date of this Compliance Procedure. These Tax-Advantaged Bonds are listed on **Exhibit A** hereto.

Section 4.2. Tax-Advantaged Bond File. As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Advantaged Bond File as is available for each Tax-Advantaged Bond that is listed on **Exhibit A** hereto.

Section 4.3. Annual Compliance Checklists. As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will work with Bond Counsel and/or legal counsel to the Issuer and cause Annual Compliance Checklists to be completed for all outstanding Tax-Advantaged Bonds and will follow the procedures specified in Article VI hereof to complete the Annual Compliance Checklists and thereafter include each completed Annual Compliance Checklist in the Tax-Advantaged Bond File.

Section 4.4. Correcting Prior Deficiencies in Compliance. In the event the Bond Compliance Officer determines any deficiency in compliance with a Tax Agreement for an outstanding Tax-Advantaged Bond listed on **Exhibit A** hereto, the Bond Compliance Officer will consult with Bond Counsel and, as necessary, follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Issuer to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Governing Body and obtaining its approval.

ARTICLE V

COMPLIANCE PROCEDURE FOR NEW TAX-ADVANTAGED BOND ISSUES

Section 5.1. Application. This Article V applies to Tax-Advantaged Bond financings issued on or after the date of this Compliance Procedure.

Section 5.2. Prior to Issuance of Tax-Advantaged Bonds.

(a) Intent Resolution. The City Council will authorize and approve the issuance of Tax-Advantaged Bonds. Prior to or as a part of this authorizing resolution or ordinance, the City Council may adopt an Intent Resolution.

(b) Directions to Bond Counsel. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Advantaged Bonds so that they conform to the requirements of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Issuer's costs and expenses incurred to implement this Compliance Procedure.

(c) Tax Agreement. Each Tax-Advantaged Bond issue will include a Tax Agreement signed by the Bond Compliance Officer. The Tax Agreement will (1) describe the Project and the anticipated Financed Assets, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings, require the Issuer to complete a Final Written Allocation and (4) contain a form of the Annual Compliance Checklist for the Tax-Advantaged Bond issue. The Bond Compliance Officer will confer with Bond Counsel and the Issuer's counsel regarding the meaning and scope of each representation and covenant contained in the Tax Agreement.

(d) Preliminary Cost Allocations. For new money financings, the Bond Compliance Officer, in consultation with Bond Counsel, will prepare a preliminary cost allocation plan for the Project. The preliminary cost allocation plan will identify the assets and expected costs for the Project, and, when necessary, will break-out the portions of Costs that the Issuer expects to finance with Tax-Advantaged Bonds from the portions expected to be financed from other sources.

(e) Tax Review with Bond Counsel. Prior to the sale of Tax-Advantaged Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the draft Tax Agreement, or must be supplemented to account for special issues or requirements for the Tax-Advantaged Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form of Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Advantaged Bond issue.

Section 5.3. Accounting and Recordkeeping.

(a) Accounting for New Money Projects. The Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the Tax-Advantaged Bonds. The Bond Compliance Officer will establish separate accounts or subaccounts to record expenditures for Costs of the Project. Where appropriate, the Bond Compliance Officer may use accounts established as part of the

Issuer's financial records for this purpose. In recording Costs for the Project, the Bond Compliance Officer will ensure that the accounting system will include the following information: (1) identity of person or business paid, along with any other available narrative description of the purpose for the payment, (2) date of payment, (3) amount paid and (4) invoice number or other identifying reference.

(b) Accounting for Refunded Bonds and Related Refunded Bond Accounts. For Tax-Advantaged Bonds that refund prior issues, the Tax Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced debt.

(c) Tax-Advantaged Bond File. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Advantaged Bond File. The Annual Reports, other reports and notices of certain material events filed by the Issuer with the MSRB will be publicly available on EMMA and need not be separately maintained in the Tax-Advantaged Bond File.

Section 5.4. Final Allocation of Bond Proceeds.

(a) Bond Compliance Officer Responsible for Preparation of Final Written Allocation: Timing. The Bond Compliance Officer is responsible for making a written allocation of proceeds to expenditures and the identification of Financed Assets. This process will be memorialized in the Final Written Allocation. For a new money financing, the Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Tax-Advantaged Bond proceeds from any segregated Tax-Advantaged Bond funded account, (2) the date the Project has been substantially completed or (3) four and one-half years following the issue date of the Tax-Advantaged Bonds. For Tax-Advantaged Bonds issued only to refund a prior issue of Tax-Advantaged Bonds, the Bond Compliance Officer will prepare and/or document the Final Written Allocation for the Project financed by the refunded Tax-Advantaged Bonds in accordance with the advice of Bond Counsel and include it in the Tax Agreement.

(b) Contents and Procedure. The Bond Compliance Officer will consult the Tax Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Advantaged Bond proceeds and other money of the Issuer to the Costs of the Project. If no special allocation is required or recommended, the Bond Compliance Officer will allocate Costs of the Project to the proceeds of the Tax-Advantaged Bonds in accordance with the Issuer's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to Costs of the Project, (2) the percentage of the cost of the Project financed with proceeds of the Tax-Advantaged Bonds (sale proceeds plus any investment earnings on those sale proceeds), (3) the Project's Placed in Service date, (4) the estimated economic useful life of the Project and (5) any special procedures to be followed in completing the Annual Compliance Checklist (e.g., limiting the Annual Compliance Checklist to specific areas of the Project that the Final Written Allocation or the Tax Agreement treats as having been financed by Tax-Advantaged Bonds).

(c) Finalize Annual Compliance Checklist. As part of the preparation of the Final Written Allocation, the Bond Compliance Officer will update the draft Annual Compliance Checklist contained in the Tax Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Advantaged Bonds in the Annual Compliance Checklist.

(d) Review of Final Written Allocation and Annual Compliance Checklist. Each Final Written Allocation and Annual Compliance Checklist will be reviewed by legal counsel to the Issuer or Bond Counsel for sufficiency and compliance with the Tax Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

ARTICLE VI

ONGOING MONITORING PROCEDURES

Section 6.1. Annual Compliance Checklist. An Annual Compliance Checklist will be completed by the Bond Compliance Officer each year following completion of the Final Written Allocation. Each Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Tax Agreement or this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Project) that are required to be incorporated in the Tax-Advantaged Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Agreement to legal counsel to the Issuer or Bond Counsel and, if recommended by counsel, will follow the procedure set out in Section 4.4 hereof to remediate the non-compliance.

Section 6.2. Arbitrage and Rebate Compliance. The Bond Compliance Officer will monitor the investment of Bond Restricted Funds and provide investment records to the Rebate Analyst on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

ARTICLE VII

CONTINUING DISCLOSURE

Section 7.1. Annual Disclosure Filings. For each issuance of Tax-Advantaged Bonds, the Bond Compliance Officer will review the Continuing Disclosure Undertaking to determine the financial information and operating data required to be included in the Annual Report to be filed by the Issuer with the MSRB on EMMA. The Bond Compliance Officer will cause the Annual Report to be filed with the MSRB on EMMA within the time limits provided in the Continuing Disclosure Undertaking for the Tax-Advantaged Bonds.

Section 7.2. Material Event Disclosure Filings. For each outstanding issue of Tax-Advantaged Bonds (or taxable bonds subject to a Continuing Disclosure Undertaking), the Bond Compliance Officer will review the Continuing Disclosure Undertaking to determine the "material events" that require prompt notice to be filed with the MSRB. Generally, the occurrence of any of the following events with respect to the Tax-Advantaged Bonds represents a "material event:"

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax-Advantaged

Bonds, or other material events affecting the tax status of the Tax-Advantaged Bonds;

- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Tax-Advantaged Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

After obtaining actual knowledge of the occurrence of any event that the Bond Compliance Officer believes may constitute an event requiring disclosure, the Bond Compliance Officer will contact Bond Counsel to determine if notice of the event is required to be given to the MSRB under the Continuing Disclosure Undertaking. If it is determined that notice should be provided to the MSRB or is required to be provided to the MSRB by the Continuing Disclosure Undertaking, the Bond Compliance Officer will cause the appropriate notice to be filed with the MSRB on EMMA within 10 business days after the occurrence of the event or as otherwise directed by Bond Counsel.

**ADOPTED BY THE CITY COUNCIL OF THE CITY OF CHESTERFIELD, MISSOURI,
THIS 19th DAY OF AUGUST, 2013**

EXHIBIT A

LIST OF TAX-ADVANTAGED BONDS COVERED BY THIS COMPLIANCE PROCEDURE

General Obligation Bonds

General Obligation Refunding Bonds, Series 2008

General Obligation Refunding Bonds, Series 2005

Certificates of Participation

Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2013

Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2009A

Taxable Certificates of Participation (City of Chesterfield, Missouri, Lessee) (Build America Bonds – Direct Payment to City), Series 2009B

Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2008

Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2005

Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2004

Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2002

FOURTH SUPPLEMENTAL DECLARATION OF TRUST

by

**WELLS FARGO BANK, N.A.,
as Trustee**

Dated as of October 1, 2020

**\$6,055,000
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI,
LESSEE)
SERIES 2020A**

**\$4,730,000
TAXABLE REFUNDING
CERTIFICATES OF PARTICIPATION (CITY
OF CHESTERFIELD, MISSOURI, LESSEE)
SERIES 2020B**

**Evidencing a Proportionate Interest
in Basic Rent
Payments to be Made by the
City of Chesterfield, Missouri
Pursuant to an
Annually-Renewable Lease Purchase Agreement**

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Exhibit A – Form of Certificate of Participation

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Exhibit C – Payment Schedules for Series 2020 Certificates

FOURTH SUPPLEMENTAL DECLARATION OF TRUST

THIS FOURTH SUPPLEMENTAL DECLARATION OF TRUST (this “Fourth Supplemental Declaration of Trust”), dated as of October 1, 2020, is made by **WELLS FARGO BANK, N.A.**, a national banking association organized and existing under the laws of the United States of America, as settlor and trustee (the “Trustee”).

RECITALS:

1. The City of Chesterfield, Missouri (the “City”) and the Trustee entered into a Base Lease dated as of December 1, 2008 (the “Base Lease”), pursuant to which the City leased to the Trustee the real property described on **Schedule 1** hereto, including the existing improvements thereon (the “Real Property”).

2. The Trustee and the City entered into a Lease Purchase Agreement dated as of December 1, 2008 (the “Original Lease”), pursuant to which the Trustee leased to the City the Real Property and the hereinafter-defined Original Project located thereon (together, the “Leased Property”), in consideration of Basic Rent (as defined therein) and subject to the other terms and conditions contained therein.

3. In order to provide funds to pay the costs of the Original Project, the Trustee executed a Declaration of Trust dated as of December 1, 2008 (the “Original Declaration of Trust”), under which the Trustee delivered \$4,720,000 original principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2008 (the “Series 2008 Certificates”) to provide funds to pay (a) a portion of the costs of renovating and improving the City’s Central Park and the Chesterfield Valley Athletic Complex (the “Series 2020 Project”), and (b) certain costs in connection with the execution and delivery of the Series 2008 Certificates.

4. The Trustee entered into a First Supplemental Declaration of Trust dated as of September 1, 2009 (the “First Supplemental Declaration of Trust”) under which the Trustee delivered (a) \$4,550,000 principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2009A (the “Series 2009A Certificates”), and (b) \$5,695,000 principal amount of Taxable Certificates of Participation (City of Chesterfield, Missouri, Lessee) (Build America Bonds – Direct Payment to City), Series 2009B (the “Series 2009B Certificates” and together with the Series 2009A Certificates, the “Series 2009 Certificates”) to provide funds to pay (a) additional costs of the Series 2020 Project and (b) the costs of delivering the Series 2009 Certificates.

5. The City and the Trustee entered into a First Supplemental Lease Purchase Agreement dated as of September 1, 2009 (the “First Supplemental Lease”) pursuant to which the Original Lease was amended in order to revise the amount of the Basic Rent payable thereunder upon the terms and conditions set forth therein.

6. The Trustee entered into a Second Supplemental Declaration of Trust dated as of September 1, 2014 (the “Second Supplemental Declaration of Trust”) under which the Trustee delivered \$8,600,000 original principal amount of Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2014 (the “Series 2014 Certificates”) to provide funds to (a) currently prepay all of the then outstanding Series 2009 Certificates and (b) pay the costs of delivering the Series 2014 Certificates.

7. The City and the Trustee entered into a Second Supplemental Lease Purchase Agreement dated as of September 1, 2014 (the “Second Supplemental Lease”) pursuant to which the Original Lease was amended in order to revise the amount of the Basic Rent payable thereunder upon the terms and conditions set forth therein.

8. The Trustee entered into a Third Supplemental Declaration of Trust dated as of April 1, 2016 (the “Third Supplemental Declaration of Trust”) under which the Trustee delivered \$3,000,000 original principal amount of Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2016 (the “Series 2016 Certificates”) to provide funds to (a) advance prepay a portion of the outstanding Series 2008 Certificates, being the Series 2008 Certificates with a stated maturity in the year 2020 and all of the outstanding Series 2008 Certificates with stated maturities in the years 2022 and thereafter and (b) pay the costs of delivering the Series 2016 Certificates.

9. The City and the Trustee entered into a Third Supplemental Lease Purchase Agreement dated as of April 1, 2016 (the “Third Supplemental Lease”) pursuant to which the Original Lease was amended in order to revise the amount of the Basic Rent payable thereunder upon the terms and conditions set forth therein.

10. The Trustee proposes to enter into this Fourth Supplemental Declaration of Trust (together with the Original Declaration of Trust, the First Supplemental Declaration of Trust, the Second Supplemental Declaration of Trust and the Third Supplemental Declaration of Trust, the “Declaration of Trust”) under which the Trustee will deliver (a) \$6,055,000 principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A (the “Series 2020A Certificates”) to provide funds to (i) pay a portion of the costs of acquiring and improving certain vacant land (the “Series 2020 Project”), (ii) prepay the principal of the Series 2014 Certificates maturing on December 1, 2020 and interest owing on all Series 2014 Certificates on December 1, 2020 and (iii) pay certain costs in connection with the execution and delivery of the Series 2020A Certificates, and (b) \$4,730,000 principal amount of Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B (the “Series 2020B Certificates” and, together with the Series 2020A Certificates, the “Series 2020 Certificates”) to provide funds to (i) advance prepay all of the Series 2014 Certificates maturing on December 1, 2021 and thereafter and (ii) pay the costs of delivering the Series 2020B Certificates.

11. Concurrently herewith, the City and the Trustee are entering into a Fourth Supplemental Lease Purchase Agreement dated as of October 1, 2020 (the “Fourth Supplemental Lease” and together with the Original Lease, the First Supplemental Lease, the Second Supplemental Lease and the Third Supplemental Lease, the “Lease”) pursuant to which the Original Lease, as amended, will be further amended in order to revise the amount of the Basic Rent payable thereunder upon the terms and conditions set forth therein.

12. **Article VIII** of the Original Declaration of Trust permits the amendment, change or modification of the Original Declaration of Trust, and it is hereby found and determined that this Fourth Supplemental Declaration of Trust will comply in all respects with the Original Declaration of Trust, as amended.

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to any words and terms defined in the Lease (which definitions are hereby incorporated by reference) and elsewhere in this Fourth Supplemental Declaration

of Trust, the following words and terms as used in this Fourth Supplemental Declaration of Trust shall hereafter have the following meanings and **Section 1.01** of the Original Declaration of Trust, as amended by the First Supplemental Declaration of Trust, the Second Supplemental Declaration of Trust and the Third Supplemental Declaration of Trust, is hereby further amended and supplemented to so provide:

“Certificates” means the Series 2016 Certificates, the Series 2020 Certificates and any Additional Certificates.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking dated as of October 1, 2020 executed by the City, as may be amended from time to time in accordance with its terms.

“Declaration of Trust” means, collectively, the Original Declaration of Trust, the First Supplemental Declaration of Trust, the Second Supplemental Declaration of Trust, the Third Supplemental Declaration of Trust and this Fourth Supplemental Declaration of Trust.

“Escrow Agent” means BOKF, N.A., St. Louis, Missouri, and any successors or assigns.

“Escrow Agreement” means the Escrow Trust Agreement dated as of October 1, 2020, between the City and the Escrow Agent.

“Escrow Fund” means the fund by that name referred to in **Section 5.01** hereof.

“Fourth Supplemental Declaration of Trust” means this Fourth Supplemental Declaration of Trust dated as of October 1, 2020, executed by the Trustee.

“Fourth Supplemental Lease” means the Fourth Supplemental Lease Purchase Agreement dated as of October 1, 2020, between the City and the Trustee.

“Lease” means, collectively, the Original Lease, the First Supplemental Lease, the Second Supplemental Lease, the Third Supplemental Lease and the Fourth Supplemental Lease.

“Optional Prepayment Date” means, with respect to the Series 2016 Certificates, any date on which the Series 2016 Certificates may be prepaid pursuant to **Section 4.02** of the Third Supplemental Declaration of Trust, and with respect to the Series 2020 Certificates, any date on which the Series 2020 Certificates may be prepaid pursuant to **Section 4.02** of this Fourth Supplemental Declaration of Trust.

“Original Project” means the renovation and improvement of the City’s Central Park and the Chesterfield Valley Athletic Complex, including any modifications, additions, improvements, replacements or substitutions thereto or therefor.

“Refunded Certificates” means all of the \$6,085,000 outstanding principal amount of the Series 2014 Certificates maturing on December 1, 2021 and thereafter.

“Series 2020 Certificates” means the Series 2020A Certificates and the Series 2020B Certificates.

“Series 2020 Project” has the meaning set forth in the recitals hereof.

“Series 2020A Certificates” means the \$6,055,000 aggregate principal amount Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A, evidencing a proportionate interest in Basic Rent Payments to be made by the City pursuant to the Lease, executed and delivered pursuant to this Fourth Supplemental Declaration of Trust.

“Series 2020B Certificates” means the \$4,730,000 aggregate principal amount Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B, evidencing a proportionate interest in Basic Rent Payments to be made by the City pursuant to the Lease, executed and delivered pursuant to this Fourth Supplemental Declaration of Trust.

“Underwriter” means Commerce Bank Capital Markets Group.

Section 1.02. General Rules of Construction.

(a) Words of the masculine gender will be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context will otherwise indicate, words importing the singular number will include the plural and vice versa, and words importing person will include individuals, corporations, limited liability companies, partnerships, joint ventures, associations, joint-stock companies, trusts, unincorporated organizations and governments and any agency or political subdivision thereof.

(b) The words “herein,” “hereby,” “hereunder,” “hereof,” “hereto,” “hereinbefore,” “hereinafter” and other equivalent words refer to the Declaration of Trust and not solely to the particular article, section, paragraph or subparagraph hereof in which such word is used.

(c) Reference herein to a particular article or a particular section, exhibit, schedule or appendix will be construed to be a reference to the specified article or section hereof or exhibit, schedule or appendix hereto unless the context or use clearly indicates another or different meaning or intent.

(d) Whenever an item or items are listed after the word “including,” the listing is not intended to be a listing that excludes items not listed.

(e) The table of contents, captions and headings in the Declaration of Trust are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of the Declaration of Trust.

Section 1.03. Severability.

(a) If any provision of the Declaration of Trust will be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute or rule of public policy, or for any other reason, such circumstances will not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

(b) The invalidity of any one or more phrases, sentences, clauses or sections in the Declaration of Trust contained will not affect the remaining portions of the Declaration of Trust, or any part thereof.

Section 1.04. Date of Fourth Supplemental Declaration of Trust. The dating of this Fourth Supplemental Declaration of Trust as of October 1, 2020, is intended as and for the convenient identification of this Fourth Supplemental Declaration of Trust only and is not intended to indicate that this Fourth Supplemental Declaration of Trust was executed and delivered on said date, this Fourth Supplemental Declaration of Trust being executed and delivered and becoming effective simultaneously with the initial execution and delivery of the Series 2020 Certificates.

Section 1.05. Governing Law. The Declaration of Trust will be governed by and construed in accordance with the laws of the State.

ARTICLE II

COVENANTS AS TO BASE LEASE AND LEASE

Section 2.01. Covenants as to Base Lease and Lease. The Trustee covenants and agrees that, except in accordance with the terms of the Declaration of Trust, the Base Lease and the Lease, it will not take any action that would result in the occurrence of an Event of Default and it will not agree to any abatement, reduction, abrogation, waiver, diminution or other modification in any manner or to any extent whatsoever of the obligations of the City under the Base Lease and the Lease to pay Basic Rent and to meet its other obligations as provided in the Lease.

ARTICLE III

THE SERIES 2020 CERTIFICATES

Section 3.01. Provisions Concerning the Series 2020 Certificates.

(a) There will be prepared, executed and delivered under the Declaration of Trust two series of Certificates as follows: one series of Certificates in the aggregate principal amount of \$6,055,000 will be designated "Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A" and the other series of Certificates in the aggregate principal amount of \$4,730,000 will be designated "Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B." The Series 2020 Certificates shall be dated the date of original delivery thereof, and will be payable on the dates, in the principal amounts (subject to prepayment as described in **Article IV** hereof), and with the Interest Portions accruing at the rates set forth on **Exhibit C**.

(b) The Series 2020 Certificates and the form of assignment to appear thereon will be in substantially the form set forth in **Exhibit A**.

(c) The Series 2020 Certificates will be fully-registered Certificates transferable to subsequent owners only on the books kept by the Registrar pursuant to **Section 3.06** of the Original Declaration of Trust. Each Series 2020 Certificate will be in the denomination of \$5,000 or any integral multiple thereof.

(d) The Interest Portion of the Basic Rent represented by each Series 2020 Certificate will be payable from the date thereof or the most recent date to which said Interest Portion has been paid. The Interest Portion of the Basic Rent represented by the Series 2020 Certificates will be paid on each June 1 and December 1, commencing on June 1, 2021.

(e) Prior to or simultaneously with the execution of and delivery of the Series 2020 Certificates by the Trustee, the following documents will be filed with the Trustee:

(1) A copy, certified by the City Clerk, of the ordinance adopted by the governing body of the City authorizing the execution of the Fourth Supplemental Lease and approving the execution and delivery of the Series 2020 Certificates to or upon the order of the Underwriter.

(2) Original executed counterparts of this Fourth Supplemental Declaration of Trust, the Fourth Supplemental Lease and the Escrow Agreement.

(3) An Opinion of Special Tax Counsel as to the validity of the Series 2020 Certificates and the exemption from federal income taxation of the Interest Portion of Basic Rent Payments represented by the Series 2020A Certificates.

(4) Evidence of the insurance required by **Article VII** of the Original Lease.

(5) An Opinion of Special Tax Counsel stating that the Series 2020 Certificates are exempt from registration under the Securities Act of 1933, as amended and the Declaration of Trust is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(6) An Opinion of Special Tax Counsel to the effect that (A) the execution and delivery of the Series 2020 Certificates, this Fourth Supplemental Declaration of Trust and the Fourth Supplemental Lease will not result in the Interest Portion of Basic Rent evidenced by any Certificates then Outstanding (other than the Series 2020B Certificates) becoming includable in gross income of the Owners thereof for federal income tax purposes, and (B) this Fourth Supplemental Declaration of Trust and the Fourth Supplemental Lease are (i) permitted by the Original Declaration of Trust and Original Lease, (ii) comply with their terms, and (iii) will, upon execution and delivery thereof, be valid and binding upon the City in accordance with the terms of the Original Declaration of Trust and Original Lease.

(7) Such other certificates, statements, receipts, opinions and documents required by the Declaration of Trust or the Lease, or as the Trustee or Special Tax Counsel may reasonably require for the delivery of the Series 2020 Certificates.

(f) When the documents specified above have been filed with the Trustee, and when the Series 2020 Certificates have been executed as required by the Declaration of Trust, the Trustee will deliver the Series 2020 Certificates to or upon the order of the Underwriter or will hold the Series 2020 Certificates as FAST Agent for the benefit of the Beneficial Owners, but only upon payment of the purchase price of the Series 2020 Certificates, as specified in a written certificate of the City. The Proceeds of the sale of the Series 2020 Certificates, including accrued interest and premium, if any, paid to the Trustee will be deposited and applied as provided in **Article V** hereof.

ARTICLE IV

PREPAYMENT

Section 4.01. General. The Certificates are subject to prepayment pursuant to this Article and any Supplemental Declaration of Trust to the extent that prepayments of Basic Rent are required, allowed or provided for under the Lease.

Section 4.02. Prepayment Provisions with Respect to the Series 2020 Certificates.

(a) The Series 2020A Certificates that evidence Principal Portions of Basic Rent payable to Certificate Owners on or after December 1, 2028 will be subject to optional prepayment, as a whole or in part, on or after December 1, 2027, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented by the Series 2020A Certificates being prepaid, plus the Interest Portion of Basic Rent accrued to the Prepayment Date, from amounts paid by the City upon the exercise of its option to purchase the Trustee's interest in the Leased Property or partially prepay Basic Rent Payments pursuant to the terms of the Lease.

(b) The Series 2020B Certificates are not subject to optional prepayment at the option of the City except as otherwise provided in subsection (c) below.

(c) The Series 2020 Certificates will be subject to optional prepayment, as a whole, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented thereby plus the Interest Portion of Basic Rent accrued to the Prepayment Date, in the event of substantial damage to or destruction or condemnation (other than by the City or any entity controlled by or otherwise affiliated with the City) of, or loss of title to, substantially all of the Leased Property, or as a result of changes in the constitution of the State or legislative or administrative action by the State or the United States, the Base Lease or the Lease becomes unenforceable, and the City purchases the Trustee's interest in the Leased Property pursuant to **Section 10.01(c)** of the Original Lease.

ARTICLE V

DELIVERY OF SERIES 2020 CERTIFICATES; FUNDS; APPLICATION OF PROCEEDS

Section 5.01. Establishment of Funds.

(a) There are hereby ratified and established the following Funds and accounts:

(1) Lease Revenue Fund, which shall contain a Series 2014 Account, a Series 2016 Account and a Series 2020 Account, which Series 2020 Account shall contain a Series 2020A Subaccount and a Series 2020B Subaccount.

(2) Project Fund, which shall contain a Series 2020 Project Account.

(3) Costs of Issuance Fund, which shall contain Series 2020A Account and a Series 2020B Account.

In addition to the Funds described above, the Escrow Agreement establishes the Escrow Fund to be held and administered by the Escrow Agent in accordance with the provisions of the Escrow Agreement.

(b) All Funds and accounts established pursuant to paragraph (a) above (except for the Escrow Fund) will be held by the Trustee in trust for the benefit of the Certificate Owners. The money in all of the Funds and accounts will be deposited or applied as hereinafter provided.

Section 5.02. Application of Proceeds of Series 2020 Certificates and Other Moneys.

(a) The net proceeds of the Series 2020A Certificates (\$6,304,536.75), together with \$2,750,000.00 of available moneys of the City, will be deposited as follows:

(i) in the Series 2020A Subaccount of the Series 2020 Account of the Lease Revenue Fund, any accrued interest with respect to the Series 2020A Certificates;

(ii) in the Series 2020 Project Account, the sum of \$5,750,000.00 from the proceeds of the Series 2020A Certificates and \$2,750,000.00 from available moneys of the City to pay the costs of the Series 2020 Project;

(iii) in the Series 2014 Account of the Lease Revenue Fund, the sum of \$474,225.00 from the proceeds of the Series 2020A Certificates to be applied to the payment of the principal portion of the Series 2014 Certificates maturing on December 1, 2020 and all interest due on the Series 2014 Certificates (including the Refunded Certificates) on December 1, 2020; and

(iv) in the Series 2020A Account of the Costs of Issuance Fund, the sum of \$80,311.75 from the proceeds of the Series 2020A Certificates to pay the Costs of Issuance of the Series 2020A Certificates.

(b) The net proceeds of the Series 2020B Certificates (\$5,147,507.50), together with \$1,180,000.00 of available moneys of the City, will be deposited as follows:

(i) in the Series 2020B Subaccount of the Series 2020 Account of the Lease Revenue Fund, any accrued interest with respect to the Series 2020B Certificates;

(ii) in the Series 2020B Account of the Costs of Issuance Fund, the sum of \$63,440.76 from the proceeds of the Series 2020B Certificates to pay the Costs of Issuance of the Series 2020B Certificates; and

(iii) with the Escrow Agent, the sum of \$5,084,066.74 from the proceeds of the Series 2020B Certificates and \$1,180,000.00 from available moneys of the City to be deposited in the Escrow Fund to defease the Refunded Certificates and otherwise applied in accordance with the Escrow Agreement.

Section 5.03. Application of Lease Revenues.

(a) Lease Revenues will be deposited, as received pursuant to the Lease, as follows:

(1) Basic Rent will be deposited to the applicable account of the Lease Revenue Fund.

(2) Optional prepayments of the Principal Portion of Basic Rent (in amounts equal to the applicable Prepayment Price) will be deposited to the applicable account of the Lease Revenue Fund.

(3) Payments of Supplemental Rent pursuant to **Section 4.02** of the Original Lease will be applied as provided in **Section 4.02** of the Original Lease.

(b) Undesignated payments of Rent that are insufficient to discharge the full amount then due will be applied first to the Interest Portion of Basic Rent, next to the Principal Portion of Basic Rent and finally to Supplemental Rent.

Section 5.04. Disbursements from the Project Fund.

(a) Moneys in the Project Fund will be used to pay for Project Costs of the Series 2020 Project, excluding Costs of Issuance. Payment will be made from moneys in the Project Fund upon receipt by the Trustee of a requisition certificate therefor signed by an Authorized Representative of the City, which requisition certificate will contain the statements, representations and certificates set forth in the form thereof attached hereto as **Exhibit B** and will be otherwise substantially in such form.

(b) In making disbursements for Project Costs, the Trustee will be entitled to conclusively rely upon each written requisition certificate executed by the Authorized Representative of the City. It is understood that the Trustee will *not* make any inspections of the Series 2020 Project, make any provision to obtain completion bonds, mechanic's or materialmen's lien releases or otherwise supervise any phase of the construction or furnishing of the Series 2020 Project. The approval of each requisition certificate by the Authorized Representative of the City will constitute unto the Trustee an irrevocable determination that all conditions precedent to the payment of the specified amounts from the Project Fund have been completed. The Trustee will make disbursements to pay Project Costs for which any such request is made within five Business Days of the receipt of a properly executed certificate with all necessary supporting information.

(c) The Completion Date of the Series 2020 Project and the payment of all Project Costs (other than Project Costs for which sufficient amounts are retained in the Project Fund) will be evidenced by the filing with the Trustee of the Completion Certificate pursuant to **Section 5.03** of the Original Lease. As soon as practicable following the receipt by the Trustee of the Completion Certificate, any balance remaining in the Project Fund will be transferred and deposited without further authorization as provided in **Section 5.03** of the Original Lease.

(d) In the event of the acceleration of all of the Certificates pursuant to **Section 9.02** of the Original Declaration, any moneys then remaining in the Project Fund will be transferred and deposited to the credit of the Lease Revenue Fund and will be used to pay Basic Rent.

Section 5.05. Disbursements from the Costs of Issuance Fund.

(a) Moneys in the applicable account of the Costs of Issuance Fund will be used to pay Costs of Issuance of the applicable series of Series 2020 Certificates. Payment will be made from moneys in the Costs of Issuance Fund upon receipt by the Trustee of a requisition certificate therefor signed by an Authorized Representative, which requisition certificate will contain the statements, representations and certificates set forth in the form thereof attached hereto as **Exhibit B** and will be otherwise substantially in such form.

(b) In making disbursements for Costs of Issuance, the Trustee will be entitled to conclusively rely upon each written requisition certificate executed by the Authorized Representative. The approval of each requisition certificate by the Authorized Representative will constitute unto the Trustee an irrevocable determination that all conditions precedent to the payment of the specified amounts from the Costs of Issuance Fund have been completed. The Trustee will make disbursements to pay Costs of Issuance for which any such request is made within five (5) Business Days of the receipt of an executed requisition certificate and any required attachments.

(c) Any balance remaining in an account of the Costs of Issuance Fund on April 1, 2021, shall be transferred and deposited to the credit of the applicable subaccount in the Series 2020 Account of the Lease Revenue Fund to pay Basic Rent.

(d) In the event of the acceleration of all of the Certificates pursuant to the Declaration of Trust, any moneys then remaining in the Costs of Issuance Fund will be transferred and deposited to the credit of the applicable accounts of the Lease Revenue Fund to pay Basic Rent.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Anti-Discrimination Against Israel Act.

(a) The State of Missouri has adopted the “Anti-discrimination Against Israel Act,” Section 34.600, Revised Statutes of Missouri (the “Act”), which provides that “[a] public entity shall not enter into a contract with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract includes a written certification that the company is not currently engaged in and shall not, for the duration of the contract, engage in a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel.” The Act provides that any contract that fails to comply with the Act’s provisions shall be void as against public policy.

(b) The Trustee hereby certifies and agrees that, to the extent the Act is applicable to the Declaration of Trust, the Trustee is not currently engaged in and shall not, for the duration of the Declaration of Trust, engage in a boycott of goods or services from the State of Israel, companies doing business in or with Israel or authorized by, licensed by or organized under the laws of the State of Israel or persons or entities doing business with the State of Israel, in all respects within the meaning of the Act.

(c) The foregoing certification shall not be deemed an admission or agreement that the Act is applicable to the Declaration of Trust but the foregoing certification is provided if the Act is applicable. If the Act is initially deemed or treated as applicable to the Declaration of Trust, but it is subsequently determined not to apply to the Declaration of Trust for any reason including by reason of applicable federal law, including without limitation, 50 U.S.C. Section 4607, the repeal or amendment of the Act or any ruling of a court of competent jurisdiction as to the unenforceability or invalidity of the Act, then the foregoing certification shall cease and not exist.

Section 6.02. Electronic Transactions. The transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 6.03. Notices. **Section 12.03** of the Original Declaration of Trust is hereby amended by deleting the address for the Trustee and using the following in lieu thereof:


Wells Fargo Bank, National Association
1445 Ross Avenue, 43rd Floor
MAC T9216-430
Dallas, Texas 75202-2711
Attention: Corporate Trust Services

Section 6.04. Applicability of Original Declaration of Trust. Except as otherwise provided in this Fourth Supplemental Declaration of Trust, the provisions of the Original Declaration of Trust, as amended, are hereby ratified, approved and confirmed.

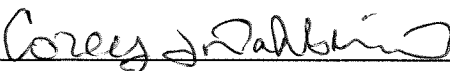
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IN WITNESS WHEREOF, the Trustee has caused this Fourth Supplemental Declaration of Trust to be executed by its duly authorized corporate officers, all as of the day and year indicated above.

WELLS FARGO BANK, N.A., as Trustee

By: 
Name: Jessica Warnings
Title: Vice President

ATTEST:

By: 
Name: Corey J. Dahlstrand
Title: Corporate Trust Officer

**SCHEDULE 1
TO THE DECLARATION OF TRUST**

DESCRIPTION OF THE REAL PROPERTY

A part of Lot 1 of CVAC Consolidation Plat, a subdivision in St. Louis County, Missouri, according to the plat thereof recorded in Plat Book 359, Page 82, more particularly described as follows:

Part of Lots 1 and 2 of the Subdivision of Richard H. Stevens Farm in U.S. Survey 150 and Part of Lot 3 of Fenn and Cummings Subdivision in U.S. Survey 102 and together described as follows: Beginning at a point in the North line of Interstate 64 (formerly known as Highway 40) at the Southwest corner of property conveyed to Bonnie J. Hill et al by deed recorded in Book 7068, Page 1393, of the St. Louis County records, said point being located N83°04'34"W 702.47 feet from State Plane Coordinates Point "21" and S83°04'34"E 784.07 feet from Point "22" as such Points are identified on said Plat; thence along the West line of property conveyed to Bonnie J. Hill et al as aforesaid and the West line of property conveyed to Chesterfield Community Association, Inc. by deed recorded in Book 6960, Page 1565, N10°52'23"W (record N12°01'00"W) 1993.02 feet to a point; thence leaving the West line of property conveyed to Chesterfield Community Association, Inc. as aforesaid and running S86°59'25"W 753.64 feet (record N85°51'27"W 753.35') to a point; thence along a line parallel to the west line of property conveyed to Chesterfield Community Association, Inc. as aforesaid S10°52'23"E (record S12°01'00"E) 1856.48 feet to a point in the North line of said Highway 40; thence along the North line of said Highway 40 S83°04'34"E 784.07 feet (record S84°12'20"E 783.82') to the point of beginning.

Commonly known as: 17891 N. Outer 40 Road

EXHIBIT A

FORM OF CERTIFICATE OF PARTICIPATION

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee or its agent for registration of transfer, exchange or payment, and any certificate delivered is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

NUMBER _____

\$ _____

[TAXABLE REFUNDING] CERTIFICATE OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI, LESSEE)
SERIES 2020[A][B]

Evidencing a Proportionate Interest
in Basic Rent Payments to be Made by the
CITY OF CHESTERFIELD, MISSOURI
Pursuant to an Annually-Renewable Lease Purchase Agreement

<u>Interest Rate</u>	<u>Payment Date</u>	<u>Certificate Date</u>	<u>CUSIP</u>
_____ %	December 1, 20____	October 29, 2020	16645P ____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

THIS IS TO CERTIFY that the registered owner identified above of this [Taxable Refunding] Certificate of Participation (the "Certificate") is the owner of the proportionate interest hereinafter stated in that certain Lease Purchase Agreement dated as of December 1, 2008, as amended and supplemented from time to time (the "Lease"), between Wells Fargo Bank, N.A., a national banking association organized and existing under the laws of the United States of America (the "Trustee"), and the City of Chesterfield, Missouri, a third-class city (the "City"), including payments of Basic Rent to be made thereunder (the "Basic Rent Payments"). The City is authorized to enter into the Lease pursuant to applicable laws, including the constitution and statutes of the State of Missouri and an ordinance of the City. This Certificate is subject to the Declaration of Trust dated as of December 1, 2008, by the Trustee, as amended or supplemented from time to time (the "Declaration of Trust"), which is on file at the designated corporate trust office of the Trustee. Capitalized terms used herein and not otherwise defined have the meanings assigned to such terms in the Declaration of Trust.

THE REGISTERED OWNER of this Certificate is entitled to receive, subject to the terms of the Lease and the Declaration of Trust, on the payment date specified above (the "Certificate Payment Date"), or if selected for prepayment, on the Prepayment Date, the principal sum specified above, representing a portion of the Basic Rent Payment designated as principal coming due on the Certificate Payment Date, and to receive the registered Owner's proportionate share of Basic Rent Payments designated as interest on June 1 and December 1, commencing on June 1, 2021 to and including the Certificate Payment Date or the Prepayment Date, whichever is earlier. Said proportionate share of the Basic Rent Payments designated as interest is computed on the principal sum specified above from the certificate date specified above or the most recent date to which such interest has been paid, at the interest rate specified above on the basis of a 360-day year of twelve 30-day months.

SAID AMOUNTS are payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts. The amounts representing principal and prepayment premium, if any, are payable by check or draft at the designated corporate trust office of the Registrar upon the presentation and surrender of this Certificate; the amounts representing interest are payable to the person in whose name this Certificate is registered in the register maintained by the Trustee at the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding each interest payment date (a "Record Date") by check or draft mailed to the said registered Owner at his address as it appears in said register or in the case of an amount representing interest to be paid to (a) the Securities Depository or (b) any registered Owner of Certificates of \$500,000 or more in aggregate principal of Certificates, by electronic transfer to such registered Owner upon written notice give to the Trustee by such registered Owner not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which will be in the continental United States), ABA routing number and account number to which such registered Owner wishes to have such transfer directed.

BASIC RENT PAYMENTS are payable solely from Available Revenues that, for any Fiscal Year, including any balances of the City from previous Fiscal Years encumbered to pay Rent under the Lease, are amounts budgeted or appropriated out of the income and revenue of the City for such Fiscal Year plus any unencumbered balances of the City from previous Fiscal Years that are legally available to pay Rent during such Fiscal Year and all moneys and investments, including earnings thereon, except for the Rebate Fund, held by the Trustee pursuant to the Declaration of Trust.

NEITHER THE BASIC RENT PAYMENTS NOR ANY OTHER AMOUNTS DUE UNDER THE LEASE CONSTITUTE A DEBT, A GENERAL OBLIGATION OR, EXCEPT FROM AVAILABLE REVENUES, A LIABILITY OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE CITY WILL NOT BE OBLIGATED TO PAY THE SAME EXCEPT FROM AVAILABLE REVENUES. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED TO THE PAYMENT OF THE BASIC RENT PAYMENTS OR ANY OTHER AMOUNTS DUE UNDER THE LEASE. THE REGISTERED OWNER WILL NOT HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE TAXING POWER OF THE CITY FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST UNDER THE LEASE REPRESENTED BY THIS CERTIFICATE OR THE MAKING OF ANY OTHER PAYMENTS PROVIDED FOR IN THE LEASE.

This Certificate is one of a duly authorized series of certificates of participation designated "[Taxable Refunding] Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020[A][B]" in the aggregate principal amount of \$[6,055,000][4,730,000], evidencing a proportionate interest in Basic Rent Payments to be made by the City, pursuant to the Lease (the "Series 2020[A][B] Certificates" and, together with the hereinafter defined Series 2020[A][B] Certificates, the "Series 2020 Certificates") for the purpose of providing funds to [(i) pay a portion of the costs of acquiring and

improving certain vacant land (the “Series 2020 Project”), (ii) prepay the principal of the Series 2014 Certificates maturing on December 1, 2020 and interest owing on all Series 2014 Certificates on December 1, 2020 and (iii) pay certain costs in connection with the execution and delivery of the Series 2020A Certificates] [(i) advance prepay all of the Series 2014 Certificates maturing on December 1, 2021 and thereafter and (ii) pay the costs of delivering the Series 2020B Certificates]. This Certificate has been executed by the Trustee pursuant to and is governed by the terms of the Declaration of Trust. Copies of the Lease and the Declaration of Trust are on file at the office of the City and at the designated corporate trust office of the Trustee, and reference to the Lease and the Declaration of Trust and any and all amendments and supplements thereto is made for a description of the pledges and covenants of the City securing the Basic Rent Payments, the nature, extent and manner of enforcement of such pledges and covenants and the rights and the terms and conditions upon which the Series 2020 Certificates are delivered thereunder.

The Declaration of Trust permits certain amendments or supplements to the Declaration of Trust and the Lease not prejudicial to the Certificate Owners to be made without the consent of or notice to the Certificate Owners, certain other amendments or supplements thereto to be made with the consent of the Owners of not less than a majority in aggregate principal amount of the Certificates then Outstanding and other amendments or supplements thereto to be made only with the consent of all Certificate Owners.

If certain conditions are met, the Lease may be amended without the consent of or notice to the Certificate Owners to increase the amount of Basic Rent payable by the City, and additional certificates of participation evidencing interests in such increased Basic Rent may be executed and delivered under the Declaration of Trust (the “Additional Certificates”). Such certificates of participation would be on a parity with the Series 2020 Certificates.

Contemporaneously with the issuance of the Series 2020[A][B] Certificates, the Trustee is issuing the [Taxable Refunding] Certificates of Participation (City of Chesterfield, Missouri, Lessee) Series 2020[A][B] in the aggregate principal amount of \$[6,055,000][4,730,000].

The Series 2020 Certificates are being issued on a parity basis with each other and with a duly authorized series of certificates of participation designated “Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2016” in the original principal amount of \$3,000,000 (the “Series 2016 Certificates” and together with the Series 2020 Certificates and any Additional Certificates, the “Certificates”).

[The Series 2020A Certificates that evidence Principal Portions of Basic Rent payable to Certificate Owners on or after December 1, 2028 will be subject to optional prepayment, as a whole or in part, on or after December 1, 2027 at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented by the Series 2020A Certificates being prepaid, plus the Interest Portion of Basic Rent accrued to the Prepayment Date, from amounts paid by the City upon the exercise of its option to purchase the Trustee’s interest in the Leased Property or partially prepay Basic Rent Payments pursuant to the terms of the Lease.]

[The Series 2020B Certificates are not subject to optional prepayment prior to maturity at the option of the City except as otherwise provided in the Lease.]

The Series 2020 Certificates will be subject to optional prepayment, as a whole, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented thereby plus the Interest Portion of Basic Rent accrued to the Prepayment Date, in the event of substantial damage to or destruction or condemnation (other than by the City or any entity controlled by or otherwise affiliated with the City) of, or loss of title to, substantially all of the Leased Property, or as a result of changes in the Constitution of

Missouri or legislative or administrative action by the State or the United States, the Base Lease or the Lease becomes unenforceable, and the City purchases the Trustee's interest in the Leased Property pursuant to the Lease.

In the event any of the Certificates are to be prepaid, notice thereof identifying the Certificates to be prepaid will be given by first class mail, postage prepaid, mailed not more than 60 days and not less than 30 days prior to the Prepayment Date to each registered Owner of Certificates to be prepaid. The failure of the registered Owner of any Certificate to be so prepaid to receive notice of prepayment mailed as herein provided will not affect or invalidate the prepayment of such Certificate. All Certificates for which notice of prepayment is given will cease to bear interest on the specified Prepayment Date, provided moneys or certain securities for their prepayment are on deposit at the place of payment at that time, will cease to be entitled to any benefit or security under the Declaration of Trust and will no longer be deemed to be outstanding under the Declaration of Trust.

This Certificate will be transferable upon the Certificate register, which will be kept for that purpose at the designated corporate trust office of the Trustee, upon surrender and cancellation of this Certificate together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner of his, her or its duly authorized attorney and upon payment of the charges provided in the Declaration of Trust. Upon such transfer a new fully-registered Certificate or Certificates of the same series and maturity and aggregate principal amount will be delivered to the transferee. The Trustee may treat the registered Owner hereof as the absolute Owner hereof for all purposes, and the Trustee will not be affected by any notice to the contrary.

The Certificates are being delivered by means of a book-entry system with no physical distribution of certificates to be made except as provided in the Declaration of Trust. One Certificate with respect to each maturity date, registered in the nominee name of the Securities Depository, is being delivered. The book-entry system will evidence positions held in the Certificates by the Securities Depository's participants, beneficial ownership of the Certificates in authorized denominations being evidenced in the records of such participants. Transfers of ownership will 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 Trustee will recognize the Securities Depository nominee, while the registered Owner of this Certificate, as the Owner of this Certificate for all purposes, including (i) payments of the Principal Portions of Basic Rent and the Interest Portion of Basic Rent, (ii) notices and (iii) voting. Transfers of the Principal Portion and Interest Portion of Basic Rent to participants of the Securities Depository, and transfers of Principal Portion and Interest Portion of Basic Rent to Beneficial Owners of the Certificates by participants of the Securities Depository will be the responsibility of such participants and other nominees of such Beneficial Owners. The Trustee 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 Certificate, notwithstanding the provision hereinabove contained, payments on this Certificate will be made in accordance with existing arrangements among the City, the Trustee and the Securities Depository.

EXCEPT AS OTHERWISE PROVIDED IN THE DECLARATION OF TRUST, THIS GLOBAL CERTIFICATE 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 Certificates may be delivered in the form of fully-registered Certificates in the denomination of \$5,000 or any integral multiple thereof, subject to certain limitations and as otherwise provided in the Declaration of Trust. The Certificates, upon surrender thereof at the designated corporate trust office of

the Trustee with a written request for exchange satisfactory to the Trustee duly executed by the registered Owner of his, her or its duly authorized attorney in writing, may be exchanged for an equal aggregate principal amount of fully-registered Certificates of any authorized denomination of the same series and maturity. No service charge will be made for any transfer or exchange of Certificates, but the Trustee may require payment of any tax or governmental charge in connection therewith.

THE TRUSTEE has no obligation or liability to the registered Owners of the Certificates to make payments of principal or interest with respect to the Certificates. The Trustee's sole obligations are to administer, for the benefit of the registered Owners thereof, the Funds established under the Declaration of Trust.

THE CITY has certified, recited and declared that all acts, conditions and things required by the constitution and statutes of the State of Missouri and the Lease to exist, to have happened and to have been performed precedent to the delivery of the Lease, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be executed by an authorized signatory as of the date set forth above.

**WELLS FARGO BANK, N.A.,
not in its individual capacity but solely as
Trustee under the Declaration of Trust
dated as of December 1, 2008, as amended
and supplemented**

By: _____
Authorized Signatory

ASSIGNMENT

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

Please Print or Typewrite Name, Address and
Employee Identification Number or Social Security Number of Transferee

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ Attorney to transfer the within Certificate on the register kept for
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) or such other similar rule as Trustee may
deem applicable)

By: _____
Title: _____

EXHIBIT B

**FORM OF REQUISITION CERTIFICATE
FOR [PROJECT FUND] [COSTS OF ISSUANCE FUND]**

Request No. _____

Date: _____

**WRITTEN REQUEST FOR DISBURSEMENT FOR
[PROJECT FUND] [COSTS OF ISSUANCE FUND]**

To: Wells Fargo Bank, N.A.
1445 Ross Avenue, 43rd Floor, Suite 4300
Dallas, Texas 75202
Attention: Corporate Trust Department

Ladies and Gentlemen:

Pursuant to the Declaration of Trust dated as of December 1, 2008 (as amended and supplemented, the "Declaration of Trust") made by Wells Fargo Bank, N.A. (the "Trustee"), specifically **[Section 5.04][Section 5.05]** of the Fourth Supplemental Declaration of Trust dated as of October 1, 2020, the City hereby requests payment in accordance with this request and the Declaration of Trust, and the City hereby states and certifies that:

- (a) All terms of this request are used with the meanings used in the Declaration of Trust.
- (b) The names of the persons, firms or corporations, if any, to whom the payments requested hereby are due, the amounts to be paid are as set forth on **Attachment I** hereto.
- (c) The amount hereby requested has been paid or is justly due and is hereby requested to be paid to such persons (which may include the City) who have performed necessary and appropriate work or furnished necessary and appropriate services or materials in connection with the [Series 2020 Project] [delivery of the Series 2020 Certificates] (a brief description of such work, services and materials and the several amounts so paid or due being set forth on **Attachment I** hereto).
- (d) No part of the several amounts paid or due, as stated in this certificate has been, is being or will be made the basis for the withdrawal of any moneys in any previous, pending or subsequently filed certificate.
- (e) This certificate contains no request for payment on account of any retained percentage that the City is at the date of such certificate entitled to retain.
- (f) There has not been filed with or served upon the City any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the respective amounts stated in said certificate that has not been released or will not be released simultaneously with the payment of such obligation.
- (g) For the purpose of assuring proper direction and credit of payment, invoices, statements, vouchers or bills for the amounts requested, except as to any retainage, related to amounts specified in this certificate are attached hereto.

(h) Each of the City's representations contained in the Lease or the Base Lease is true, correct and not misleading as though made as of the date hereof, and no event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Default.

CITY OF CHESTERFIELD, MISSOURI

By: _____
Authorized Representative

**ATTACHMENT I
TO WRITTEN REQUEST FOR DISBURSEMENT FROM THE
[PROJECT FUND] [COSTS OF ISSUANCE FUND]**

SCHEDULE OF PAYMENTS REQUESTED

<u>Payee and Address</u>	<u>Amount</u>	<u>Description</u>
--------------------------	---------------	--------------------

EXHIBIT C

PAYMENT SCHEDULE FOR SERIES 2020A CERTIFICATES

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2021			55,429.17	55,429.17	
12/01/2021			47,062.50	47,062.50	102,491.67
06/01/2022			47,062.50	47,062.50	
12/01/2022			47,062.50	47,062.50	94,125.00
06/01/2023			47,062.50	47,062.50	
12/01/2023			47,062.50	47,062.50	94,125.00
06/01/2024			47,062.50	47,062.50	
12/01/2024			47,062.50	47,062.50	94,125.00
06/01/2025			47,062.50	47,062.50	
12/01/2025			47,062.50	47,062.50	94,125.00
06/01/2026			47,062.50	47,062.50	
12/01/2026	1,470,000	2.000%	47,062.50	1,517,062.50	1,564,125.00
06/01/2027			32,362.50	32,362.50	
12/01/2027	1,500,000	2.000%	32,362.50	1,532,362.50	1,564,725.00
06/01/2028			17,362.50	17,362.50	
12/01/2028	1,535,000	1.000%	17,362.50	1,552,362.50	1,569,725.00
06/01/2029			9,687.50	9,687.50	
12/01/2029	1,550,000	1.250%	9,687.50	1,559,687.50	1,569,375.00
	6,055,000		691,941.67	6,746,941.67	6,746,941.67

PAYMENT SCHEDULE FOR SERIES 2020B CERTIFICATES

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2021			83,563.33	83,563.33	
12/01/2021	155,000	3.000%	70,950.00	225,950.00	309,513.33
06/01/2022			68,625.00	68,625.00	
12/01/2022	480,000	3.000%	68,625.00	548,625.00	617,250.00
06/01/2023			61,425.00	61,425.00	
12/01/2023	1,450,000	3.000%	61,425.00	1,511,425.00	1,572,850.00
06/01/2024			39,675.00	39,675.00	
12/01/2024	1,415,000	3.000%	39,675.00	1,454,675.00	1,494,350.00
06/01/2025			18,450.00	18,450.00	
12/01/2025	1,230,000	3.000%	18,450.00	1,248,450.00	1,266,900.00
	4,730,000		530,863.33	5,260,863.33	5,260,863.33

**NEW ISSUE
BOOK-ENTRY ONLY
BANK QUALIFIED (Series 2020A)**

**MOODY'S RATING: Aa1
See "RATING" herein.**

In the opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Special Tax Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), (1) the Interest Portion of Basic Rent paid by the City under the Lease (defined herein) and distributed to the Owners of the Series 2020A Certificates is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (2) the Interest Portion of Basic Rent paid by the City under the Lease and distributed to the Owners of the Series 2020A Certificates is exempt from Missouri income taxation by the State of Missouri. The City's obligation to pay Basic Rent with respect to the Series 2020A Certificates under the Lease is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. The Interest Portion of Basic Rent paid by the City under the Lease and distributed to the owners of the Series 2020B Certificates is included in gross income for federal income tax purposes and is not exempt from State of Missouri income taxation. See "TAX MATTERS" in this Official Statement.



**\$6,055,000
CERTIFICATES OF
PARTICIPATION
(CITY OF CHESTERFIELD,
MISSOURI, LESSEE),
SERIES 2020A**

**\$4,730,000
TAXABLE REFUNDING
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD,
MISSOURI, LESSEE),
SERIES 2020B**

Dated: Date of Delivery

Due: December 1, as shown on the inside cover

The Series 2020 Certificates, representing undivided, proportionate interests in Basic Rent to be paid by the City of Chesterfield, Missouri (the "City"), are being delivered pursuant to a Declaration of Trust dated as of December 1, 2008, as amended and supplemented (the "Declaration of Trust"), executed by Wells Fargo Bank, N.A., as trustee (the "Trustee"). The Basic Rent Payments are payable by the City under an annually-renewable Lease Purchase Agreement dated as of December 1, 2008, as amended and supplemented (the "Lease"), between the City and the Trustee.

The Series 2020 Certificates will be delivered in fully-registered form in the denomination of \$5,000 or any integral multiple thereof. Principal and interest distributable with respect to the Series 2020 Certificates are payable by the Trustee. Principal will be payable annually on December 1, as shown on the inside cover. Interest will be payable semiannually on June 1 and December 1, beginning June 1, 2021.

The Series 2020 Certificates are subject to prepayment prior to their stated payment dates. See "THE SERIES 2020 CERTIFICATES — Prepayment Provisions" herein.

The Series 2020 Certificates will be payable solely from Basic Rent due under the Lease and certain money held by the Trustee under the Declaration of Trust. The City's obligations to pay Basic Rent and other obligations of the City under the Lease are subject to and dependent upon annual appropriations being made by the City for such purpose. See "SECURITY FOR THE SERIES 2020 CERTIFICATES" herein. The City has agreed to pay the total Basic Rent due under the Lease for each Fiscal Year, but only if the City Council annually appropriates sufficient money specifically designated to pay Basic Rent coming due during each succeeding Fiscal Year. **The obligation to make payments will not create a general obligation or other indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction. The delivery of the Series 2020 Certificates will not obligate the City to levy any form of taxation therefor or to make any appropriation for their payment in any year subsequent to a year in which the Lease is in effect.**

The Series 2020 Certificates are subject to certain risks. See "RISK FACTORS AND INVESTMENT CONSIDERATIONS" herein.

The Series 2020 Certificates are offered when, as and if delivered and received by the Underwriter, subject to the approval of legality by Gilmore & Bell, P.C., St. Louis, Missouri, Special Tax Counsel to the City, and certain other conditions. Certain legal matters relating to this Official Statement will also be passed upon by Gilmore & Bell, P.C. Certain legal matters will be passed upon for the City by The Graville Law Firm, LLC, Clayton, Missouri. Piper Sandler & Co. is serving as financial advisor to the City in connection with the delivery of the Series 2020 Certificates. It is expected that the Series 2020 Certificates will be available for delivery through The Depository Trust Company in New York, New York, on or about October 29, 2020.

The date of this Official Statement is October 8, 2020.

\$6,055,000
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI,
LESSEE), SERIES 2020A

\$4,730,000
TAXABLE REFUNDING
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI, LESSEE),
SERIES 2020B

MATURITY SCHEDULE
Base CUSIP: 16645P

SERIES 2020A SERIAL CERTIFICATES

<u>Payment Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Portion</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u>
2026	\$1,470,000	2.00%	108.358%	HS3
2027	1,500,000	2.00	108.613	HT1
2028	1,535,000	1.00	100.685	HU8
2029	1,550,000	1.25	101.706	HV6

SERIES 2020B SERIAL CERTIFICATES

<u>Payment Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Portion</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u>
2021	\$ 155,000	3.00%	102.910%	HW4
2022	480,000	3.00	105.510	HX2
2023	1,450,000	3.00	108.005	HY0
2024	1,415,000	3.00	110.148	HZ7
2025	1,230,000	3.00	111.850	JA0

CITY OF CHESTERFIELD, MISSOURI

690 Chesterfield Parkway West
Chesterfield, Missouri 63017

ELECTED OFFICIALS

Bob Nation, *Mayor*
Tom DeCampi, *Councilmember*
Dan Hurt, *Councilmember*
Ben Keathley, *Councilmember*
Mary Ann Mastorakos, *Councilmember*
Barbara McGuinness, *Councilmember*
Mary Monachella, *Councilmember*
Michael Moore, *Councilmember*
Michelle Ohley, *Councilmember*

CITY ADMINISTRATION

Michael O. Geisel, P.E., *City Administrator*
Jeannette Kelly, *Finance Director*
Vickie McGownd, *City Clerk*

CITY ATTORNEY

The Graville Law Firm, LLC
Clayton, Missouri

SPECIAL TAX COUNSEL

Gilmore & Bell, P.C.
St. Louis, Missouri

FINANCIAL ADVISOR

Piper Sandler & Co.
St. Louis, Missouri

UNDERWRITER

Commerce Bank Capital Markets Group
Kansas City, Missouri

TRUSTEE

Wells Fargo Bank, N.A.
Dallas, Texas

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2020 CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE DECLARATION OF TRUST BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or to make any representation with respect to the Series 2020 Certificates offered hereby other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Series 2020 Certificates offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and from other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the City's affairs since the date hereof.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**CAUTIONARY STATEMENTS REGARDING FORWARD-
LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT**

Certain statements included in or incorporated by reference in this Official Statement that are not purely historical are “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, and reflect the City’s current expectations, hopes, intentions, or strategies regarding the future. Such statements may be identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE CITY ON THE DATE HEREOF, AND THE CITY ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED IN “CONTINUING DISCLOSURE UNDERTAKING” IN APPENDIX D.

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OFFICIAL STATEMENT

\$6,055,000
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI, LESSEE),
SERIES 2020A

\$4,730,000
TAXABLE REFUNDING
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI, LESSEE),
SERIES 2020B

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to the more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of this Official Statement

The purpose of this Official Statement is to furnish information in connection with the offering and sale of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A, in the aggregate principal amount of \$6,055,000 (the “**Series 2020A Certificates**”) and Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B, in the aggregate principal amount of \$4,730,000 (the “**Series 2020B Certificates**,” and, together with the Series 2020A Certificates, the “**Series 2020 Certificates**”). The Series 2020 Certificates represent undivided, proportionate interests in Basic Rent Payments to be paid by the City of Chesterfield, Missouri (the “**City**”) pursuant to an annually-renewable Lease Purchase Agreement dated as of December 1, 2008 (the “**Original Lease**”), as amended and supplemented by a First Supplemental Lease Purchase Agreement dated as of September 1, 2009 (the “**First Supplemental Lease**”), a Second Supplemental Lease Purchase Agreement dated as of September 1, 2014 (the “**Second Supplemental Lease**”), a Third Supplemental Lease Purchase Agreement dated as of April 1, 2016 (the “**Third Supplemental Lease**”) and a Fourth Supplemental Lease Purchase Agreement dated as of October 1, 2020 (the “**Fourth Supplemental Lease**”) and, together with the Original Lease, the First Supplemental Lease, the Second Supplemental Lease and the Third Supplemental Lease, the “**Lease**”), between Wells Fargo Bank, N.A., Dallas, Texas (the “**Trustee**”), as lessor, and the City, as lessee. The Trustee has agreed to execute and deliver the Series 2020 Certificates pursuant to a Declaration of Trust dated as of December 1, 2008 (the “**Original Declaration of Trust**”), as amended and supplemented by a First Supplemental Declaration of Trust dated as of September 1, 2009 (the “**First Supplemental Declaration of Trust**”), a Second Supplemental Declaration of Trust dated as of September 1, 2014 (the “**Second Supplemental Declaration of Trust**”), a Third Supplemental Declaration of Trust dated as of April 1, 2016 (the “**Third Supplemental Declaration of Trust**”) and a Fourth Supplemental Declaration of Trust dated as of October 1, 2020 (the “**Fourth Supplemental Declaration of Trust**”) and, together with the Original Declaration of Trust, the First Supplemental Declaration of Trust, the Second Supplemental Declaration of Trust and the Third Supplemental Declaration of Trust, the “**Declaration of Trust**”). The Basic Rent Payments constitute rent for the Leased Property (hereafter defined) pursuant to the Lease.

Plan of Financing

Proceeds from the sale of the Series 2020A Certificates, together with other available funds of the City, will be used to provide funds to (i) pay a portion of the costs of acquiring and improving certain vacant land (the “**Series 2020 Project**”), (ii) prepay the principal of the Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2014 (the “**Series 2014 Certificates**”) maturing on December 1, 2020 and interest owing on all Series 2014 Certificates on December 1, 2020 and (iii) pay the costs of delivering the Series 2020A Certificates. Proceeds from the sale of the Series 2020B Certificates will be used to provide funds to (i) advance prepay all of the Series 2014 Certificates maturing on December 1, 2021 and thereafter, including accrued interest, and (ii) pay the costs of delivering the Series 2020B Certificates.

Pursuant to a Base Lease dated as of December 1, 2008 (the “**Base Lease**”), the City leased to the Trustee all its interest in certain real estate and all improvements now or hereafter situated thereon, including the portion of the Original Project (defined herein) located thereon (collectively, the “**Leased Property**”). For a further description of the Leased Property see the caption “**PLAN OF FINANCING – The Leased Property**” herein.

Under the Original Lease, the Trustee leased its interest in the Leased Property, with the option to purchase that interest, to the City for an initial term ending December 31, 2008, subject to the City’s option to extend the term of the Original Lease for nineteen (19) consecutive one-year renewal terms commencing January 1, 2009, and a final renewal term commencing January 1, 2028 and ending December 1, 2028 (each a “**Renewal Term**” and collectively, the “**Renewal Terms**”). Each Renewal Term is subject to annual appropriation by the City Council. Pursuant to the terms of the First Supplemental Lease, the Original Lease was amended and supplemented to increase the amount of Basic Rent (defined herein) payable thereunder and to grant the City the option of extending the term of the Lease to twenty-two (22) consecutive one-year Renewal Terms with a final renewal term commencing January 1, 2031 and ending December 1, 2031. Pursuant to the terms of the Third Supplemental Lease, the Original Lease as amended by the First Supplemental Lease and Second Supplemental Lease, was amended and supplemented to change the amount of Basic Rent payable thereunder. Pursuant to the terms of the Fourth Supplemental Lease, the Original Lease as amended by the First Supplemental Lease, Second Supplemental Lease and Third Supplemental Lease, are being amended and supplemented to change the amount of Basic Rent payable thereunder and to grant the City the option of extending the term of the Lease to nine consecutive one-year Renewal Terms with a final renewal term commencing January 1, 2029 and ending December 1, 2029. See the caption “**PLAN OF FINANCING**” herein.

Pursuant to the Original Declaration of Trust, the City delivered the Certificate of Participation (City of Chesterfield, Missouri, Lessee), Series 2008 (the “**Series 2008 Certificates**”) in the original principal amount of \$4,720,000 for the purpose of (1) paying a portion of the costs of renovating and improving the City’s Central Park and the Chesterfield Valley Athletic Complex (the “**Original Project**”) and (2) paying the costs of delivering the Series 2008 Certificates. Pursuant to the First Supplemental Declaration of Trust, the City delivered (a) Certificates of Participation (City of Chesterfield Missouri, Lessee), Series 2009A in the original principal amount of \$4,550,000 (the “**Series 2009A Certificates**”) and (b) Taxable Certificates of Participation (City of Chesterfield, Missouri, Lessee) (Build America Bonds – Direct Payment to City), Series 2009B in the original principal amount of \$5,695,000 (the “**Series 2009B Certificates**” and together with the Series 2009A Certificates, the “**Series 2009 Certificates**”) for the purpose of (1) paying additional costs of the Original Project and (2) paying the costs of delivering the Series 2009 Certificates. Pursuant to the Second Supplemental Declaration of Trust, the City delivered the Series 2014 Certificates for the purpose of (1) refunding all of the then-outstanding Series 2009 Certificates and (2) paying the costs of delivering the Series 2014 Certificates. Pursuant to the Third Supplemental Declaration of Trust, the City delivered the Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee) Series 2016 in the original principal amount of \$3,000,000 (the “**Series 2016 Certificates**”) for the purpose of advance refunding a portion of the Series 2008 Certificates.

Limited Obligations

Under the Lease, the City has agreed to pay rental payments (the “**Basic Rent**” or “**Basic Rent Payments**”), consisting of a principal portion (the “**Principal Portion**”) and an interest portion (the “**Interest Portion**”), but only if and to the extent that the City Council annually appropriates sufficient money to pay the Basic Rent coming due during each succeeding Renewal Term. The Series 2020 Certificates represent undivided, proportionate interests in the Basic Rent.

The City intends to satisfy its obligation to pay the Basic Rent Payments under the Lease from a portion of a one-half cent local park sales tax approved by the voters of the City on November 2, 2004 and from moneys in the City’s general fund. Any unencumbered revenues of the City may be appropriated by the City Council to the payment of Basic Rent Payments. Purchasers of the Series 2020 Certificates should be aware, however, that no sales taxes or City funds are pledged to the payment of the Series 2020 Certificates.

None of the Series 2016 Certificates, the Series 2020 Certificates, the Lease or any payments required under the Lease will constitute a mandatory payment obligation of the City in any year beyond the year during which the City is a lessee under the Lease, or constitute or give rise to a general obligation or other indebtedness of the City. The City is not legally obligated to budget or appropriate money for any Fiscal Year beyond the current Fiscal Year or any subsequent Fiscal Year in which the Lease is in effect, and there can be no assurance that the City will appropriate funds to make Basic Rent Payments or renew the Lease after any Renewal Term. The City may terminate its obligations under the Lease on an annual basis. The City will have the option to purchase the Trustee's interest in the Leased Property at the times and upon the conditions described under **"SUMMARY OF THE LEASE – Purchase Option"** in *Appendix C* hereto.

Risk Factors

Payment of the Principal Portion and Interest Portion distributable to the Owners of the Series 2020 Certificates is subject to certain risks. See the caption **"RISK FACTORS AND INVESTMENT CONSIDERATIONS"** herein.

Parity Obligations

The Series 2020 Certificates will be secured on a parity basis with each other and with the Series 2016 Certificates. A portion of the proceeds of the Series 2020 Certificates will be applied to prepay and advance prepay the Series 2014 Certificates, including accrued interest, which will be prepaid in full on December 1, 2021.

The Declaration of Trust provides for the future issuance of Additional Certificates which, if issued, would rank on a parity with the Series 2016 Certificates and the Series 2020 Certificates. The term "Certificates," as used in this Official Statement, means the Series 2016 Certificates, the Series 2020 Certificates and any Additional Certificates. See **"SECURITY FOR THE SERIES 2020 CERTIFICATES – Additional Parity Obligations"** herein and **"SUMMARY OF THE DECLARATION OF TRUST — Additional Certificates"** in *Appendix C* hereto.

Continuing Disclosure Information

The City has covenanted in a Continuing Disclosure Undertaking dated as of October 1, 2020 (the **"Continuing Disclosure Undertaking"**), applicable to the Series 2020 Certificates, to provide certain financial information and notices of certain events to the Municipal Securities Rulemaking Board, in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the **"Rule"**). The form of the Continuing Disclosure Undertaking is contained in *Appendix D* hereto.

The City has made similar undertakings with respect to its outstanding obligations. The City covenanted to include in its Annual Report the City's audited financial statements for the previous year and updated information relating to certain identified aspects of the City and its operations. During the last five years the City has materially complied with its prior continuing disclosure obligations, except that some of the operating data required by the prior undertakings was not included in the annual reports. In addition, some annual report filings were late by as many as 24 days and two notices of bond calls were not timely filed. The City timely filed on July 27, 2018 a draft of its financial statements for the Fiscal Year ended December 31, 2018 but did not file the required audited financial statements until January 17, 2020. A notice of such failure to file was filed on February 11, 2020. On one occasion, CUSIP numbers were not correctly identified for the filing. The City believes it is currently in material compliance with its prior continuing disclosure obligations under the Rule.

The City adopted on August 19, 2013, bond policies and procedures which assist the City in remaining in compliance with all continuing disclosure obligations in the future. The policies and procedures include: (1) designation of a bond compliance officer as the person responsible for complying with the City's continuing disclosure obligations; (2) training personnel responsible for compliance to ensure comprehensive understanding of compliance requirements and the importance of timely submission of information; and (3) annual review by the designated compliance officer of each continuing disclosure undertaking to determine what financial information

and operating data is required to be included in the Annual Report to be filed on EMMA. In addition, since September 2020, the Assistant Finance Director has set up a monthly reminder to ensure any material events are reported on a timely basis.

Definitions and Descriptions; Inspection of Documents

All capitalized terms used in this Official Statement not defined in the text hereof are defined under **“DEFINITIONS OF WORDS AND TERMS”** set forth in *Appendix C* hereto. Brief descriptions of the Series 2020 Certificates, the Base Lease, the Lease, the Declaration of Trust, and certain other matters are included in this Official Statement. The Form of Continuing Disclosure Undertaking is attached as *Appendix D*. The form of opinion of Special Tax Counsel is attached as *Appendix E*. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Base Lease, the Lease and the Declaration of Trust are qualified in their entirety by reference to such documents, drafts of which may be viewed prior to the delivery of the Series 2020 Certificates at the offices of Piper Sandler & Co., St. Louis, Missouri (the **“Financial Advisor”**). Copies of the final executed documents will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request. All references to the Series 2020 Certificates are qualified in their entirety by the definitive terms thereof and the information with respect thereto included in the Base Lease, the Lease and the Declaration of Trust.

THE SERIES 2020 CERTIFICATES

Description

The Series 2020 Certificates are dated the date of delivery thereof and payment therefor. The Principal Portion of Basic Rent distributable to the Registered Owner of each Series 2020 Certificate will bear interest at specified rates as set forth on the inside cover page hereof. The Interest Portion of the Basic Rent represented by each Series 2020 Certificate will be payable from the date thereof or the most recent date to which said Interest Portion has been paid. The Interest Portion of the Basic Rent represented by the Series 2020 Certificates will be paid on June 1 and December 1 of each year (the **“Basic Rent Payment Dates”**), beginning on June 1, 2021, and will be computed on the basis of a 360-day year of twelve 30-day months.

The Interest Portion distributable to the Registered Owner of each Series 2020 Certificate is payable by check or draft drawn on the Trustee and mailed to such Owner’s address as it appears on the registration books for the Series 2020 Certificates (the **“Register”**) on the Record Date or in the case of such Interest Portion to (a) the Securities Depository or (b) any Owner of \$500,000 or more in aggregate principal amount of Certificates, by electronic transfer to such Owner upon written notice given to the Trustee by such Owner not less than 15 days prior to the Record Date for such Interest Portion, containing the electronic transfer instructions including the bank (which will be in the continental United States), ABA routing number and account name and number to which such Owner wishes to have such transfer directed. The Principal Portion of Basic Rent and prepayment premium, if any, distributable to the Registered Owner of each Series 2020 Certificate is payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee, or at such other office as is designated by the Trustee.

Book-Entry Only System

General. The Series 2020 Certificates are available in book-entry only form. Purchasers of the Series 2020 Certificates will not receive certificated securities representing their interests in the Series 2020 Certificates. Ownership interests in the Series 2020 Certificates will be available to purchasers only through a book-entry system (the **“Book-Entry System”**) maintained by The Depository Trust Company (**“DTC”**), New York, New York.

DTC will act as securities depository for the Series 2020 Certificates. The Series 2020 Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such

other name as may be requested by an authorized representative of DTC. One fully-registered Series 2020 Certificate will be issued for each maturity of each series of the Series 2020 Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Ownership Interests. Purchases of the Series 2020 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2020 Certificate ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2020 Certificates, except in the event that use of the book-entry system for the Series 2020 Certificates is discontinued.

Transfers. To facilitate subsequent transfers, all Series 2020 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2020 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2020 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Certificates, such as prepayments, tenders, defaults, and proposed amendments to the Series 2020 Certificate documents. For example, Beneficial Owners of the Series 2020 Certificates may wish to ascertain that the nominee holding the Series 2020 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative,

Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Prepayment notices will be sent to DTC. If less than all of the Series 2020 Certificates within maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be prepaid.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal, Prepayment Price and Interest. Prepayment proceeds, principal, and interest payments on the Series 2020 Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividends to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the Series 2020 Certificates at any time by giving reasonable notice to the City and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2020 Certificates are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfer through DTC (or a successor securities depository). In that event, the Series 2020 Certificates will be printed and delivered.

The information above concerning DTC and DTC's book-entry system has been obtained from DTC. The City takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the information above with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

Transfer Outside Book-Entry Only System

If the book-entry only system is discontinued the following provisions would apply. Any Series 2020 Certificate may be transferred upon the books required to be kept by the Registrar under the Declaration of Trust, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2020 Certificate for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee. The Trustee may also require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. If any Owner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Owner under the Declaration of Trust or under the Series 2020 Certificates.

Prepayment Provisions

Optional Prepayment.

(a) The Series 2020A Certificates that evidence Principal Portions of Basic Rent payable to Certificate Owners on December 1, 2028 and thereafter will be subject to optional prepayment, as a whole or in part, on or after December 1, 2027, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented by the Series 2020A Certificates being prepaid, plus the Interest Portion of Basic Rent accrued to the Prepayment Date, from amounts paid by the City upon the exercise of its option to purchase the Trustee's interest in the Leased Property or partially prepay Basic Rent Payments pursuant to the terms of the Lease.

(b) The Series 2020B Certificates are not subject to optional prepayment prior to their stated payment dates except as provided below under the heading **"Prepayment Provisions - Extraordinary Optional Redemption."**

Extraordinary Optional Prepayment. The Series 2020 Certificates will be subject to optional prepayment, as a whole, at a prepayment price equal to 100% of the Principal Portion of Basic Rent represented thereby plus the Interest Portion of Basic Rent accrued to the prepayment date, in the event of substantial damage to or destruction or condemnation (other than by the City or any entity controlled by or otherwise affiliated with the City) of, or loss of title to, substantially all of the Leased Property, or as a result of changes in the constitution of the State of Missouri or legislative or administrative action by the State of Missouri or the United States, the Base Lease or the Lease becomes unenforceable, and the City purchases the Trustee's interest in the Leased Property pursuant to the Lease. See **"SUMMARY OF THE LEASE - Damage, Destruction and Condemnation"** in *Appendix C* hereto.

Partial Prepayment of Certificates. Upon surrender of any Series 2020 Certificate prepaid in part only, the Trustee will execute and deliver to the Owner thereof, at the expense of the City, a new Series 2020 Certificate or Series 2020 Certificates of the same series and maturity, equal in aggregate principal amount to the unprepaid portion of the Series 2020 Certificate surrendered.

Notice of Prepayment. Unless otherwise provided in the Declaration of Trust, notice of prepayment will be given by the Trustee, not more than 60 days and not less than 30 days prior to the Prepayment Date, to the City and the Owner of each affected Series 2020 Certificate at the address shown on the registration books of the Registrar on the date such notice is mailed. Each notice of prepayment will state (1) the Prepayment Date, (2) the place of prepayment, (3) the Prepayment Price, (4) if less than all, the identification of the Series 2020 Certificates to be prepaid, and (5) if a Series 2020 Certificate is being prepaid in part, the portion thereof being prepaid. Such notice will also state that the Interest Portion of the Basic Rent represented by the Series 2020 Certificates designated for prepayment will cease to accrue from and after such Prepayment Date and that on said date the Prepayment Price will become due and payable on each of said Series 2020 Certificates. The failure of the Owner of any Series 2020 Certificate to be so prepaid to receive notice of prepayment mailed as provided in the Declaration of Trust or any defect therein will not affect or invalidate the validity of any proceedings for the prepayment of such Series 2020 Certificate.

The Trustee is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards will not affect or invalidate the prepayment of any Series 2020 Certificate to be prepaid.

The Trustee, as long as a book-entry system is used for the Series 2020 Certificates, will send notices of prepayment only to the Securities Depository, as the Owner of the Series 2020 Certificates. Any failure of the Securities Depository to advise any of the Participants, or of any participant or any nominee to notify any Beneficial Owner of the Series 2020 Certificates, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Series 2020 Certificates called for prepayment.

Effect of Prepayment. Notice of prepayment having been duly given as aforesaid, and upon funds for payment of the Prepayment Price of such Series 2020 Certificates (or portions thereof) being held by the Trustee, on the Prepayment Date designated in such notice, the Series 2020 Certificates (or portions thereof) so called for prepayment will become due and payable at the Prepayment Price specified in such notice and the Interest Portion of Basic Rent represented by the Series 2020 Certificates so called for prepayment will cease to accrue, said Series 2020 Certificates (or portions thereof) will cease to be entitled to any benefit or security under the Declaration of Trust of Trust and the Owners of such Series 2020 Certificates will have no rights in respect thereof except to receive payment of the Prepayment Price. All Series 2020 Certificates prepaid pursuant to the provisions of the Declaration of Trust will be cancelled upon surrender thereof and destroyed by the Trustee.

THE CITY

The City is located on the western edge of St. Louis County, Missouri, and was incorporated as a third-class city on June 1, 1988. The City occupies a land area of 32 square miles and is convenient to both the City of St. Louis to the east and St. Charles County to the north. For more information on the City, see ***Appendix A*** hereto.

PLAN OF FINANCING

The Leased Property

The Leased Property consists of the City's interest in the Parks Administration and Maintenance Facility (the "**Facility**") located at the Chesterfield Valley Athletic Complex and the real property on which the Facility is situated. The Leased Property is approximately 32 acres and includes (a) the approximately 13,300 square foot Facility, which is a one-story building that houses the City's parks administrative and maintenance staff, (b) a 700 car parking lot, (c) four baseball/softball fields and (d) a building used for concessions and restrooms. The Leased Property is valued and insured by the City at \$19,309,062.

The Series 2020 Project

A portion of the proceeds of the Series 2020A Certificates, together with other available funds of the City, will be applied to the acquisition of approximately 7.83 acres of vacant land located adjacent to a City park, known as Central Park. Approximately \$1,600,000 of the proceeds of the Series 2020A Certificates will be applied to improve such property, including the installation of surface parking lots.

The property so acquired will **not** be added as the Leased Property.

The Refunding

The City will cause the Trustee to deposit a portion of the Series 2020A Certificates in the Series 2014 Account of the Lease Revenue Fund in an amount sufficient to prepay the principal owing on the Series 2014 Certificates maturing on December 1, 2020 and to pay the interest owing on all of the Series 2014 Certificates on December 1, 2020. The City will deposit a portion of the proceeds of the Series 2020B Certificates, together with other available funds of the City, with BOKF, N.A., St. Louis, Missouri (the "**Escrow Agent**"), for deposit in an irrevocable trust fund (the "**Escrow Fund**") established under an Escrow Trust Agreement dated as of October 1, 2020 (the "**Escrow Trust Agreement**"), between the City and the Escrow Agent, to advance prepay the Series 2014 Certificates maturing on December 1, 2021 through and including December 1 2031 (the "**Refunded Certificates**"). A portion of the money deposited in the Escrow Fund will be used to purchase direct obligations of the United States of America, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America (the "**Escrowed Securities**"), maturing at times and in amounts as will be sufficient, together with accrued interest thereon and other money held for such purpose by the Escrow Agent, to pay the Principal Portion and the Interest Portion of Basic Rent represented by the Refunded Certificates

becoming due and payable to and including the date of prepayment thereof. The Refunded Certificates maturing in the years 2022 and thereafter will be called for prepayment on December 1, 2021 at a prepayment price of 100% of the outstanding principal amount thereof, plus accrued interest to the date of prepayment.

After the Series 2020B Certificates are delivered and the proceeds thereof are deposited with the Escrow Agent pursuant to the Escrow Trust Agreement, the Refunded Certificates will be payable solely from money held for such purpose by the Escrow Agent. Under the Escrow Trust Agreement, the money held by the Escrow Agent will be irrevocably pledged to the payment of the Principal Portion and the Interest Portion of Basic Rent represented by the Refunded Certificates as they become due and payable to and including the date of prepayment thereof, and may be applied only to such payment.

Upon delivery of the Series 2020B Certificates, Robert Thomas CPA, LLC, certified public accountants, will deliver to the City and the Underwriter (defined herein) a report verifying the mathematical accuracy of certain computations relating to the adequacy of the maturing principal amount of the Escrowed Securities held in the Escrow Fund, interest earned thereon and certain uninvested cash to pay the Principal Portion and the Interest Portion of Basic Rent represented by the Refunded Certificates. Such verification of the accuracy of the computations will be based upon information supplied by the Financial Advisor.

Sources and Uses of Funds

The following table itemizes the proceeds from the sale of the Series 2020 Certificates, together with other available funds of the City, and how such funds are expected to be used:

<i>Sources of Funds:</i>	<i>Series 2020A Certificates</i>	<i>Series 2020B Certificates</i>	<i>Total</i>
Principal Amount of the Series 2020 Certificates	\$6,055,000.00	\$4,730,000.00	\$10,785,000.00
Plus: Original Issue Premium	289,015.35	436,380.20	725,395.55
City Contribution	<u>2,750,000.00</u>	<u>1,180,000.00</u>	<u>3,930,000.00</u>
Total	<u>\$9,094,015.35</u>	<u>\$6,346,380.20</u>	<u>\$15,440,395.55</u>
<i>Uses of Funds:</i>			
Deposit to the Series 2020A Account of the Project Fund	\$8,500,000.00	0.00	\$8,500,000.00
Deposit to the Series 2014 Account of the Lease Revenue Fund	474,225.00	0.00	474,225.00
Deposit to Escrow Fund	0.00	6,264,066.74	6,264,066.74
Costs of Delivery (including underwriting discount)	<u>119,790.35</u>	<u>82,313.46</u>	<u>202,103.81</u>
Total	<u>\$9,094,015.35</u>	<u>\$6,346,380.20</u>	<u>\$15,440,395.55</u>

SECURITY FOR THE SERIES 2020 CERTIFICATES

Limited Obligations; Sources of Payment

Each Series 2020 Certificate evidences the undivided, proportionate interest of the Owner thereof in the right to receive Basic Rent Payments to be made by the City under the Lease. The Series 2020 Certificates are payable solely from the Basic Rent and other money and investments held by the Trustee under the Declaration of Trust.

The City's obligation to make Basic Rent Payments and other payments under the Lease is subject to annual appropriation by the City Council and will not constitute a debt or liability of the City or of the State of Missouri or any political subdivision thereof. Neither the Lease nor the Series 2020 Certificates will constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The execution and delivery of the Lease and the Series 2020 Certificates will not obligate the City to levy any form of taxation therefor or to make any appropriation for their payment in any Fiscal Year subsequent to a Fiscal Year in which the Lease is in effect.

Under the terms of the Lease, if the City elects to renew the Lease at the end of any Renewal Term, it is obligated to budget, appropriate and set aside a portion of its general revenues derived from sales taxes and other sources, which appropriation must be sufficient to make the Basic Rent Payments coming due during the ensuing Fiscal Year. To provide for the timely payment of Basic Rent, the City has covenanted and agreed in the Lease to pay the Basic Rent Payments to the Trustee for deposit in the Lease Revenue Fund no later than the five (5) business days prior to each Basic Rent Payment Date (but only if the City elects to renew the Lease for each Renewal Term). **There can be no assurance that the City Council will appropriate funds for Basic Rent or renew the Lease for any subsequent Renewal Term. The City is not legally required to budget or appropriate money for any subsequent Fiscal Year beyond the current Fiscal Year.**

Base Lease

The City has, pursuant to the Base Lease, leased all its interest in the Leased Property to the Trustee, as lessee. The Base Lease is for a term ending December 1, 2048 (which is 19 years after the latest scheduled maturity date of the Series 2020 Certificates), unless sooner terminated if the City makes all payments required by the Lease. If an Event of Default or Event of Nonappropriation occurs under the Declaration of Trust or the Lease, the Trustee has the right to possess and use the Leased Property for the remainder of the term of the Base Lease, and has the right to sublease or assign its interests under the Base Lease upon such terms as it deems prudent.

The proceeds from any assignment of the Base Lease and the Trustee's rights thereunder or any sublease of the Leased Property are required to be paid to the Trustee and applied in accordance with the Declaration of Trust. **Owners of the Series 2020 Certificates are cautioned, however, that the proceeds from any such sale or assignment may not be sufficient to pay the Principal Portion and the Interest Portion represented by all Series 2020 Certificates then Outstanding.** See the caption "**RISK FACTORS AND INVESTMENT CONSIDERATIONS - Expiration or Termination of the Lease**" herein.

Maintenance and Insurance of the Leased Property

The City has agreed in the Lease, at its own expense, to maintain, manage and operate the Leased Property in good order, condition and repair, ordinary wear and tear excepted. The City will provide or cause to be provided all security service, custodial service, janitor service, power, gas, telephone, light, heating, water and all other public utility services. As provided in the Lease, the Trustee and the Owners of the Series 2020 Certificates will not have any obligation to incur any expense of any kind or character for the management, operation or maintenance of the Leased Property during the term of the Lease.

The Leased Property is required to be insured to the extent described in *Appendix C* hereto under "**SUMMARY OF THE LEASE – Insurance.**" All Net Proceeds from policies of insurance or condemnation awards will be applied to the prompt replacement, repair, restoration or modification of the Leased Property, unless the City has exercised its option to purchase the Trustee's interest in the Lease Property pursuant to the Lease.

If the City determines that the replacement, repair, restoration, or modification of the Leased Property is not economically feasible or in the best interest of the City, then, in lieu of making such replacement, repair, restoration, or modification and if permitted by law, the City will promptly purchase the Trustee's interest in the Leased Property pursuant to the Lease. The Net Proceeds will be applied by the City to the purchase of the

Leased Property. Any balance of the Net Proceeds remaining after purchasing the Leased Property will belong to the City.

If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, or modification of the Project and the City has not elected to purchase the Trustee's interest in the Leased Property pursuant to the Lease, the City will complete such replacement, repair, restoration, modification and pay any costs thereof in excess of the amount of the Net Proceeds and the City will not be entitled to any reimbursement therefor from the Trustee nor will the City be entitled to any diminution of Basic Rent.

Additional Parity Obligations

The Series 2020 Certificates are being issued on a parity basis with each other and with the Series 2016 Certificates. Additional Certificates may be delivered under and be equally and ratably secured by the Declaration of Trust on a parity with the Series 2016 Certificates, the Series 2020 Certificates and any other Additional Certificates Outstanding, at any time and from time to time while no Event of Default or Event of Nonappropriation has occurred and is continuing under the Declaration of Trust, upon compliance with the conditions provided in the Declaration of Trust. See **"SUMMARY OF THE DECLARATION OF TRUST - Additional Certificates"** in *Appendix C* hereto.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

The purchase of the Series 2020 Certificates involves certain investment risks that are discussed throughout this Official Statement. Each prospective purchaser of the Series 2020 Certificates should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain risk factors relating to the Series 2020 Certificates are described below.

Limited Obligations

Each Series 2020 Certificate evidences the undivided, proportionate interest of the Owner thereof in the right to receive Basic Rent Payments to be paid by the City under the Lease. The Series 2020 Certificates are payable solely from the Basic Rent and other money and investments held by the Trustee under the Declaration of Trust. The Basic Rent Payments constitute currently budgeted expenditures of the City, payable only if the City Council appropriates sufficient money to extend the term of the Lease for each successive Fiscal Year. The Initial Term of the Lease expired on December 31, 2008. The Lease is thereafter subject to successive one-year Renewal Terms commencing on January 1 of each year, with a final renewal term commencing January 1, 2029 and ending December 1, 2029.

The City's obligations under the Lease do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The City intends to satisfy its obligation to pay Basic Rent Payments under the Lease from a portion of a one-half cent local park sales tax approved by the voters of the City on November 2, 2004 and from moneys in the City's general fund. Any unencumbered revenues of the City may be appropriated by the City Council to the payment of Basic Rent Payments. Purchasers of the Series 2020 Certificates should be aware, however, that no sales taxes or City funds are pledged to the payment of the Series 2020 Certificates. The Series 2020 Certificates are payable from annual appropriations. The City is not obligated to pay Basic Rent under the Lease in any Fiscal Year for which the City has not appropriated such payments. Neither the Basic Rent Payments nor any other payments under the Lease nor any payments on the Series 2020 Certificates constitute a general obligation or other indebtedness of the City or a mandatory payment obligation of the City.

The City Council has declared its current intention and expectation that the Lease will be renewed annually until the City exercises its option to acquire the Trustee's interest in the Leased Property. However, such a declaration may not be construed as contractually obligating or otherwise binding the City. Accordingly, the likelihood that the City will renew the Lease for all Renewal Terms and continue to pay the Basic Rent thereunder

to enable the Trustee to timely pay the Principal Portions and Interest Portions of Basic Rent represented by the Series 2020 Certificates is dependent upon certain factors that are beyond the control of the Owners, including (a) the City's continuing need for the Leased Property, (b) the demographic conditions within the City, (c) the City's ability to generate sufficient property taxes, sales taxes, utility fees and charges and revenues from other sources to pay its obligations under the Lease and its other obligations, and (d) the value of the Leased Property if the Trustee's interest therein is relet or sold in a foreclosure or other liquidation proceeding instituted by the Trustee upon the termination of the Lease as a result of an Event of Default or Event of Nonappropriation.

COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic by the World Health Organization and has led to emergency declarations by government authorities of the United States, the State of Missouri (the **"State"**), and local governments.

On March 13, 2020, a state of emergency was declared in St. Louis County, Missouri (the **"County"**) and The City of St. Louis, Missouri (**"St. Louis"**) relating to the risk posed to the health, safety and wellbeing of the residents of the County and the City by COVID-19. In a series of executive orders, the permitted size of gatherings was restricted. On March 21, 2020, the County and St. Louis issued executive orders requiring that people, beginning March 23, 2020, generally stay at home unless engaging in certain permitted activities, requiring that non-essential businesses and social service organizations cease non-essential activities and imposing other similar restrictions.

The Governor of the State (the **"Governor"**) issued a statewide "Stay Home Missouri" order on April 6, 2020, stating that individuals currently residing within the State should avoid leaving their homes or places of residence unless necessary. The Governor's order remained in effect until May 3, 2020. The Governor's order permitted but did not require the lifting of local restrictions. The County and the City determined not to remove their restrictions at the same time as most other portions of the State.

On May 8, 2020, the County issued orders which would remove restrictions on its residents and businesses located on a phased basis. The first relaxation of restrictions was effective on May 18, 2020. Additional restrictions were removed effective June 1, 2020, June 15, 2020 and June 29, 2020 but certain restrictions still remain in place. On July 2, 2020, the County issued an order requiring face coverings at any business or public accommodation (indoor or outdoor), in any public space when anyone other than household members are within six feet and at any gathering (other than in personal residences) of individuals who are not members of the same household when six feet of separation is not feasible. Certain exceptions, mainly based on age and physical limitations, apply. On July 29, 2020, in response to a surge in infections and hospitalizations, the County imposed limitations on gatherings to not more than 50 individuals (with exceptions such as hospitals, schools and shelters), required bars to close at 10:00 p.m., and, with respect to businesses subject to capacity limitations, limited such businesses' capacity to 25% or less. Additional requirements, such as physical barriers between customers and employees, clear markings showing six feet of distancing and prohibitions on outside containers including reusable bags, were mandated. Such additional restrictions will remain in place until rescinded or amended. On August 21, 2020, the County imposed an order requiring all persons above the age of 5 to wear face coverings at any business or public accommodation (each as defined in the order) whether indoor or outdoor. Various exceptions were set forth, such as gatherings in personal residences, persons engaged in eating or drinking while maintaining social distancing, persons with certain physical limitations and persons engaged in sporting or exercise activities. This order is to remain in effect until rescinded or amended. Effective September 21, 2020 the County reopened playgrounds located at County parks for use during daylight hours.

Not all businesses which are permitted to reopen have reopened and businesses which have reopened are subject to limitations on operating at normal capacity. Additional restrictions could be imposed at any time.

The State reported, based on collections through August 2020, that sales and use tax collections had decreased by less than 1.0% for the year and had decreased 1.2% for the month of August, 2020. <https://themissouritimes.com/missouri-general-revenue-up-from-last-year-august-report-says/>

The long-term impact of the COVID-19 pandemic on City revenues is difficult to determine at this point. There is an approximate two-month lag between a retail sale and the City's receipt of the sales tax revenues attributable to such sale. As a result, the City's most recent information as of September, 2020 relates to retail sales through July 2020. As of September, 2020, pooled sales tax receipts for the City's General Fund are 3.64% below budget (approximately \$188,000); sales tax receipts for the City's Public Safety Fund are 5.23% below budget (approximately \$105,000); sales tax receipts for the City's Park Sales Tax Fund are 10.97% below budget (approximately \$561,000); and sales tax receipts for the City's Capital Improvements Fund are 11.07% below budget (approximately \$482,000). Because the sales tax receipts can vary significantly from one month to the next and because of certain "panic buying" may have occurred in March 2020, it is difficult to determine the actual impact of the COVID-19 pandemic on retail sales. In addition, certain non-sales-tax-based revenues have been negatively impacted. For example, the City's Park Department revenues have been adversely affected by pandemic-related restrictions: the aquatic center is closed for the season, the athletic complex was closed due to County restrictions and certain City facility rentals are prohibited by such restrictions. As of September 8, 2020, the City reopened the athletic complex and the Central Park playground under County guidelines.

While the City believes that sales tax revenues have been impacted by a downturn in the local and national economy and may continue to be impacted for some time, the City does not currently expect that the economic downturn will have a material adverse impact on its ability to pay the Basic Rent under the Lease. To date, the reductions in revenue have not been as severe as originally projected during the onset of the pandemic although the City does anticipate a slower recovery than originally expected. In addition, expenditures have been reduced due to closures of parks facilities, delays in capital improvements, and personnel costs due to furloughs.

The City can not predict (a) the duration or extent of the COVID-19 pandemic; (b) the duration or expansion of related business closings, public health orders, regulations and legislation; (c) what effect the COVID-19 pandemic will continue to have on global, national, and local economies; (d) whether recent job losses resulting from COVID-19-related business closures will be temporary or permanent and what effect such losses will have on consumer confidence; and (e) the impact the COVID-19 pandemic will have on revenues available for appropriation by the City Council of the City to the payment of Basic Rent under the Lease.

Expiration or Termination of the Lease

The Initial Term of the Lease expired on December 31, 2008. The Lease will expire by its terms on December 31 during each year ending in 2028, with a final Renewal Term commencing January 1, 2029 and ending December 1, 2029, unless the City in its sole discretion exercises the option provided in the Lease to extend its term for each next succeeding Renewal Term. If in any year the City does not extend the term of the Lease, the City's obligation to make payments will terminate on the December 31 occurring at the end of the then current Renewal Term. Upon (a) the expiration of any Renewal Term during which an Event of Nonappropriation occurs (which is not waived by the Trustee as provided in the Lease) or (b) a default under the Lease and an election by the Trustee to terminate the City's possessory interest under the Lease, the City's right of possession and use of the Leased Property under the Lease will expire or be terminated, as appropriate. See **"SUMMARY OF THE LEASE – Events of Default"** and **"– Remedies on Default"** in *Appendix C* hereto.

If the City's right of possession and use of the Leased Property under the Lease expires or is terminated for either of the reasons described in the preceding paragraph, (a) the City's obligation to make payments thereunder will continue through the Renewal Term then in effect, but not thereafter; (b) the Principal Portion of Basic Rent that has been appropriated but is then unpaid by the City for the City's then current Fiscal Year may be declared immediately due and payable; and (c) the Series 2020 Certificates will be payable from, among other sources, such money as may be available by way of recovery from the City of the Basic Rent Payments that are due through the Renewal Term then in effect. If the Lease expires at the end of a Renewal Term without any extension for the next succeeding Renewal Term or if an event occurs as described above pursuant to which the Trustee terminates the City's right of possession of the Leased Property under the Lease, the Trustee may recover possession of the Leased Property and assign the Base Lease and its rights thereunder or sublease the Leased Property pursuant to its rights under the Base Lease. The net proceeds of any assignment of the Base Lease or sublease of the Trustee's interest in the Leased Property, together with certain other money then held by the

Trustee under the Declaration of Trust, are required to be used to pay the Series 2020 Certificates to the extent of such money.

Upon the occurrence of an Event of Default or an Event of Nonappropriation, the Trustee has the right under the Declaration of Trust and the Lease to take possession and relet the Leased Property for the remaining term of the Base Lease. No assurance can be made that the Leased Property will generate sufficient revenues to pay the Principal Portion and Interest Portion of Basic Rent represented by the Series 2020 Certificates upon the exercise of such remedy by the Trustee. The Base Lease extends only to December 1, 2048, which may limit the Trustee's ability to relet the Leased Property for sufficient revenues to pay the Principal Portion and Interest Portion of Basic Rent represented by the Series 2020 Certificates, upon the exercise of such remedy by the Trustee.

No assurance can be given that the Trustee could assign the Base Lease and its rights thereunder or sublease the Leased Property for the amount necessary (after taking into account money legally available from other sources) to pay in full the Principal Portions and Interest Portions of Basic Rent then due with respect to the Series 2020 Certificates. Furthermore, no assurance can be given that the amount, if any, realized upon any assignment or sublease of the Trustee's interest in the Leased Property will be available to provide for the payment of the Series 2020 Certificates on a timely basis.

Delays in Exercising Remedies

A termination of the Lease will give the Trustee the right to possession and use of the Leased Property, and the right to assign the Base Lease and its rights thereunder or to sublease the Leased Property, all in accordance with the provisions of the Base Lease, the Lease and the Declaration of Trust. However, the enforceability of the Lease and the Declaration of Trust is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, the exercise of judicial authority by the State of Missouri or federal courts and the exercise by the United States of America of the powers delegated to it by the U.S. Constitution.

Any delays in the ability of the Trustee to obtain possession of the Leased Property will, of necessity, result in delays in any payment of Principal Portion and Interest Portion of Basic Rent represented by the Series 2020 Certificates.

Destruction of the Leased Property

The Lease requires the Leased Property to be insured as described in **"SUMMARY OF THE LEASE – Insurance Required"** in *Appendix C* hereto. If the Leased Property is damaged or destroyed, the City is nevertheless required to continue to make Basic Rent Payments under the Lease, subject to the exercise of its option to extend the term of the Lease for each next succeeding Renewal Term and to the application of Net Proceeds from insurance and certain other sources to repair, restore, modify, improve or replace the affected portion of the Leased Property. If the Net Proceeds from insurance and such other sources are sufficient to repair, restore, modify, improve or replace the affected portion of the Leased Property, such proceeds are to be so applied unless the City elects to purchase the Trustee's interest in the Leased Property pursuant to the Lease. If the Net Proceeds are insufficient for such purpose, (1) the City is obligated to commence and thereafter complete the work and pay any cost in excess of such Net Proceeds, in order for the affected portion of the Leased Property to be repaired, restored and replaced, or (2) the City may apply Net Proceeds to the payment of the Purchase Price applicable on the next available Optional Payment Date and, if such Net Proceeds are insufficient to pay such Purchase Price, the City is required, subject to appropriation, under the Lease to pay such amounts as are necessary to equal the full Purchase Price.

There can be no assurance either as to the adequacy of or timely payment under property damage insurance in effect at that time or that the City will elect to extend the term of the Lease for the next Renewal Term succeeding such damage or destruction. See **"SUMMARY OF THE LEASE – Damage, Destruction and Condemnation"** in *Appendix C* hereto.

No Reserve Fund

The City has not established a reserve fund to secure the payment of the Principal Portions and Interest Portions of Basic Rent represented by the Series 2020 Certificates. There is no assurance that the City will have funds available for the timely payment of the Principal Portions and the Interest Portions of Basic Rent as the same become due.

Effect on Series 2020A Certificates on Tax-Exemption of Termination of the Lease

Special Tax Counsel is not rendering an opinion with respect to the exclusion from gross income of the Interest Portion of Basic Rent distributable to Owners of the Series 2020A Certificates subsequent to the termination of the Lease for any reason (including an Event of Default or an Event of Nonappropriation under the Lease). If the Lease is terminated while the Series 2020A Certificates are Outstanding, there is no assurance that payments made to Owners of the Series 2020A Certificate after such termination with respect to interest will be excluded from gross income of the Owners thereof for federal or Missouri income tax purposes.

Dilution of Security for the Series 2020 Certificates

The Declaration of Trust permits the issuance of Additional Certificates payable from the Trust Estate on a parity with the pledge of the Trust Estate to the payment of the Series 2016 Certificates and the Series 2020 Certificates. See **“SECURITY FOR THE SERIES 2020 CERTIFICATES – Additional Parity Obligations.”** The issuance of Additional Certificates payable from the Trust Estate on a parity with the pledge of the Trust Estate to the payment of the Series 2016 Certificates and the Series 2020 Certificates may dilute the security for the Series 2016 Certificates and the Series 2020 Certificates by increasing debt service obligations under the Declaration of Trust without a concomitant increase in the security for the Series 2016 Certificates and the Series 2020 Certificates.

The City has a title insurance policy on the Leased Property for \$14,965,000. The City is not required to increase the amount of title insurance on the Leased Property upon the issuance of Additional Certificates. Accordingly, in the event of a title loss, the proceeds of the title insurance policy may be insufficient to allow the City to purchase the Trustee’s interest in the Leased Property pursuant to the Lease and could increase the likelihood of an Event of Nonappropriation by the City.

Taxability

The Series 2020A Certificates are not subject to prepayment nor are the interest rates on the Series 2020A Certificates subject to adjustment in the event of a determination by the Internal Revenue Service (the **“Service”**) or a court of competent jurisdiction that the Interest Portion of Basic Rent paid or to be paid on any Series 2020A Certificate is or was includible in the gross income of the Certificate Owner for federal income tax purposes. *Under such circumstances, Owners of Series 2020A Certificates would continue to hold their Series 2020A Certificates, receiving the Principal Portion and Interest Portion of Basic Rent as and when due, but would be required to include the Interest Portion of Basic Rent in gross income for federal and Missouri income tax purposes.*

Risk of Audit of the Series 2020A Certificates

The Service has an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. No assurance can be given that the Service will not commence an audit of the Series 2020A Certificates resulting in a negative determination with respect to the Series 2020A Certificates causing the loss to the owners thereof of the tax exemption of the interest on the Series 2020A Certificates for federal income tax purposes. Owners of the Series 2020A Certificates are advised that, if an audit of the Series 2020A Certificates were commenced, in accordance with its current published procedures, the Service is likely to treat the City as the taxpayer, and the owners of the Series 2020A Certificates may not have a right to participate in such audit. Public awareness of any audit could adversely affect

the market value and liquidity of the Series 2020A Certificates during the pendency of the audit, regardless of the ultimate outcome of the audit.

Secondary Markets and Prices

The Series 2020 Certificates are not readily liquid, and no person should invest in the Series 2020 Certificates with funds such person may need to convert readily into cash. Owners of the Series 2020 Certificates should be prepared to hold their Certificates to the stated maturity date. The Underwriter will not be obligated to repurchase any of the Series 2020 Certificates, and no representation is made concerning the existence of any secondary market for the Series 2020 Certificates. No assurance can be given that any secondary market will develop following the completion of the offering of the Series 2020 Certificates as no assurance can be given that the initial offering price for the Series 2020 Certificates will continue for any period of time.

Investment Ratings

The lowering or withdrawal of the investment rating initially assigned to the Series 2020 Certificates could adversely affect the market price for and the marketability of the Series 2020 Certificates.

THE TRUSTEE

Wells Fargo Bank, N.A., a national banking association duly organized and existing and authorized to conduct its operations under the laws of the United States of America, will be the Trustee under the Declaration of Trust and lessor under the Lease. The Trustee may consult with counsel, and the opinion of such counsel will be full and complete authorization and protection with respect to any action taken or suffered by the Trustee in good faith in accordance with such opinion. The Trustee may execute any trusts or powers or perform the duties required by the Declaration of Trust or the Lease by or through attorneys, agents or receivers and will not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it in good faith.

The Series 2020 Certificates are executed by the Trustee, not individually or personally but solely as Trustee under the Declaration of Trust, in the exercise of the power and authority conferred upon and invested in it as such Trustee. Except for its negligence or willful misconduct, nothing contained in the Declaration of Trust or the Lease is to be construed as creating any liability on the Trustee, individually or personally, to perform any covenant either express or implied in the Series 2020 Certificates, the Declaration of Trust or the Lease, all such liability, if any, being expressly waived by the Owners of the Series 2020 Certificates by the acceptance thereof and by each and every person now or hereafter claiming by, through or under the Trustee or the Owners of the Series 2020 Certificates. Insofar as the City is concerned, the Trustee and the Owner of any Series 2020 Certificate and any person claiming by, through or under the Trustee or the Owner of any Series 2020 Certificate may look solely to the Trust Estate described in the Declaration of Trust for payment of the interests evidenced by the Series 2020 Certificates.

As security for the compensation, expenses, disbursements and indemnification to which it is entitled upon the occurrence of an Event of Default under the Declaration of Trust, the Trustee will have a first lien with right of payment prior to payment on account of any principal or interest with respect to the Series 2020 Certificates for such compensation, expenses, disbursements and indemnification.

FINANCIAL STATEMENTS

The City's Comprehensive Annual Financial Report for Fiscal Year Ended December 31, 2019, including the Independent Auditor's Report of Daniel Jones & Associates, P.C., CPA, Arnold, Missouri, is set forth in *Appendix B* hereto.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, sale and delivery of the Series 2020 Certificates are subject to the approving legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Special Tax Counsel to the City. Gilmore & Bell, P.C. will also pass upon certain matters relating to this Official Statement. Certain legal matters will be passed upon for the City by The Graville Law Firm, LLC, Clayton, Missouri, City Attorney.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Series 2020 Certificates. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2020 Certificates as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2020 Certificates in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2020 Certificates.

Series 2020A Certificates - Opinion of Special Tax Counsel

In the opinion of Gilmore & Bell, P.C., Special Tax Counsel, under existing law as of the delivery date of the Series 2020A Certificates:

Federal and Missouri Tax Exemption. The Interest Portion of Basic Rent paid by the City and distributed to the Owners of the Series 2020A Certificates is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. The Interest Portion of Basic Rent received with respect to the Series 2020A Certificates is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The City's obligation to pay Basic Rent with respect to the Series 2020A Certificates under the Lease is a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code.

Special Tax Counsel's opinions are provided as of the date of the initial delivery of the Series 2020A Certificates, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the delivery of the Series 2020A Certificates in order that the Interest Portion of Basic Rent be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of the Interest Portion of Basic Rent represented by the Series 2020A Certificates in gross income for federal and Missouri income tax purposes retroactive to the date of initial delivery of the Series 2020A Certificates. Special Tax Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2020A Certificates but has reviewed the discussion under the heading "TAX MATTERS."

Series 2020A Certificates - Other Tax Consequences

Original Issue Premium. If a Series 2020A Certificate is issued at a price that exceeds the stated redemption price at maturity of the Series 2020A Certificate, the excess of the purchase price over the stated

redemption price at maturity constitutes “premium” on that Series 2020 Certificate. Under Section 171 of the Code, the purchaser of that Series 2020A Certificate must amortize the premium over the term of the Series 2020A Certificate using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Series 2020A Certificate and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2020A Certificate prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of certificate premium.

Sale, Exchange or Retirement of Series 2020 Certificates. Upon the sale, exchange or retirement (including prepayment) of a Series 2020 Certificate, an owner of the Series 2020 Certificate generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2020 Certificate (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Series 2020 Certificate. To the extent a Series 2020 Certificate is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2020 Certificate has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2020A Certificates, and to the proceeds paid on the sale of the Series 2020A Certificates, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2020A Certificates should be aware that ownership of the Series 2020A Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2020A Certificates. Special Tax Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2020A Certificates should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2020A Certificates, including the possible application of state, local, foreign and other tax laws.

Series 2020B Certificates – Federal and State of Missouri Taxation

No Federal or State of Missouri Tax Exemption. The Interest Portion of Basic Rent paid by the City and distributed to the Owners of the Series 2020B Certificates is *included* in gross income for federal income tax purposes, in accordance with an owner’s normal method of accounting, and is *not* exempt from income taxation by the State of Missouri. Special Tax Counsel is expressing no opinion regarding federal, state or local tax consequences arising with respect to the Series 2020B Certificates. Purchasers of Series 2020B Certificates should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the Series 2020B Certificates, including the possible application of state, local, foreign and other tax laws.

No Other Opinions. Special Tax Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2020B Certificates, except as expressly provided herein. Purchasers of the Series 2020B Certificates should consult their tax advisors as to the applicability of these tax

consequences and other income tax consequences of the purchase, ownership and disposition of the Series 2020B Certificates, including the possible application of state, local, foreign and other tax laws.

Series 2020B Certificates – Other Tax Consequences

Sale, Exchange or Retirement of Series 2020B Certificates. Upon the sale, exchange or retirement (including redemption) of a Series 2020B Certificate, an owner of the Series 2020B Certificate generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2020B Certificate (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2020B Certificate. To the extent a Series 2020B Certificate is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2020B Certificate has been held for more than 12 months at the time of sale, exchange or retirement. Further, if the Agency establishes a legal defeasance of any Series 2020B Certificate, that Series 2020B Certificate may be deemed to be retired and "reissued" for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, an owner will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest) and (ii) the owner's adjusted tax basis in the Series 2020B Certificate.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2020B Certificates, and to the proceeds paid on the sale of the Series 2020B Certificates, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2020B Certificates should be aware that ownership of the Series 2020B Certificates may result in collateral federal income tax consequences to certain taxpayers. Special Tax Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2020B Certificates should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2020B Certificates, including the possible application of state, local, foreign and other tax laws.

LITIGATION

There is not now pending or, to the City's knowledge, threatened, any litigation seeking to restrain or enjoin or in any way limit the approval or the issuance and delivery of this Official Statement or the Series 2020 Certificates or the proceedings or authority under which they are to be issued. In addition, there is no litigation pending or, to the City's knowledge, threatened which in any manner challenges or threatens the City's powers to enter into or carry out the transactions contemplated by the Declaration of Trust, the Lease, the Base Lease and this Official Statement (including the ability of the City to make the Rent Payments required by the Lease).

UNDERWRITING

Commerce Bank Capital Markets Group, Kansas City, Missouri (the "Underwriter") has agreed to purchase the Series 2020A Certificates at a price equal to \$6,304,536.75 (which is equal to the par amount of the Series 2020A Certificates, less an Underwriter's discount of \$39,478.60, plus original issue premium of \$289,015.35). The Underwriter has agreed to purchase the Series 2020B Certificates at a price equal to \$5,147,507.50 (which is equal to the par amount of the Series 2020B Certificates, less an Underwriter's discount of \$18,872.70, plus original issue premium \$436,380.20). The Underwriter is purchasing the Series 2020 Certificates for resale in the normal course of the Underwriter's business activities. The Underwriter intends to offer the Series 2020 Certificates to the public initially at the offering prices set forth on the inside cover page of this Official

Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to offer any of the Certificates to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

FINANCIAL ADVISOR

Piper Sandler & Co., St. Louis, Missouri (the “**Financial Advisor**”), is employed as financial advisor to the City to render certain professional services, including advising the City on a plan of financing relating to the Series 2020 Certificates. The Financial Advisor has not undertaken an independent investigation into the accuracy of the information presented in this Official Statement.

RATING

Moody’s Investors Service, Inc. (the “**Rating Agency**”) has assigned the Series 2020 Certificates a rating of “Aa1” based on the Rating Agency’s evaluation of the creditworthiness of the City. Such rating reflects only the view of the Rating Agency at the time the rating is given, and the City makes no representation as to the appropriateness of such rating. An explanation of the significance of such rating may be obtained only from the Rating Agency. The City furnished the Rating Agency with certain information and materials relating to the Series 2020 Certificates and the City that has not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances warrant. Except as described in the Continuing Disclosure Undertaking, neither the Underwriter nor the City has undertaken any responsibility to bring to the attention of the Owners of the Series 2020 Certificate any proposed revision or withdrawal of a rating of the Series 2020 Certificates or to oppose any such proposed revision or withdrawal. Any such revision or withdrawal of the rating on the Series 2020 Certificates could have an adverse effect on the market price and marketability of the Series 2020 Certificates.

CERTAIN RELATIONSHIPS

Gilmore & Bell, P.C., Special Tax Counsel, has represented the Financial Advisor in transactions unrelated to the delivery of the Series 2020 Certificates, but is not representing the Financial Advisor in connection with the delivery of the Series 2020 Certificates.

MISCELLANEOUS

References herein to the Declaration of Trust, the Lease, the Base Lease, the Continuing Disclosure Undertaking, the Escrow Trust Agreement and certain other matters are brief discussions of certain provisions thereof. Such discussions do not purport to be complete, and reference is made to such documents for full and complete statements of such provisions.

The form of this Official Statement and its distribution and use by the Underwriter have been approved by the City.

By: /s/ Bob Nation
Mayor

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APPENDIX A

GENERAL AND ECONOMIC INFORMATION REGARDING THE CITY

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THE CITY

General

The City is located on the western edge of St. Louis County, Missouri, and was incorporated as a third-class city on June 1, 1988. The City occupies a land area of 32 square miles and is convenient to both the City of St. Louis to the east and St. Charles County to the north. Numerous national and international headquarters and regional offices of corporations call the City home, such as Bayer, Reinsurance Group of America, Dierbergs Markets, Pfizer, Reliv International, MiTek Inc. and Aegion.

The City has a strong retail base and is known as a vibrant retail tourism center in the region. An area of the City, known as the Chesterfield Valley, is home to Chesterfield Commons, offering 2 million square feet of retail, one of the largest retail power centers in the country, anchored by a Wal-Mart Supercenter, Lowe's, Target, Sam's Club and Home Depot and includes a Wehrenberg 18 Cinema. Simon Premium Outlets is located in the Chesterfield Valley as well with over 90 outlet stores. The outlet center along with a growing sports tourism industry attract shoppers from a 100-mile radius, adding to the hotel stays and dining base. The Monarch-Chesterfield levee, owned & maintained by the Monarch-Chesterfield Levee District (the "**Levee District**"), a separate political subdivision, is a levee providing Chesterfield Valley with a 500-year level of protection.

Government and Organization

The City is governed under a Mayor/City Council/City Administrator form of government. The legislative body of the City is the City Council, which is comprised of eight council members (two from each ward) and a Mayor. Council members are elected to serve two-year terms, one-half of which expire annually. The Mayor, elected at large to serve a four-year term, is the presiding officer of the City Council. The Mayor may vote in the event of a tie by the City Council.

The current Mayor and members of the City Council are as follows:

<u>Name</u>	<u>Title</u>	<u>First Elected</u>	<u>Term Expires</u>
Bob Nation	Mayor	April 2013	April 2021
Mary Monachella	Councilmember, Ward I	June 17, 2019 ⁽¹⁾	April 2022
Barbara McGuinness	Councilmember, Ward I	November 2015 ⁽²⁾	April 2021
Mary Ann Mastorakos	Councilmember, Ward II	April 2018	April 2022
Ben Keathley	Councilmember, Ward II	April 2017	April 2021
Michael Moore	Councilmember, Ward III	April 2018	April 2022
Dan Hurt	Councilmember, Ward III	April 1989 ⁽³⁾	April 2021
Tom DeCampi	Councilmember, Ward IV	April 2016	April 2022
Michelle Ohley	Councilmember, Ward IV	April 2017	April 2021

⁽¹⁾ Councilmember Monachella was appointed in 2019 to fill an unexpired term on the City Council and elected in 2020.

⁽²⁾ Councilmember McGuinness was appointed in 2015 to fill an unexpired term on the City Council, elected in 2016 and reelected in 2017.

⁽³⁾ Councilmember Hurt served as a councilmember from 1989 to 2009 and was re-elected in 2013.

City Administrator. Mike Geisel was sworn in as City Administrator in August 2016. Previously Mr. Geisel has served the City as City Engineer, Director of Public Works and Director of Public Services. He has also worked for the City of Maryland Heights, Missouri and the City of St. Charles, Missouri. Mr. Geisel holds a Bachelor's Degree in Civil Engineering from the University of Missouri – Rolla and a Master's Degree in Business Administration from the University of Missouri – St. Louis.

Finance Director. Jeannette Kelly, CMA, CSCA, began employment with the City in 2019. Prior to being appointed Finance Director, Ms. Kelly accumulated 32 years of experience in finance and management in the private sector. Ms. Kelly holds a Bachelor of Science Degree in Business Administration - Accounting and Management from Southeast Missouri State University and a Master's Degree in Business Administration from the University of Missouri – St. Louis.

Awards

The City Council, the City's administrative staff and the City's auditor have worked together to produce annual audits which are easily readable and efficiently organized, satisfying both generally accepted accounting principles and applicable legal requirements.

As a result of this effort, the Government Finance Officers Association of the United States and Canada ("**GFOA**") has awarded a "Certificate of Achievement for Excellence in Financial Reporting" to the City for its Comprehensive Annual Financial Reports for each of the Fiscal Years ended December 31, 1989 through 2018. This Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government reports.

The GFOA has also awarded its "Distinguished Budget Presentation" award to the City for its 1990 through 2019 Annual Operating Budgets. The Distinguished Budget Presentation award is the highest form of recognition in governmental budgeting. The attainment of this award represents a significant achievement by the elected officials and administrative staff of the City. These awards are valid for one year only.

Employee Relations

The City had 253.5 full-time equivalent employees in 2019. Public employees have a constitutional right to collectively bargain under Missouri's constitution. The City considers its relations with its employees to be excellent. The City has no record of any work stoppages or other labor disputes.

In April 2020, as a result of COVID-19, the City furloughed 38 employees consisting of full-time, part-time and seasonal employees. Benefits were continued for all full-time staff during the furlough. As of September 28, 2020, all furloughed employees have returned to work at the City. See the caption "**RISK FACTORS AND INVESTMENT CONSIDERATIONS –COVID-19**" in this Official Statement.

Pension Plans

The City contributes to the City of Chesterfield Missouri 401(a) Retirement Plan, a defined contribution pension plan, for all eligible full-time employees. All full-time employees are eligible to participate in the Plan. The plan is administered by Mass Mutual (formerly Hartford Investment).

Per City ordinance, the City contributes an amount equal to 8% of compensation of eligible participants, and no contribution is required from City employees. For the year ended December 31, 2019, the City recognized pension expense of \$1,090,810.

Employees become vested in City contributions and earnings on City contributions after completion of five years of credited service with the City. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to offset contribution requirements from the City. For the year ended December 31, 2019, there were no forfeitures.

All City employees are also offered a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code of 1986, as amended. The deferred compensation plan allows employees to defer a portion of their salary until future years and may only be accessed upon termination, retirement, death or certain unforeseeable emergencies.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The City, along with various other local governments, participate in the St. Louis Area Insurance Trust (SLAIT), an insurance trust for workers' compensation and for general liability matters. The purpose of this trust is to distribute the cost of self-insurance over similar entities. The trust requires an annual premium payment from each entity to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trust; however, the City is contingently liable to fund its pro rata share of any deficit incurred by the trust should the trust cease operations at some future date. The trust has contracted with an insurance agent to handle all administrative matters, including processing of claims filed. The City's 2019 premium payments to the trust were \$589,082.

The City also purchases commercial insurance to cover risks related to property loss, public official liability, earthquakes, and employees' blanket bonds. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

Municipal Utilities and Services

The City provides a full range of services associated with municipalities of similar size and type including police, public works, planning and parks and recreation. Missouri-American Water Company provides water service to the City, Metropolitan St. Louis Sewer District provides sewer service to the City and Republic Waste contracts with the City for solid waste and recycling collection services. Ameren Missouri provides electricity and Spire (formerly Laclede Gas Co.) provides natural gas.

Public Safety

Residents are aided by the City's full-service police department (the "**Police Department**"). The Police Department's currently consists of 99 sworn officers and thirteen civilian employees. The Police Department provides numerous school and community education programs. The Police Department's state of the art headquarters is located in a building shared with the City Hall. In addition, the Police Department has its own pistol and rifle range training facility in Chesterfield Valley. Several police services are contracted to the St. Louis County Police Department, including dispatching services, homicide crime scene services, SWAT and helicopter search and rescue operations. The Police Department also provides contracted, comprehensive police services to the City of Clarkson Valley. The Police Department received accreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA), an internationally recognized accreditation program for police departments.

Two fire districts, which are separate political subdivisions with their own taxing power, provide fire and emergency medical services within the City: the Monarch Fire Protection District and the Metro West Fire Protection District. Both districts are also heavily involved in the community, providing many prevention and preparedness programs.

Transportation

The City's geographic location provides easy access to all areas of metropolitan St. Louis via I-64/Highway 40, which runs for 9 miles through the City and has eight interchanges within the City. I-64/Highway 40 directly connects the City to the City of St. Louis. Commercial rail service is provided by the Central Midland Railway, which runs through Chesterfield Valley. Regularly scheduled commercial air passenger and air freight service is available at Lambert-St. Louis International Airport located approximately 20 miles northeast of the City.

The City is home to the Spirit of St. Louis Airport, a business aviation center in the Midwest and a port of entry for U.S. Customs. As the second busiest airport in the four-state central region encompassing Missouri, Kansas, Nebraska and Iowa, the Spirit of St. Louis Airport offers one 7,485-foot runway, one 5,000-foot runway, corporate hangers, business charter flights, five full-service Phillips Aviation Performance Centers and over 150 businesses located on-site. It is a major economic generator for the region's commerce.

The Chesterfield Valley Transportation Development District (the “**District**”) is a transportation development district and political subdivision of the State of Missouri formed pursuant to the Missouri Transportation Development District Act, Sections 238.200 to 238.280, inclusive, of the Revised Statutes of Missouri, as amended. The District is located within the City, has an area of approximately 4,700 acres and was formed for the purpose of financing various transportation projects within the City. The District has imposed a district-wide sales tax of 3/8% which became effective March 1, 2006 for a period of up to 40 years. The District has outstanding \$19,635,000 principal amount of Transportation Sales Tax Revenue Bonds, Series 2015 and \$14,585,000 principal amount of Subordinate Transportation Sales Tax Revenue Convertible Capital Appreciation Bonds, Series 2018. These bonds are solely obligations of the District, payable, subject to annual appropriation by the District, from the revenues generated by the District's sale tax.

Educational Institutions and Facilities

The City is served by the Parkway C-2 School District and Rockwood R-VI School District. These districts are independent of the City and have their own officials, budgets, administrators and taxing powers. Both districts are currently assigned “accredited” status by the Missouri Department of Elementary and Secondary Education, the highest accreditation status given to Missouri school districts, and have received accolades for its academic achievements. In addition, several private educational institutions are located in the City, including Chesterfield Day School, Academy of St. Louis, Ascension Catholic School, Barat Academy, Chesterfield Montessori School, Incarnate Word Catholic School, The Goddard School and the United Hebrew Congregation Educational Center.

Post-secondary educational facilities located in the surrounding area include both public and private colleges and universities such as St. Louis Community College, Maryville University, University of Missouri-St. Louis, Washington University, St. Louis University and Webster University. Logan College of Chiropractic is also located in the City.

Medical and Health Facilities

St. Luke's Hospital, a 493-bed, nonprofit hospital in operation since 1975, is a mainstay in the City's economy and the City's largest employer. St. Luke's offers medical and surgical care in 60 specialty areas. St. Luke's constructed a \$40 million, 160,000 square foot expansion to its outpatient care center on its West campus in the City, which opened in early 2017.

Mercy Health also has a large presence in the City, including the newly constructed \$50 million Virtual Care Center (VCC), providing telehealth services. Other plans on this site include expansion and consolidation of Mercy's office headquarters and an outpatient center. The City is also served by Mercy Rehabilitation Hospital which is a 90-bed hospital providing both inpatient and outpatient rehabilitation services. The City has several skilled nursing and residential care facilities, including, Surrey Place, Brooking Park, Sunrise, Friendship Village and The Sheridan with many of those expanding currently. The Washington University/BJC Orthopedics facility is also in Chesterfield along with the Orthopedic Center of St. Louis.

Other major hospitals and medical facilities nearby include Mercy Medical Center, Washington University Medical Center at Barnes-Jewish Hospital, St. Louis University Hospital, and Missouri Baptist Hospital, as well as numerous doctors' offices, nursing facilities and other healthcare providers.

Employment

Much of the economic and financial information in this Appendix is historic in nature and generally predates the COVID-19 pandemic. It is not possible to predict whether any of the trends shown herein will continue in the future. See **“RISK FACTORS AND INVESTMENT CONSIDERATIONS – COVID-19”** in this Official Statement.

Listed below are the major employers located in the City and the approximate number of employees employed by each:

<u>Name</u>	<u>Product or Service</u>	<u>Employment</u>
1. St. Luke’s Hospital	Healthcare	3,672
2. Mercy Health	Healthcare	1,788
3. Bayer/Monsanto Company	Biotechnology	1,600
4. Reinsurance Group of America	Insurance	1,521
5. Parkway C-2 School District	Education	1,170
6. Centene	Insurance	884
7. Delmar Gardens	Healthcare	786
8. First Community Credit Union	Financial	570
9. Rockwood R-VI School District	Education	551
10. Bunge North America	Biotechnology	531

Source: City’s Comprehensive Annual Financial Report for the Fiscal Year ended December 31, 2019.

Several employers located in the City, including Mercy Health System, have recently announced furloughs and layoffs due to the COVID-19 pandemic. See the caption **“RISK FACTORS AND INVESTMENT CONSIDERATIONS –COVID-19”** in this Official Statement.

The following table sets forth the total labor force, number of employed and unemployed workers in the City and, for comparative purposes, the unemployment rates for the City, St. Louis County, the State of Missouri and the United States for 2016 through 2020⁽¹⁾:

<u>Year</u>	<u>City of Chesterfield Labor Force</u>			<u>Unemployment Rates</u>			
	<u>Employed</u>	<u>Unemployed</u>	<u>Total</u>	<u>City of Chesterfield</u>	<u>St. Louis County</u>	<u>State of Missouri</u>	<u>United States</u>
2016	24,186	764	24,950	3.1%	4.2%	4.6%	4.9%
2017	24,127	640	24,767	2.6	3.4	3.7	4.4
2018	24,262	558	24,820	2.2	3.0	3.2	3.9
2019	24,534	599	25,133	2.4	3.1	3.3	3.7
2020 ⁽¹⁾	22,634	1,546	24,180	6.4	8.9	7.9	10.5

⁽¹⁾ Figures for the City, St. Louis County and State of Missouri for 2020 are preliminary and are for the month of June; not an annualized calculation. Figures for the United States for 2020 are for the month of July; not an annualized calculation. As of January 2020 (before the COVID-19 pandemic), the unemployment rates were 3.2% for the City, 3.8% for the County, 4.3% for the State and 4.0% for the United States.

Source: U.S. Bureau of Labor Statistics.

Housing

The median value of owner-occupied housing units in the City, St. Louis County and the State of Missouri is as follows:

City of Chesterfield	\$370,300
St. Louis County	190,100
State of Missouri	151,600

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates.

General Demographic Statistics

Population. The population patterns for the City, St. Louis County and the State of Missouri have been as follows:

<u>Year</u>	<u>City of Chesterfield</u>		<u>St. Louis County</u>		<u>State of Missouri</u>	
	<u>Population</u>	<u>Percentage Change</u>	<u>Population</u>	<u>Percentage Change</u>	<u>Population</u>	<u>Percentage Change</u>
1980	-- ⁽¹⁾	--	973,896	N/A	4,916,686	N/A
1990	37,991	N/A	993,529	+2.0%	5,117,073	+4.1%
2000	46,802	+23.2%	1,016,315	+2.3	5,595,211	+9.3
2010	47,484	+1.5	998,954	-1.7	5,988,927	+7.0
2018	47,663	+0.4	998,684	0.0	6,090,062	+1.7

⁽¹⁾ The City was incorporated in 1988.

Source: United States Census Bureau.

The following table shows population by age categories for the City, St. Louis County and the State of Missouri:

<u>Age</u>	<u>City of Chesterfield</u>	<u>St. Louis County</u>	<u>State of Missouri</u>
under 5 years	2,460	58,649	372,932
5-19 years	8,494	187,285	1,171,037
20-24 years	2,395	63,248	421,255
25-44 years	9,200	244,456	1,542,544
45-64 years	13,759	272,664	1,600,602
65 and over	11,355	172,382	981,692
Median Age	<u>46.6</u>	<u>40.3</u>	<u>38.5</u>

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates.

Other Statistics. The following table presents per capita personal income⁽¹⁾ for St. Louis County and for the State of Missouri for the years 2014 through 2018, the latest dates for which such information is available:

<u>Year</u>	<u>St. Louis County</u>	<u>State of Missouri</u>
2014	\$61,078	\$41,775
2015	62,710	43,096
2016	66,165	44,336
2017	67,368	45,744
2018	71,360	47,746

⁽¹⁾ Per Capita Personal Income is the annual total personal income of residents divided by resident population as of July 1. **“Personal Income”** is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and transfer payments. **“Net Earnings”** is earnings by place of work — the sum of wage and salary disbursements (payrolls), other labor income, and proprietors’ income — less personal contributions for social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal Income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

FINANCIAL INFORMATION CONCERNING THE CITY

Much of the economic and financial information herein is historic in nature and generally predates the COVID-19 pandemic. It is not possible to predict whether any of the trends shown herein will continue in the future. See **“RISK FACTORS – Potential Risks Relating to COVID-19”** in this Official Statement.

Accounting, Budgeting and Auditing Procedures

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the significant policies.

Basis of Accounting. All governmental funds are accounted for using the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues which are considered susceptible to accrual include sales taxes, utility gross receipts taxes and certain intergovernmental revenues. Expenditures are recognized in the period in which the funds liability is incurred, if measurable, except principal and interest on general long-term debt which is recognized when due.

Fund Accounting. The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The various funds are summarized by type in the general purpose financial statements. The fund types used by the City are discussed below.

Governmental Fund Types. Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City’s expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position. The following are the City’s governmental fund type:

General Fund - The General Fund is the general operating fund of the City used to account for all financial resources except those required to be accounted for in another fund.

Parks Sales Tax Fund - The Parks Sales Tax Fund is a special revenue fund used to account for the accumulation of resources from the ½ cent parks sales tax passed in November 2004 and effective April 2005. All parks and recreation activity is tracked in this fund.

Capital Improvement Sales Tax Trust Fund - The Capital Improvement Sales Tax Trust Fund is a capital improvement fund used to account for revenues received from the capital improvement sales tax that are restricted for capital improvements.

Public Safety Sales Tax Fund - The Public Safety Sales Tax Fund is a special revenue fund used to account for revenues received from the St. Louis County Proposition P Public Safety tax that was created in 2017. Money in this fund is restricted for public safety activities, and all public safety activity is tracked in this fund. Expenses in excess of revenues are offset by transfers in from the General Fund.

The other governmental funds of the City are considered nonmajor. They are Special Revenue Funds that account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes and Debt Service Funds that account for the accumulation of resources for and repayment of general obligation long-term debt principal, interest, and related costs.

Fiduciary Fund Types - Trust and Agency Funds. Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. For the City, these include the expendable trust and agency funds. The expendable trust fund is accounted for, and its results of operations are reported similar to, the governmental fund types. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Budget Policies. Each year the City Administrator submits to the City Council a proposed operating budget for the general, debt service, and capital projects fund types for the Fiscal Year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by ordinance after public hearings are held to obtain taxpayer comments.

The General Fund

In accordance with established accounting procedures of governmental units, the City records its financial transactions under various funds. The largest is the General Fund, from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited. The following table sets forth the revenues, expenditures and fund balances for the City's General Fund for the last four Fiscal Years:

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GENERAL FUND

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES				
Municipal Taxes	\$13,818,098	\$14,346,500	\$ 14,346,079	\$ 13,909,427
Licenses and Permits	1,600,329	1,663,844	1,523,010	1,490,178
Intergovernmental	4,290,918	4,366,047	4,010,577	4,047,508
Charges for Services, net	162,835	351,418	55,484	107,313
Court Fines and Forfeitures	838,000	711,087	847,725	779,665
Investment Income, Net Arbitrage	49,195	117,626	218,925	298,281
Miscellaneous	990,479	348,500	543,041	218,847
Total Revenues	<u>\$21,749,854</u>	<u>\$21,905,022</u>	<u>\$ 21,544,841</u>	<u>\$ 20,851,219</u>
EXPENDITURES				
Current:				
Legislative	\$ 70,778	\$ 70,313	\$ 69,457	\$ 70,789
Administrative	3,008,333	3,296,553	2,901,724	3,147,310
Police Services ⁽¹⁾	9,165,752	9,544,348	0	0
Judicial	242,349	251,865	258,997	254,155
Planning and Zoning	908,872	678,436	764,902	960,642
Public Works	5,313,218	5,155,603	5,022,404	5,578,580
Capital Outlay	428,274	562,062	16,778	224,590
Total Expenditures	<u>\$19,137,576</u>	<u>\$19,559,180</u>	<u>\$ 9,034,262</u>	<u>\$ 10,236,066</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 2,612,278</u>	<u>\$ 2,345,842</u>	<u>\$ 12,510,579</u>	<u>\$ 10,615,153</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	\$ 103,745	\$ 38,070	\$ 221,785	\$ 149,700
Transfers In	48,624	0	25,016	0
Transfers Out ⁽¹⁾	<u>(4,764,479)</u>	<u>(3,671,932)</u>	<u>(10,220,725)</u>	<u>(11,946,076)</u>
Total Other Financing Sources (Uses)	<u>\$ (4,612,110)</u>	<u>\$ (3,633,862)</u>	<u>\$ (9,973,924)</u>	<u>\$ (11,796,376)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (1,999,832)</u>	<u>\$ (1,288,020)</u>	<u>\$ 2,536,655</u>	<u>\$ (1,181,223)</u>
FUND BALANCE -- JANUARY 1	<u>\$12,581,029</u>	<u>\$10,581,197</u>	<u>\$ 9,293,177</u>	<u>\$ 11,829,832</u>
FUND BALANCE -- DECEMBER 31	<u>\$10,581,197</u>	<u>\$ 9,293,177</u>	<u>\$ 11,829,832</u>	<u>\$ 10,648,609</u>

⁽¹⁾ In 2017 the City began accounting for all public safety activity in the Public Safety Sales Tax Fund. Expenses in excess of revenues in the Public Safety Sales Tax Fund are offset by transfers in from the General Fund.

Source: City's Comprehensive Annual Financial Reports for Fiscal Years ended December 31, 2016 – 2019.

Sources of Revenue

The City finances its general operations through taxes and other sources. The sources of revenue for the Fiscal Year ended December 31, 2019 are shown below:

<u>Source</u>	
Municipal taxes	66.71%
Licenses and permits	7.15
Intergovernmental	19.41
Charges for services	0.51
Court fines and forfeitures	3.74
Investment income	1.43
Miscellaneous	<u>1.05</u>
Total	<u>100.00%</u>

Source: City's Comprehensive Annual Financial Report for Fiscal Year ended December 31, 2019.

Sales Tax Base

The City has experienced tremendous growth in population and retail sales in the past two decades. The City's western corridor, referred to as Chesterfield Valley, has expanded significantly with retail, light industrial, and office/warehouse facilities. Chesterfield Commons (2,000,000 square feet of retail space) includes retailers such as Wal-Mart Supercenter, Target, World Market, Lowe's Home Improvement Center, Sam's Club, Office Max, Michael's, PetSmart, Best Buy, Home Depot and many other businesses and restaurants. St. Louis Premium Outlets is a 350,000 square foot shopping center located in the City with retail space for 90 stores, including Adidas, Ann Taylor Factory Store, Carters, Coach, Kate Spade, Nike Factory Store and Under Armour. Other retailers in Chesterfield Valley include Burlington and Cavender's Boots & Western Wear.

General Sales Tax Collection

One of the City's largest sources of revenue is its share of a 1% county-wide sales tax on retail sales through a pool comprised of unincorporated St. Louis County and many of the cities throughout St. Louis County. Cities in the pool receive a share based upon their population as a percentage of the pool population. Population figures are adjusted decennially based on the latest census figures. The following table represents the collection history of the City's share of the county-wide one-cent general municipal sales tax for the past five Fiscal Years.

<u>Year</u>	<u>Total Amount Collected</u>	<u>Percent Changed</u>
2015	\$6,976,044	N/A
2016	6,956,311	-0.28%
2017	7,287,208	+4.76
2018	6,993,739	-4.03
2019	7,193,842	+2.86

Source: Comprehensive Annual Financial Reports for Fiscal Years ended December 31, 2015 – 2019.

Parks Sales Tax

The City intends to satisfy its obligation to pay Basic Rent under the Lease from proceeds of a one-half cent park sales tax approved by the voters of the City in November 2004 (the “**Park Sales Tax**”) and other available funds of the City. **Purchasers of the Series 2020 Certificates should be aware; however, that such sales tax and other funds are not pledged to the payment of the Series 2020 Certificates.**

Lease payments with respect to the Series 2013 Certificates, the Series 2014 Certificates and the Series 2016 Certificates (all defined herein) are also expected to be paid by the City from receipts of the Park Sales Tax.

The following table represents the collection history of the City’s one-half cent parks sales tax for the past five Fiscal Years.

<u>Year</u>	<u>Total Amount Collected</u>	<u>Percent Changed</u>
2015	\$7,121,200	N/A
2016	7,228,099	+1.50%
2017	6,842,838	-5.33
2018	6,812,227	-0.45
2019	6,716,871	-1.40

Source: Comprehensive Annual Financial Reports for Fiscal Year ended December 31, 2019.

Public Safety Sales Tax

The following table represents the collection history of the City’s share of the county-wide one-half cent public safety sales tax that became effective October 1, 2017. The City received its first distribution of funds from the public safety sales tax in December 2017.

<u>Year</u>	<u>Total Amount Collected</u>	<u>Percent Changed</u>
2018	\$2,957,425	N/A
2019	2,639,884	-10.74%

Source: Comprehensive Annual Financial Reports for Fiscal Years ended December 31, 2018 and 2019.

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Capital Improvement Sales Tax

The following table represents the collection history of the City's one-half cent capital improvement sales tax for the past five Fiscal Years.

<u>Year</u>	<u>Total Amount Collected</u>	<u>Percent Changed</u>
2015	\$6,053,069	N/A
2016	6,143,800	1.50%
2017	5,816,625	-5.33
2018	5,790,399	-0.45
2019	5,709,344	-1.40

Source: Comprehensive Annual Financial Reports for Fiscal Years ended December 31, 2015 – 2019.

Utilities Gross Receipt Tax

The City levies a 5% gross receipts tax on electric, gas, telephone and water companies within the City. The utility tax accounts for approximately 17% of the City's revenues. The utility tax is collected by the utility companies at the time of monthly billing and is remitted to the City within 20 days following the last day of each month. In 2019, the City received \$6,715,585 from the gross receipts tax.

Property Tax

Since its incorporation in 1988, the City has experienced large growth in assessed valuation. However, historically property tax has not been a major source of revenue for the City, and the City currently does not levy a property tax. See the caption **"PROPERTY TAX INFORMATION OF THE CITY"** for more information regarding the City's property tax.

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DEBT STRUCTURE OF THE CITY

Certificate Payment Schedule

The annual debt service requirements for the City's outstanding certificates of participation (excluding the Refunded Certificates) and the Series 2020 Certificates are as follows:

Fiscal Year (December 31)	Outstanding Certificates Total Debt Service	The 2020 Certificates			Total Debt Service
		Principal Portion	Interest Portion	Series 2020 Total	
2020	\$4,228,604				\$4,228,604
2021	4,105,654	\$ 155,000	\$ 257,005	\$ 412,005	4,517,659
2022	3,735,728	480,000	231,375	711,375	4,447,103
2023	2,780,678	1,450,000	216,975	1,666,975	4,447,653
2024	2,860,678	1,415,000	173,475	1,588,475	4,449,153
2025	2,933,528	1,230,000	131,025	1,361,025	4,294,553
2026	343,778	1,470,000	94,125	1,564,125	1,907,903
2027	349,178	1,500,000	64,725	1,564,725	1,913,903
2028	347,310	1,535,000	34,725	1,569,725	1,917,035
2029	<u>0</u>	<u>1,550,000</u>	<u>19,375</u>	<u>1,569,375</u>	<u>1,569,375</u>
Totals	<u>\$21,685,136</u>	<u>\$10,785,000</u>	<u>\$1,222,805</u>	<u>\$12,007,805</u>	<u>\$33,692,941</u>

General Obligation Indebtedness

General Obligation Bonds Payable. As of September 1, 2020, the City does not have any general obligation bonds outstanding.

Computation of Legal Debt Margin. Article VI, Sections 26(b) and 26(c) of the Constitution of Missouri, limit the net outstanding amount of authorized general obligation bonds for a city to 10 percent of the assessed valuation of the city, with the required voter approval. Article VI, Sections 26(d) and 26(e), however, provide that a city may, with the required voter approval, issue general obligation bonds in an amount not to exceed an additional 10 percent of assessed valuation for the purpose of acquiring rights-of-way; constructing, extending and improving streets and avenues; constructing, extending and improving sanitary or storm sewer systems; or purchasing or constructing waterworks or electric light plants; provided that the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. The legal debt margin of the City based upon the 2019 assessed valuation as of January 1, 2019, as finally adjusted through December 31, 2019 (\$2,228,332,739), is calculated as follows:

Constitutional Debt Limit (20% of Assessed Valuation)	\$445,666,548
Less Total General Obligation Indebtedness	<u>0</u>
Legal Debt Margin	<u>\$445,666,548</u>

Overlapping General Obligation Indebtedness

The following table sets forth the general obligation indebtedness of political subdivisions with boundaries overlapping the City as of September 1, 2020, and the percent attributable (on the basis of assessed valuation) to the City. The table was compiled from information furnished by the jurisdictions responsible for the debt, and the City has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of additional bonds, the amounts of which cannot be determined at this time.

<u>Taxing Jurisdiction</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to City</u>	<u>Amount Applicable to City</u>
Metro West Fire Protection District	\$ 5,350,000	72.90%	\$ 3,900,150
Monarch Fire Protection District	0	73.47	0
Parkway C-2 School District	203,435,000	24.58	50,004,323
Rockwood R-VI School District	194,380,000	27.16	52,793,608
St. Louis County	<u>77,030,000</u>	7.05	<u>5,430,615</u>
Total	<u>\$480,195,000</u>		<u>\$112,128,696</u>

Source: Comprehensive Annual Financial Report for Fiscal Years ended December 31, 2019; records of the above-referenced jurisdictions.

The Monarch-Chesterfield Levee District is a separate political subdivision that owns the Monarch-Chesterfield levee. The Levee District currently has outstanding indebtedness in the amount of \$22,600,000, which is payable from a special assessment levied against the property within the Levee District.

The District has outstanding \$19,635,000 principal amount of Transportation Sales Tax Revenue Bonds, Series 2015 and \$14,585,000 principal amount of Subordinate Transportation Sales Tax Revenue Convertible Capital Appreciation Bonds, Series 2018. These bonds are solely obligations of the District, payable, subject to annual appropriation by the District, from the revenues generated by the District's sale tax.

Debt Ratios and Related Information

Population (2018):	47,663
Assessed Valuation (2019):	\$2,228,332,739
Estimated Actual Value (2019):	\$9,757,147,249
Direct General Obligation Bonded Debt:	\$0
Overlapping General Obligation Debt:	\$112,128,696
Direct and Overlapping General Obligation Debt:	\$112,128,696
Per Capita Direct General Obligation Debt:	\$0
Per Capita Direct and Overlapping General Obligation Debt:	\$2,353
Ratio of Direct General Obligation Debt to Assessed Valuation:	0.00%
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation:	5.03%
Ratio of Direct General Obligation Debt to Estimated Actual Value:	0.00%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Value:	1.15%

Other Obligations of the City

Obligations secured by annually appropriated funds do not constitute an indebtedness for purposes of any Missouri statutory or constitutional debt limit. Such obligations are payable solely from annually appropriated funds of a governmental body available therefor and neither taxes nor a specific source of revenues can be pledged to make payments on such obligations. Any increase in taxes required to generate

sufficient funds with which to make payments on such obligations are subject to voter approval. After the delivery of the Series 2020 Certificates, the City will have the Series 2020 Certificates and the following outstanding obligations secured by annually appropriated funds.

In August 2004, the City delivered \$15,820,000 original principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2004 (the “**Series 2004 Certificates**”) to provide funds to advance refund the Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2000. Lease payments with respect to the Series 2004 Certificates are paid by the City from General Fund operating revenues. The Series 2004 Certificates are outstanding in the principal amount of \$2,400,000.

In November 2013, the City delivered \$20,360,000 principal amount of Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2013 (the “**Series 2013 Certificates**”) to provide funds to refund the Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2005. Lease payments with respect to the Series 2013 Certificates are paid by the City from a portion of Park Sales Tax. The Series 2013 Certificates are outstanding in the principal amount of \$12,605,000.

In April 2016, the City delivered \$3,000,000 principal amount of Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2016 (the “**Series 2016 Certificates**”) to provide funds to refund the Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2008. Lease payments with respect to the Series 2016 Certificates are paid by the City from a portion of the Park Sales Tax. The Series 2016 Certificates are outstanding in the principal amount of \$2,795,000.

The City leases equipment under certain operating lease agreement with terms in excess of one year. Annual aggregate lease payments remaining under the terms of the operating lease agreement as of December 31, 2019, are as follows:

Fiscal Year (December 31)	Total Amount Due
2020	\$3,826
2021	<u>1,594</u>

Source: Comprehensive Annual Financial Report for Fiscal Years ended December 31, 2019.

History of Debt Payment

The City has never defaulted on any indebtedness.

Future Debt Plans

The City anticipates issuing approximately \$1,100,000 principal amount of general obligation neighborhood improvement bonds (the “**NID Bonds**”) by the end of 2020 for the purpose of financing improvements to the Brandywine subdivision consisting of the replacement of streets and common parking areas. The NID Bonds will be payable from special assessments levied upon the property benefited by the improvements financed with the bond proceeds. If the special assessments are not timely paid, the NID Bonds are payable from the current income and revenue and surplus funds of the City. The full faith and credit of the City are irrevocably pledged for the prompt payment of the principal of and interest on the NID Bonds; provided, however, the City may not impose any new or increased *ad valorem* property taxes to pay principal of or interest on the NID Bonds without voter approval.

Tax Abatement and Tax Increment Financing

Under Missouri law, tax abatement is available for redevelopers of areas determined by the governing body of a city to be “blighted.” The Land Clearance for Redevelopment Authority Law authorizes 10-year tax abatement pursuant to Sections 99.700 to 99.715, Revised Statutes of Missouri, as amended. In lieu of 10-year tax abatement, a redeveloper which is an urban redevelopment corporation formed pursuant to Chapter 353, Revised Statutes of Missouri, as amended, may seek real property tax abatement for a total period of 25 years. Tax abatement can also be effectuated as part of an industrial revenue bond financing under Chapter 100 of the Revised Statutes of Missouri, as amended. There are tax abatement projects located in the City. However, the City does not currently have a property tax and therefore the City’s revenues are not impacted by property tax abatement.

In addition, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, Revised Statutes of Missouri, as amended, makes available tax increment financing for redevelopment projects in certain areas determined by the governing body of a city to be a “blighted area”, “conservation area”, or “economic development area”, each as defined in such Act. Tax increment financing does not diminish the amount of property tax revenues currently collected by the city in an affected area, but instead acts to freeze such revenues at current levels and deprives the city and other taxing districts of future increases (in whole or in part, depending on the terms of the transaction) in ad valorem property tax revenues (as well as economic activity taxes) that otherwise would have resulted from increases in assessed valuation in such areas until the tax increment financing obligations issued are repaid or the tax abatement period terminates. The City does not currently have any outstanding tax increment financing obligations.

PROPERTY TAX INFORMATION OF THE CITY

Property Valuations

Assessment Procedure. All taxable real and personal property within the City is assessed by the St. Louis County Assessor. Missouri law requires that personal property be assessed at 33-1/3% of true value (except for a few subclasses of minimal value that are assessed at a lower percentage) and that real property be assessed at the following percentages of true value:

Residential real property.....	19%
Agricultural and horticultural real property.....	12%
Utility, industrial, commercial, railroad and all other real property	32%

On January 1 in every odd-numbered year, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation. The following table shows the total assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the City, according to the assessment as of January 1, 2019, including state and locally assessed railroad and utility property, as finally adjusted through December 31, 2019:

	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Total Valuation</u>
Real Estate:			
Residential	\$1,320,643,390	19%	\$6,950,754,684
Commercial	623,202,180	32%	1,947,506,813
Agricultural	<u>537,680</u>	12%	<u>4,480,667</u>
Sub-Total	<u>\$1,944,383,250</u>		<u>\$8,902,742,164</u>
Personal Property	\$ 264,130,520	33.33%	\$ 792,470,807
State Assessed Railroad & Utility Property:			
Real Estate	\$ 17,247,886	32%	\$ 53,899,644
Personal Property	<u>2,571,083</u>	32%	<u>8,034,634</u>
Sub-total	<u>\$ 19,818,969</u>		<u>\$ 61,934,278</u>
TOTAL	<u>\$2,228,332,739</u>		<u>\$9,757,147,249</u>

Source: Assessed Valuations were provided by the St. Louis County Assessor's Office.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the City, including state and locally assessed railroad and utility property, according to assessments of January 1, as finally adjusted through December 31, in each of the following years, has been as follows:

<u>Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>
2015	\$1,870,489,054	N/A
2016	1,892,186,421	+1.16%
2017	2,042,673,767	+7.95
2018	2,022,553,788	-0.98
2019	2,228,332,739	+10.17

Source: St. Louis County Assessor's Office.

Property Tax Collections

Before the elimination of the City's property tax in Fiscal Year 2015, the property tax was levied each September based on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes are billed in November, due and collectible by December 31, and delinquent after December 31. Liens are placed on property for delinquent taxes on the January 1 following the due date.

All property tax assessment, billing, and collection functions are handled by the St. Louis County government. Taxes collected are remitted by the St. Louis County Collector (the "**County Collector**") in the month subsequent to the actual collection date. Because of the tax collection procedure described above, the bulk of moneys from local property taxes are received in the months of December, January and February.

History of Tax Levies

Prior to Fiscal Year 2015, the City levied a property tax levy (per \$100 of assessed valuation) of \$0.03. The City Council voted to eliminate the City's property tax levy as of the beginning of the 2015 Fiscal Year.

Major Property Taxpayers

The following table sets forth the ten largest property taxpayers in the City for 2019:

	<u>Firm</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Value</u>
1.	THF Chesterfield ⁽¹⁾	Shopping Center	\$55,238,580	2.48%
2.	Bayer/Monsanto Company	Biotechnology	27,298,160	1.22
3.	St. Louis Premium Outlets LLC	Shopping Center	21,757,890	0.98
4.	FSP Timberlake	Commercial Real Estate	14,671,450	0.66
5.	St. Luke's Episcopal Presbyterian Hospital	Healthcare	13,236,900	0.59
6.	Baxter Crossing Apartments Associates	Residential	11,243,150	0.50
7.	GAHC3 Chesterfield Corporate Plaza LLC	Healthcare	9,916,930	0.45
8.	St Andrews Episcopal Presbyterian Foundation	Senior Living	8,708,580	0.39
9.	Westmont LLC	Residential	8,427,360	0.38
10.	National Retail Properties LP	Shopping Center	8,311,300	0.37
	Total		<u>\$178,810,300</u>	<u>8.02%</u>

⁽¹⁾ Includes multiple THF Chesterfield entities owning real estate within the City.

Source: St. Louis County Assessor's Office.

* * *

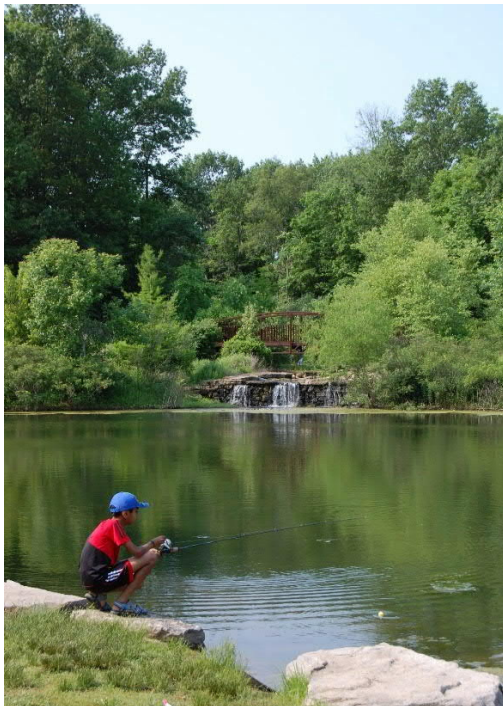
APPENDIX B

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED DECEMBER 31, 2019**

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Comprehensive Annual Financial Report For The Year Ending December 31, 2019



City of Chesterfield, Missouri
Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2019

Report prepared and submitted by the
Finance Department

City of Chesterfield, Missouri
Comprehensive Annual Report
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Introductory Section



690 Chesterfield Parkway W • Chesterfield, MO 63017 • 636-537-4000

September 5, 2020

To the Honorable Mayor, Members
of the City Council, and Citizens
of the City of Chesterfield, Missouri:

State law and local ordinances require that all general-purpose local governments publish a complete set of financial statements presented in conformance with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the City of Chesterfield, Missouri (the City) for the fiscal year ended December 31, 2019.

Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Daniel Jones & Associates, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended December 31, 2019, are free of material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

City of Chesterfield, Missouri
Letter of Transmittal
December 31, 2019

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

Profile of the City

The City is located on the western edge of St. Louis County. The City currently occupies a land area of 32 square miles and serves a population of 47,484 residents. The City enjoys a balance of residential neighborhoods and concentrated retail centers including one of the largest retail power centers in the country known as Chesterfield Commons and two outlet malls.

The City was incorporated under Missouri law as a third class city on June 1, 1988, and has operated under a mayor/council/administrator form of government since that time. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and eight City Council members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Administrator, City Attorney, Judge, and Prosecuting Attorney. The City Administrator is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and for appointing the heads of the various departments. The City Council is elected on a non-partisan basis. Council members serve two-year staggered terms, with four Council members elected each year. The Mayor is elected at-large to serve a four-year term. The City provides a full range of municipal services. These services include legislative, administrative, police services, judicial, planning, public works, and parks and recreation.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the Finance Director each year. At the direction of the City Administrator, the Finance Director uses those requests as the starting point for developing a rough draft of the proposed budget. The City Administrator then interacts with all Department Heads to review/discuss those initial requests and to review revenue projections with the Finance Director. The City Administrator is ultimately responsible for completing the proposed budget and forwarding same to the Mayor and City Council, for discussion and ultimate approval. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than December 31, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. Department heads may make transfers of appropriations within a department for amounts up to twenty-five hundred dollars (\$2,500.00) with prior approval by the Finance Director. Transfers within departmental budgets ranging from twenty-five hundred dollars (\$2,500.00) to five thousand dollars (\$5,000.00) can be made with prior approval by the Finance Director and City Administrator. Transfers within departmental budgets over five thousand dollars (\$5,000.00) may be made only with prior approval of a majority of the City Council. Transfers of appropriations between departments, however, require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriate annual budget has been adopted. For the General Fund, this comparison is presented beginning on page 49 as required supplementary information. For governmental funds, other than the General Fund, with appropriated annual budgets, comparisons for major Special Revenue Funds are found in required supplementary information which begins on page 51, and comparisons for the budgeted nonmajor Special Revenue and Debt Service Funds are found in other supplementary information, which begins on page 59.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

Private development within the City of Chesterfield remains strong and growing. Construction costs for 2019 were in excess of \$230M in new buildings and improvements to existing facilities. There are 2,486 licensed businesses in Chesterfield, 157 of which were added in 2019. Investment in these businesses provide jobs, support the school districts, and provide many other benefits throughout the community.

Several large projects are in various stages of progress or approval. Some of them include Friendship Village of West County, The Pearl at Wildhorse, Fienup Farms and Aventura apartments. Diverse development throughout the City contributes to a robust local economy and strong growth projected for the near future.

Pfizer and development partner Clayco completed construction of a new \$200 million research campus in Chesterfield Village at the corner of Olive and Chesterfield Parkway West. The project will add 80 jobs for a total of 625 employees.

Topgolf completed construction of a three-story, 65,000 square foot golf recreation facility along N. Outer 40 Rd. in the Chesterfield Valley. The facility opened in August 2018 and includes 102 climate controlled hitting bays, restaurants, and games. Visitors from all over have enjoyed the facility, which was touted as their top performing location. Approval has also been secured for an adjacent indoor skydiving facility.

Also adjacent to Topgolf, The District is under construction in a redevelopment by the Staenberg Group of the former Taubman Outlet Mall. An indoor amphitheater, restaurants, and additional mixed-use commercial and office space will be added.

Up the hill from Topgolf, there had been concern with the future of the Chesterfield Mall. However, this property was also purchased by the Staenberg Group in 2019, and anticipation is that it will be redeveloped into an impressive mixed-use community.

Retail and sports tourism, along with the growth in businesses, have spurred new hotel development. A new 128 room Residence Inn has been approved for construction between the skydiving facility next to Topgolf and The District redevelopment project: Courtyard by Marriot opened their new four-story, 112 room hotel: Holiday Inn completed construction on a four-story, 91 room hotel: and TownePlace Suites constructed a four-story, 112 room hotel. The new hotels will raise the number of rooms within Chesterfield to over 1,500.

Friendship Village of Chesterfield continued their renovation and reconstruction project. The multi-year project includes construction of two new buildings, four additions to existing buildings, demolition of an existing structure, and construction of new parking garages on the 36.7 acre site.

Housing remains strong in Chesterfield with the remaining land for residential development continuing to shrink. Strong school Districts with Parkway and Rockwood, along with low crime rates, make Chesterfield a very desirable area. Construction continued at Bur Oaks, Schoettler Grove, Warwick on White Road, Fineup Farms and Arbors at Wilmas Farm, all of which are new single-family detached home developments. Additionally, Arbors at Kehrs Mill completed construction on their single-family home development, and Hardesty Homes began construction of Grand Reserve, a 35 lot single-family subdivision.

City of Chesterfield, Missouri
Letter of Transmittal
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Watermark Residential completed construction on a new 345 unit multi-family project located at the intersection of Chesterfield Parkway and Lydia Hill. This project was the first multi-family project to be constructed within the City of Chesterfield since 1988 and provides luxury living opportunities at the site, including a permanent connection to the City's trail system, underground parking, and an onsite pool.

Chesterfield's unemployment is low, 2.7% as of December 2019. This compares favorably to the St. Louis County rate, which is 3.1%. (Source: Missouri Department of Economic Development) With a population of 47,484, a median household income of \$106,250 (American Community Survey), Chesterfield is a place where people want to live and where businesses want to locate. With several new projects still under construction and many still in the review process, 2020 promises to be another great year for Chesterfield's economy.

Chesterfield is also among the top places for office locations within the St. Louis region, having an office vacancy rate of 9.5% and lease rates exceeding \$20 PSF for Class A space.

Medical

St. Luke's Hospital, a 493-bed, nonprofit hospital in operation since 1975, is a mainstay in Chesterfield's economy and the largest employer. St. Luke's is a specialty hospital offering medical and surgical care in 60 specialty areas such as cardiovascular care and surgery, cancer care, neurosurgery and neurology, orthopedics, maternity and other women's health, general medicine, outpatient services, pediatrics and comprehensive surgical services. They recently partnered with the Cleveland Clinic for heart health services. St. Luke's Hospital has received 2019 Healthgrades Specialty Excellence Awards for numerous services. St. Luke's Hospital has also been a recipient of the Healthgrades Outstanding Patient Experience Award from 2011-2019. St. Luke's constructed a \$40 million - 160,000 sf expansion to its outpatient care center on its West campus in Chesterfield in 2017, which is home to expanded cardiac rehabilitation and physical therapy areas; an Anticoagulation Clinic; The Nutrition, Wellness & Diabetes Center; Wound Care & a Hyperbaric Medicine Center.

Mercy also has a large presence in Chesterfield, including the Virtual Care Center (VCC), providing the world's first facility dedicated to telehealth services. The VCC is the command center for the nation's largest electronic intensive care unit and other telehealth services, including telestroke, Nurse On-Call and physician teleconsults. Other plans on this site include expansion and consolidation of Mercy's office headquarters and an outpatient center. The City is also served by Mercy Rehabilitation Hospital which is a 90-bed hospital providing both inpatient and outpatient rehabilitation services. Mercy opened an urgent care and family medicine clinic in 2016 at Long and Edison, expanding their presence into the Chesterfield Valley.

Senior Living Facilities

With 39% of Chesterfield residents over the age of 55, healthcare and services for the aging population continue to see activity in our economy. The City has several skilled nursing and residential care facilities including Surrey Place, Brooking Park, Sunrise, and Friendship Village. A new facility, The Sheridan, a 91-bed luxury assisted living and memory care facility opened in the fall of 2017. Located in Chesterfield Village's urban core, just south of Chesterfield Mall, this facility provides unique senior living/care in the heart of our community.

Housing

Housing remains strong in Chesterfield. Strong school Districts with Parkway and Rockwood, along with low crime rates, make Chesterfield a very desirable area. Hardesty Homes began work on a 35 lot single-family subdivision called the Grand Reserve. Pearl Companies began construction on their new mixed use development. Once completed, the development will feature 173 multi-family residential units, 12,500 square feet of community retail, and 14,550 square feet of new restaurant space. Construction continued on several new subdivisions, including among others: the 35-lot Burk Oaks development by

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Pulte Homes starting at \$600,000; the Arbors at Wilmas Farm with 47 single family lots on 50 acres, developed by McBride & Sons, priced from \$619,000; and the 17-lot Schoettler Grove community developed by WB Properties and Prestige Custom Homes, which, priced from \$790,000, are driving the new home market in Chesterfield.

Sales Tax

Chesterfield is a member of the St. Louis County Sales Tax Pool (distribution based on population), rather than a point-of-sale city. Legislative changes at the State level in 2016 ensures that cities will retain at least 50% of the pooled sales tax generated within their municipality. Chesterfield filed suit in hopes of overturning the County's Pooled Sales Tax distribution formula. The Missouri Supreme Court decided in December 2019 that the County's formula is not unconstitutional.

Long-term Financial Planning

The City confines long-term borrowing to capital improvements or projects that cannot be financed from current revenues, and where the issuance of long-term debt is required, it pays back the bonds within a period not to exceed the expected useful life of the project. Highlighted below are the actions of the City regarding the City's long-term needs.

The voters of the City approved a ½-cent capital improvement sales tax for street and sidewalk improvements in 1997. These funds are being used to repay debt on the general obligation bonds approved at the same time for major reconstruction projects, which were refunded in 2007, and paid off in 2019. The sales tax will continue to be used to fund major street and sidewalk improvements in the future.

The City continues to explore options based on a residents' survey concerning park improvements. Some recommendations from the study included exploring opportunities to partner with St. Louis County, Missouri and private providers of recreational services to acquire open space in the City, and provide walking paths and an outdoor amphitheatre and lake in the Central Park. In response to these efforts, voters passed a ½-cent sales tax for parks that took effect in April 2005. The City has purchased park land, constructed amenities, such as the new Chesterfield Amphitheater, and has funded recreation-based programs with the resources from this sales tax.

Debt Administration

At December 31, 2019, the City had four debt issues outstanding. This consists of \$3,900,000 in certificates of participation for the City Hall; \$12,605,000 in certificates of participation for Parks from 2005; \$6,460,000 in certificates of participation for park and recreation improvements refunded in 2014; and \$2,795,000 in certificates of participation for park and recreation improvements refunded in 2016. The general obligation bonds for streets and sidewalks, as well as the certificates of participation for park and recreation improvements from 2008, were paid off in 2019.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the City for its CAFR issued for the fiscal year ended December 31, 2018. This was the 30th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

City of Chesterfield, Missouri
Letter of Transmittal
December 31, 2019

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Program's requirements and we are submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

In addition, the City received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2019. This was the 29th consecutive year that the City received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document met the program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The preparation of this report would not have been completed without the efficient and dedicated services of the entire administrative staff of the various departments of the City. We would like to especially acknowledge the dedicated services and assistance of the staff members in the Finance Department. The Finance Department staff members were key components of maintaining the City's accounting systems and their contributions were invaluable.

We would also like to thank our auditors, Daniel Jones & Associates, for their help in formulating this report. Our sincere gratitude is extended to you for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Mike O. Geisel
City Administrator



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Chesterfield
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrell

Executive Director/CEO

Principal Officials

MAYOR

Bob Nation

CITY ADMINISTRATOR

Michael O. Geisel

COUNCIL MEMBERS

CITY ATTORNEY

Ward 1:

Chris Graville

Barbara McGuinness

JUDGE

Mary Monachella

Richard K. Brunk

Ward 2:

PROSECUTING ATTORNEY

Mary Ann Mastorakos

Tim Engelmeyer

Ben Keathley

Ward 3:

Dan Hurt

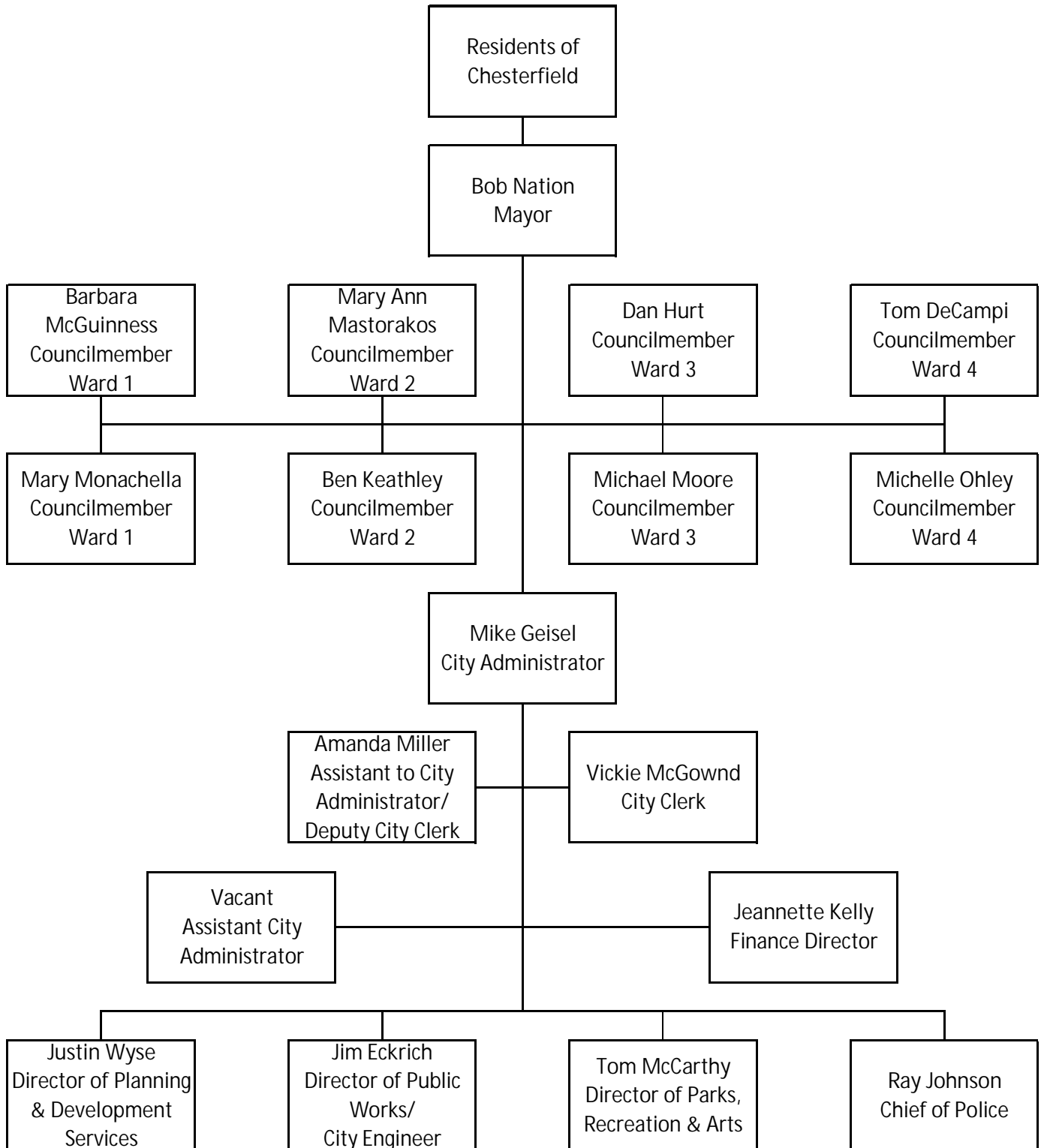
Micheal Moore

Ward 4:

Tom DeCampi

Michelle Ohley

City of Chesterfield Organizational Chart



NOTE: Fire protection services are provided to Chesterfield residents by the Monarch Fire Protection District and Metro West Fire Protection District.

Financial Section



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Chesterfield, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Chesterfield (City), Missouri, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis and budgetary comparison information on pages 14-23 and 49-53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

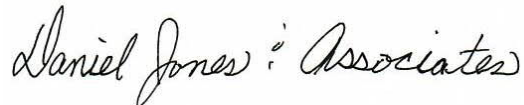
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Chesterfield's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

September 16, 2020

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2019
(Unaudited)

As management of the City of Chesterfield, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report along with the City's financial statements, including the footnotes that follow this Management's Discussion and Analysis.

Financial Highlights

- On a government-wide basis, the assets and deferred outflows of resources of the City exceeded its liabilities for the most recent fiscal year by \$222,378,361. The City has unrestricted net position totaling \$18,062,401.
- General revenues for governmental activities were \$30,898,435, which included \$30,283,666 (98.0%) in sales, gross receipts, and sewer lateral taxes.
- Net expense from the various functions of governmental activities was \$21,168,342. General government was \$2,854,567 (13.5%), public works was \$1,978,426 (9.3%), public safety was \$9,912,671 (46.8%), parks was \$5,115,174 (24.2%), and planning was \$897,738 (4.2%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20,227,441, an increase of \$542,175 as compared to the prior year. Approximately 49.7% of this total amount, or \$10,061,765, is available for spending at the City's discretion. Much of the increase is due to City Council appropriating additional funds into reserves for additional future debt service payments.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,064,879 (98.3%) of total General Fund expenditures.
- The City's total debt decreased by \$5,534,956 (17.7%) during the current fiscal year due to normal activity.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. Note the government-wide financial statements exclude fiduciary fund activities.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2019
(Unaudited)

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, parks and recreation, judicial, planning, public works, public safety, and community development. The City does not have any business-type activities.

The government-wide financial statements can be found on pages 25 and 26 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds. It should be noted that the City does not have any proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and the government-wide *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Parks Sales Tax Fund, Public Safety, and the Capital Improvement Sales Tax Trust Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the other supplementary information section in this report.

The City adopts an annual appropriated budget for its General Fund, Parks Sales Tax Fund, Public Safety Fund, Capital Improvement Sales Tax Trust Fund, Police Forfeiture Fund, Sewer Lateral Special Revenue Fund, Chesterfield Valley Tax Increment Financing Special Revenue Fund, Parks 1998 Debt Service Fund, 2002 Debt Service Fund, City Hall Debt Service Fund, Parks Construction Debt Service Fund, R & S Debt Service Fund, and Parks Construction Capital Projects Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

The governmental funds financial statements can be found on pages 27 through 30 of this report.

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2019
(Unaudited)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The statement of fiduciary net position can be found on page 31 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 32 through 46 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, certain required supplementary information can be found on pages 49 through 54 of this report.

Other Supplementary Information

The combining and individual fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 57 through 60 of this report.

Government-wide Financial Analysis – Financial Analysis of the City as a Whole

The City presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Therefore, a comparative analysis of government-wide data is also included in this report.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, the net position of \$222,378,361 increased in 2019 by approximately 4.6% as compared to the previous year.

At the end of 2019, the City had positive balances in all three categories of net position.

The largest portion of the City's net position, \$203,101,607 in 2019 (an increase of approximately 4.7% from 2018), reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. There were no donated streets, easements or right-of-ways in 2019. The City uses these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2019
(Unaudited)

	Governmental Activities	
	December 31	
	2019	2018
Assets		
Current and other assets	\$ 25,622,258	\$ 23,534,145
Capital assets, not depreciated	121,186,352	123,507,561
Capital assets, net	108,070,911	102,269,903
Total assets	254,879,521	249,311,609
Deferred Outflows of Resources	756,238	859,757
Liabilities		
Long-term liabilities	27,905,026	33,661,812
Other liabilities	5,352,372	3,861,295
Total liabilities	33,257,398	37,523,107
Net position		
Net investment in capital assets	203,101,607	193,932,158
Restricted	1,214,353	2,886,804
Unrestricted	18,062,401	15,829,305
Total net position	\$ 222,378,361	\$212,648,267

An additional portion of the City's net position, \$1,214,353 in 2019, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation. This balance decreased by \$1,672,451 (57.9%) in 2019 primarily as a result of a decrease in the capital improvement sales tax fund due to the construction of projects. The restricted portion of net position from capital projects is related to a sales tax for capital projects whose uses are restricted by legislation. This balance will fluctuate on an annual basis due to the timing of projects.

The remaining category of the City's net position represents an *unrestricted net position* balance of \$18,062,401 in 2019, which may be used to meet the City's ongoing obligations to citizens and creditors. There was an increase of 14.1% in unrestricted net position in 2019. The increase was primarily due to management of expenses, which include a \$2,000,000 transfer of cash to various debt service funds for future debt service payments.

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2019
(Unaudited)

Governmental Activities

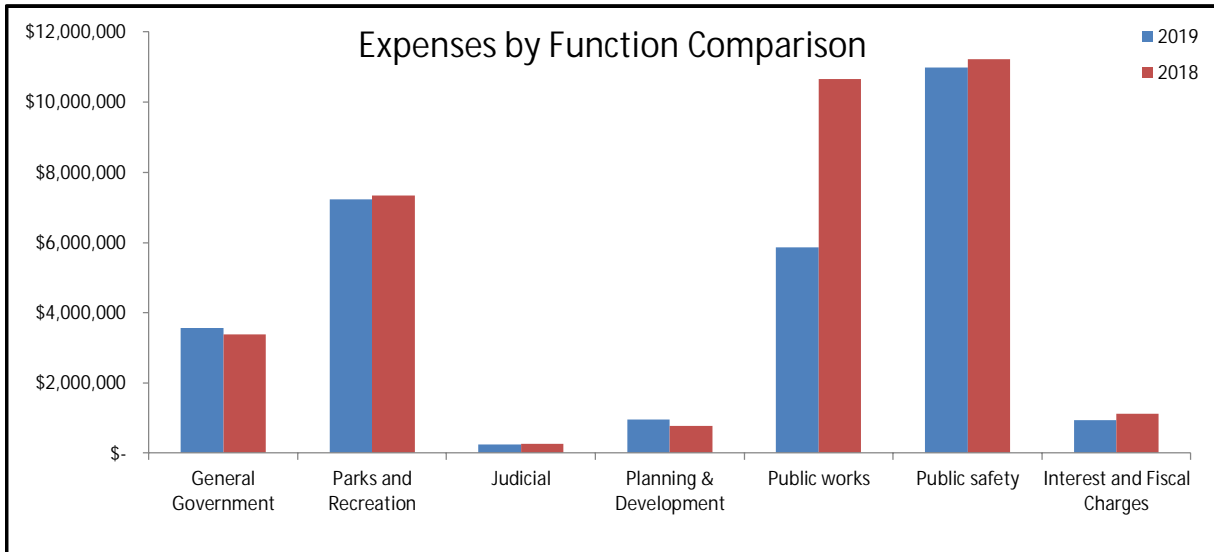
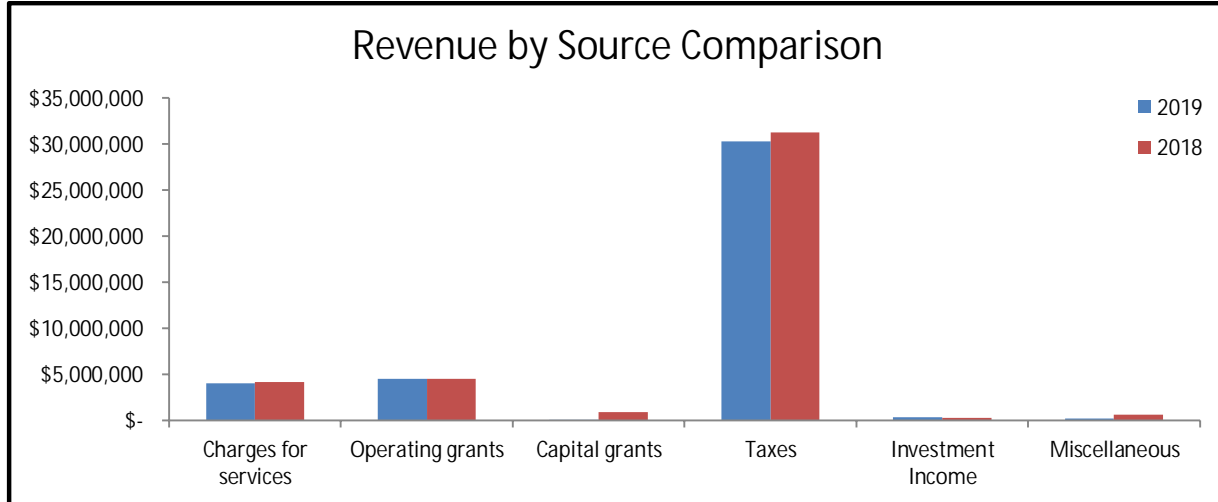
Governmental activities increased the City's net position by \$9,730,094. Key elements of this are as follows:

	Governmental Activities	
	For the years	
	ended December 31	
	2019	2018
Revenues		
Program revenues:		
Charges for services	\$ 3,997,282	\$ 4,135,690
Operating grants and contributions	4,550,607	4,503,875
Capital grants and contributions	80,671	947,375
General revenues:		
Taxes	30,283,666	31,237,889
Investment income	370,270	280,845
Miscellaneous	244,499	639,227
Total revenues	<u>39,526,995</u>	<u>41,744,901</u>
Expenses		
General government	3,568,730	3,384,763
Parks and recreation	7,232,969	7,335,566
Judicial	255,313	260,041
Planning	964,147	777,546
Public works	5,858,868	10,655,827
Public safety	10,984,153	11,224,519
Interest and fiscal charges	932,721	1,119,173
Capital Outlay		
Total expenses	<u>29,796,901</u>	<u>34,757,435</u>
Changes in net position	<u>9,730,094</u>	<u>6,987,466</u>
Net position - beginning of year	<u>212,648,267</u>	<u>205,660,801</u>
Net position - end of year	<u>\$ 222,378,361</u>	<u>\$212,648,267</u>

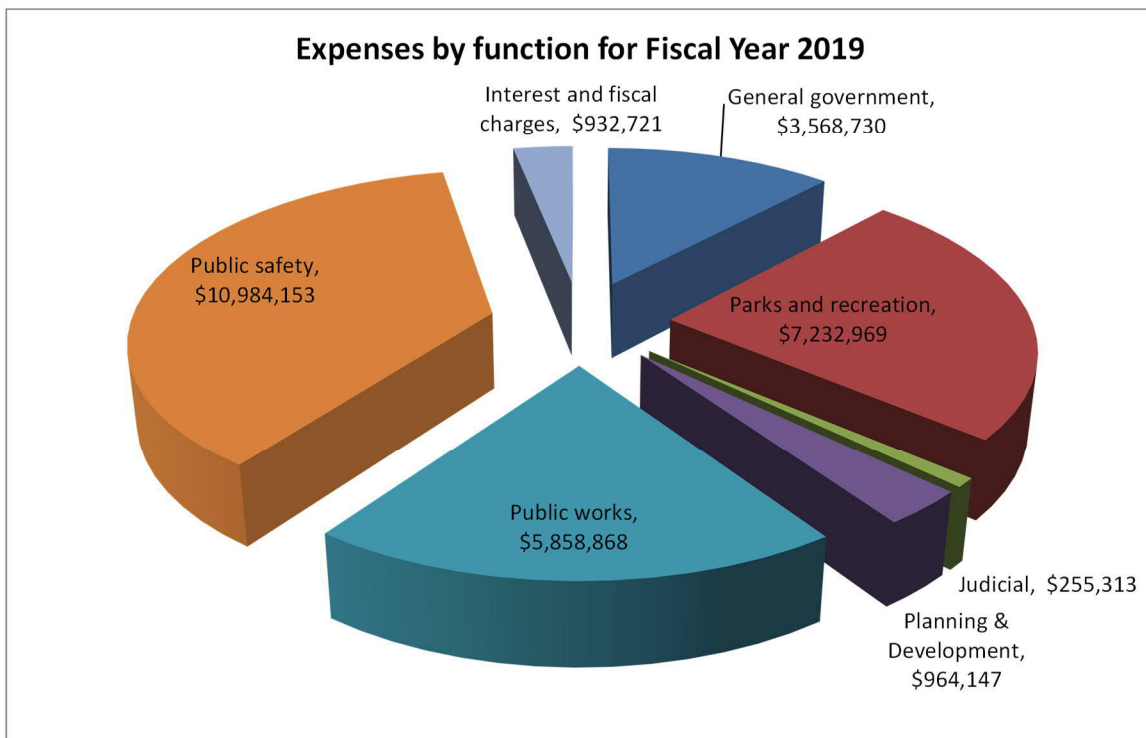
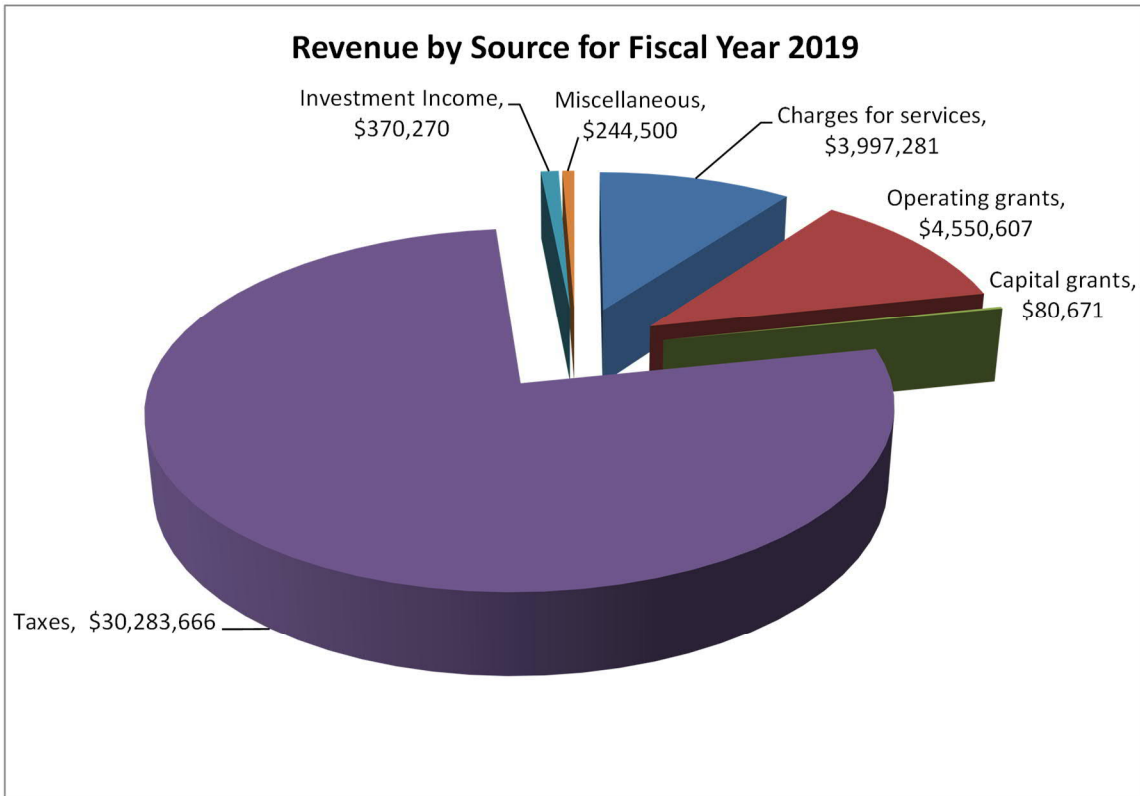
Changes in Net Position

In 2019, the City's total revenues on a government-wide basis were \$39,526,995, a decrease of \$2,217,906 as compared to 2018. Total capital grants and contributions decreased by \$866,704. Tax revenues decreased as phone utility taxes continue to decline. Other revenue sources were generally in line with the prior year, except Miscellaneous. Total 2019 expenses of \$29,796,901 decreased by \$4,960,534 (16.6%). The notable exception was public works, where expenditures decreased significantly due to projects completed in 2019 being transferred into Capital Assets. As a result of the current year activity, the change in net position had an increase of \$9,730,094.

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2019
(Unaudited)



City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2019
(Unaudited)



City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2019
(Unaudited)

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on inflows and balances of available expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

At the end of year 2019, the unassigned fund balance of the General Fund was \$10,064,879, while the total fund balance was \$10,648,609. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 45.4% of total General Fund expenditures and transfers out of \$22,182,142, while total fund balance represents 48.0% of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund decreased by \$1,181,223 (10.0%) from the prior year fund balance compared to a \$2,536,655 (27.3%) increase in 2018.

Other Major Governmental Funds

Changes in fund balances for other major governmental funds can be described as follows:

- Parks Sales Tax Fund ended 2019 with fund balance of \$2,325,578, an increase of \$1,393,828 (149.6%) from the prior year. This increase was primarily due to the prior years' payments of one-time items out of fund, specifically transfers to debt service funds for future use, part of which was used in 2019. The Fund transferred \$3,120,211 to other funds for current and future debt service expenditures.
- Capital Improvement Sales Tax Trust Fund ended the year with fund balance of \$680,940, a decrease of 63.4% from the prior year. This decrease was primarily due to the timing of planned projects and related transfers.

Fiduciary Funds

The City maintains Agency Funds for monies received and held for the benefit of others for the following purposes:

- Bond deposits held to ensure a defendant's appearance in court
- Proceeds received in connection with a joint program sponsored by the City and the local explorer's post
- Collection and release of the monies for future roadway improvements to ensure completion of the projects

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2019
(Unaudited)

- Collection and release of monies in connection with various permits issued for construction projects

At the end of 2019, cash and cash equivalents decreased \$29,933 (to \$2,780,760) from 2018 due to several construction related projects escrows refunded during 2019.

General Fund Budgetary Highlights

Final results for any given year will generally differ from that year's adopted budget. The final revised budget of the City's General Fund expenditures for 2019 was \$22,119,499, which differs from the original adopted budget of \$19,245,157. The change in budget was a result of encumbrances that rolled forward from the FY2019 budget to the FY2020 budget and other one-time allocations of General Fund – Fund Reserves.

After transfers, the General Fund ended the year with an operating increase of \$10,615,153 and net decrease in fund balance of \$1,181,223. The net decrease in fund balance was due to payment of Public Safety expenditures not covered by Proposition P revenues, and additional payments of one-time items out of fund, specifically transfers to debt service funds for future use. Overall, the change in fund balance was favorable to the budgeted decrease of \$1,643,533 as a result of management of budgetary expenditures and the timing of capital projects. Most revenue categories performed close to budget.

Capital Assets

The City has invested \$229,257,263 in a broad range of capital assets, including park facilities, roads, buildings, machinery and equipment, and automobiles and trucks. This amount represents a net increase for the current fiscal year (including additions and deductions) of \$3,479,799. In 2019, the City's capital asset detail was as follows:

Capital Assets, Net of Depreciation			
December 31			
	2019		2018
Land	\$ 33,966,756	\$	33,254,308
Art	85,000		85,000
Right-of-way	87,093,689		85,651,245
Buildings and other improvements	37,536,854		39,114,784
Machinery and equipment	2,260,834		2,319,198
Automobiles and trucks	3,183,061		2,841,454
Infrastructure (including construction-in progress)	65,131,069		62,511,475
Total	<u>\$ 229,257,263</u>	<u>\$</u>	<u>225,777,464</u>

Additional information on the City's capital assets can be found in Note 4 in the notes to the basic financial statements.

City of Chesterfield, Missouri
Management's Discussion and Analysis
December 31, 2019
(Unaudited)

Long-Term Debt

At the end of December 2019, the City had outstanding long-term debt obligations for governmental activities in the amount of \$25,789,868 compared to \$31,324,824 in 2018. Of this amount, there are now no general obligation bonds. Capital lease obligations outstanding totaled \$25,789,868. The 17.7% or \$5,534,956 decrease in the City's long-term debt obligations is primarily due to regular debt payments.

The City's governmental activities debt is detailed below:

	Outstanding Long-term Debt Obligations		
	December 31		Percent
	2019	2018	
Capital Lease Agreement	\$ 29,868	\$ 39,824	(25.0)
Certificate of Participation (Government Center)			
Series 2004	3,900,000	5,300,000	(26.4)
Certificates of Participation (Parks) Series 2013	12,605,000	14,170,000	(11.0)
Certificates of Participation (Parks) Series 2008	-	225,000	(100.0)
Certificates of Participation (Parks) Series 2016	2,795,000	2,840,000	(1.6)
Certificates of Participation (Parks) Series 2014	6,460,000	6,825,000	(5.3)
General Obligation Bonds (R & S) Series 2015	-	1,925,000	(100.0)
Total	<u>\$ 25,789,868</u>	<u>\$ 31,324,824</u>	(17.7)

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City's authorized debt limit for fiscal year 2019 was \$202,499,000.

Additional information on the City's long-term debt can be found in Note 13 in the notes to the basic financial statements.

Economic Factors and Next Year's Budget

- The fiscal year 2020 annual budget for General Fund expenditures is \$21,460,905, a decrease from the 2019 amended budget considering the public safety fund transfer.
- Capital Improvement Fund expense budget for 2020 is \$7,939,615, an increase from the 2019 amended budget.
- Park Sales Tax Fund expense budget for 2020 is \$9,736,175, a decrease from the 2019 amended budget.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 690 Chesterfield Parkway West, Chesterfield, MO 63017-0760.

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CITY OF CHESTERFIELD, MISSOURI
Statement of Net Position
As of December 31, 2019

	Governmental Activities
ASSETS	
Cash and investments	\$ 16,649,923
Receivables, net	8,517,695
Other assets	454,640
Capital assets not being depreciated	121,186,352
Capital assets, net of accumulated depreciation	<u>108,070,911</u>
Total assets	<u>254,879,521</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on bond refunding	<u>756,238</u>
LIABILITIES	
Accounts payable and accrued liabilities	2,190,988
Accrued salaries and other benefits	347,546
Accrued interest payable	138,621
Unearned revenue	2,333,623
Other liabilities	341,594
Long-term liabilities:	
Due within one year	4,767,803
Due in more than one year	<u>23,137,223</u>
Total liabilities	<u>33,257,398</u>
NET POSITION	
Net investment in capital assets	203,101,607
Restricted for:	
Capital project	1,031,230
Public safety	(195,318)
Sewer lateral repair project	378,441
Unrestricted	<u>18,062,401</u>
Total Net Position	<u>\$ 222,378,361</u>

CITY OF CHESTERFIELD, MISSOURI
Statement of Activities
For the year ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental activities:					
General government	\$ 3,568,730	\$ 714,163	\$ -	\$ -	\$ (2,854,567)
Parks and recreation	7,232,969	2,092,995	24,800	-	(5,115,174)
Judicial	255,313	778,268	-	-	522,955
Planning	964,147	66,409	-	-	(897,738)
Public works	5,858,868	(151,079)	3,950,850	80,671	(1,978,426)
Public safety	10,984,153	496,525	574,957	-	(9,912,671)
Interest and fiscal charges	932,721	-	-	-	(932,721)
Total governmental activities	<u>\$ 29,796,901</u>	<u>\$ 3,997,281</u>	<u>\$ 4,550,607</u>	<u>\$ 80,671</u>	<u>(21,168,342)</u>
General revenues:					
Taxes:					
Sales and local use taxes:					
Parks and capital management					15,064,970
Intergovernmental - pooled sales tax					7,193,842
Gross receipts taxes (includes franchise tax)					7,492,613
Miscellaneous taxes (includes sewer lateral)					532,241
Unrestricted interest earnings					370,270
Gain on Capital Assets					-
Miscellaneous					244,500
Total general revenues					<u>30,898,436</u>
Change in net position					9,730,094
Net position - beginning of year					<u>212,648,267</u>
Net position - end of year					<u>\$ 222,378,361</u>

CITY OF CHESTERFIELD, MISSOURI
Balance Sheet
Governmental Funds
As of December 31, 2019

	Major Funds				Nonmajor Funds	
	General	Parks Sales Tax	Public Safety Sales Tax	Capital Improvement Sales Tax Trust	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 9,413,950	\$ 792,008	\$ 50,000	\$ 611,115	\$ 5,782,850	16,649,923
Receivables:						
Municipal taxes	1,822,742	-	-	-	135,588	1,958,330
Intergovernmental	1,192,424	35,785	167,914	6,439	-	1,402,562
Interest	7,075	-	-	-	-	7,075
Other	2,479,768	1,201,866	446,509	1,021,585	-	5,149,728
Due from other funds	-	509,708	-	-	1,064,842	1,574,550
Prepays	454,640	-	-	-	-	454,640
Total assets	<u>\$ 15,370,599</u>	<u>\$ 2,539,367</u>	<u>\$ 664,423</u>	<u>\$ 1,639,139</u>	<u>\$ 6,983,280</u>	<u>\$ 27,196,808</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	\$ 1,357,596	\$ 138,327	\$ 65,079	\$ 607,776	\$ 22,210	\$ 2,190,988
Accrued salaries and other benefits	64,061	65,183	210,720	7,582	-	347,546
Due to other funds	1,061,963	-	500,106	1,247	11,234	1,574,550
Unearned Revenue	2,238,370	10,279	262,926	-	3,114	2,514,689
Other liabilities	-	-	-	341,594	-	341,594
Total liabilities	<u>4,721,990</u>	<u>213,789</u>	<u>1,038,831</u>	<u>958,199</u>	<u>36,558</u>	<u>6,969,367</u>
Fund balances						
Nonspendable:						
Prepays	454,640	-	-	-	-	454,640
Restricted for:						
Public Safety	129,090	-	(374,408)	-	50,000	(195,318)
Sewer Lateral	-	-	-	-	378,441	378,441
Capital Projects	-	-	-	680,940	-	680,940
Committed to:						
Capital Projects	-	-	-	-	350,290	350,290
Parks	-	-	-	-	-	-
Assigned to:						
Debt Service	-	-	-	-	6,171,105	6,171,105
Parks	-	2,325,578	-	-	-	2,325,578
Unassigned	10,064,879	-	-	-	(3,114)	10,061,765
Total fund balances	<u>10,648,609</u>	<u>2,325,578</u>	<u>(374,408)</u>	<u>680,940</u>	<u>6,946,722</u>	<u>20,227,441</u>
Total liabilities and fund balances	<u>\$ 15,370,599</u>	<u>\$ 2,539,367</u>	<u>\$ 664,423</u>	<u>\$ 1,639,139</u>	<u>\$ 6,983,280</u>	<u>\$ 27,196,808</u>

CITY OF CHESTERFIELD, MISSOURI
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2019

Total fund balances - governmental funds	\$ 20,227,441
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds financial statements. This is the amount by which capital assets (\$350,299,868) exceeded accumulated depreciation (\$121,042,605) as of December 31, 2019.	229,257,263
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Property taxes are assessed by the City, but not collected as of December 31, 2019, and deferred within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	3,115
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Court fines receivable as of December 31, 2019, are deferred within the governmental funds financial statements. This amount is recognized in the government-wide financial statements.	177,951
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Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the governmental funds financial statements. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net position. Discounts, premiums, and bond issuance costs are reported in the governmental funds financial statements when debt was issued, whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements. Balances as of December 31, 2019, are:

Accrued compensated absences, vacation, and compensatory time-off	(993,132)
Bonds, notes payable, and lease obligations outstanding	(25,789,868)
Unamortized bond premium	(1,122,026)
Accrued interest on outstanding debt	(138,621)
Deferred charges from defeasance of debt	756,238

Total net position of governmental activities	\$ 222,378,361
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CITY OF CHESTERFIELD, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2019

	Major Funds				Nonmajor Funds	
	General	Parks Sales Tax	Public Safety Sales Tax	Capital Improvement Sales Tax Trust	Other Governmental Funds	Total Governmental Funds
REVENUES						
Municipal taxes	\$ 13,909,427	\$ 6,716,871	\$ 2,639,884	\$ 5,709,344	\$ 435,261	\$ 29,410,787
Licenses and permits	1,490,178	-	-	-	-	1,490,178
Intergovernmental	4,047,508	24,800	569,579	80,671	5,378	4,727,936
Charges for services, net	107,313	2,093,035	-	-	-	2,200,348
Court fines and forfeitures	779,665	-	2,808	-	-	782,473
Investment income, net arbitrage	298,281	65,315	-	-	6,674	370,270
Miscellaneous	218,847	26,626	484,698	(269,093)	77,110	538,188
Total revenues	<u>20,851,219</u>	<u>8,926,647</u>	<u>3,696,969</u>	<u>5,520,922</u>	<u>524,423</u>	<u>39,520,180</u>
EXPENDITURES						
Current:						
Legislative	70,789	-	-	-	-	70,789
Administrative	3,147,310	-	-	-	-	3,147,310
Police services	-	-	10,776,154	-	-	10,776,154
Judicial	254,155	-	-	-	-	254,155
Planning and zoning	960,642	-	-	-	-	960,642
Public works	5,578,580	-	-	315,178	444,131	6,337,889
Parks and recreation	-	5,429,177	-	-	-	5,429,177
Capital outlay	224,590	325,037	308,617	4,442,283	190,608	5,491,135
Debt service:						
Principal	-	-	-	-	5,525,000	5,525,000
Interest and fiscal charges	-	-	-	-	1,135,454	1,135,454
Bond issuance costs	-	-	-	-	-	-
Total expenditures	<u>10,236,066</u>	<u>5,754,214</u>	<u>11,084,771</u>	<u>4,757,461</u>	<u>7,295,193</u>	<u>39,127,705</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,615,153</u>	<u>3,172,433</u>	<u>(7,387,802)</u>	<u>763,461</u>	<u>(6,770,770)</u>	<u>392,475</u>
OTHER FINANCING SOURCES (USES)						
Issuance of refunding bonds	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-
Premium on issuance of refunding bonds	-	-	-	-	-	-
Transfers in	-	1,341,606	7,012,963	-	8,656,444	17,011,013
Transfers out	(11,946,076)	(3,120,211)	-	(1,944,250)	(476)	(17,011,013)
Sale of capital assets	149,700	-	-	-	-	149,700
Total other financing sources (uses), net	<u>(11,796,376)</u>	<u>(1,778,605)</u>	<u>7,012,963</u>	<u>(1,944,250)</u>	<u>8,655,968</u>	<u>149,700</u>
Net change in fund balances	<u>(1,181,223)</u>	<u>1,393,828</u>	<u>(374,839)</u>	<u>(1,180,789)</u>	<u>1,885,198</u>	<u>542,175</u>
Fund balances:						
Beginning of year	11,829,832	931,750	431	1,861,729	5,061,524	19,685,266
End of year	<u>\$ 10,648,609</u>	<u>\$ 2,325,578</u>	<u>\$ (374,408)</u>	<u>\$ 680,940</u>	<u>\$ 6,946,722</u>	<u>\$ 20,227,441</u>

CITY OF CHESTERFIELD, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2019

Net change in fund balances - governmental funds	\$ 542,175
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Amounts reported for governmental activities in the statement of activities are different because:

The governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets meeting the capitalization threshold is allocated over their estimated useful lives and recorded as depreciation expense. This is the amount by which capital outlays over the capitalization threshold totaling \$9,848,152 was less than depreciation (\$6,164,499) in the current period.	3,683,653
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The net effect of various miscellaneous transactions involving capital assets:	
Disposal of assets	\$ (203,855)
Contributed capital assets	-
	(203,855)

Court fines revenue in the statement of activities that do not provide current financial resources is not reported as revenues in the governmental funds financial statements.	6,814
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Bond proceeds are reported as financing sources in the governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the liability in the statement of net position.	
Annual principal payments on bonds, certificates of participation and capital lease	5,534,956

Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	
This adjustment combines the net changes of the following:	
Accrued compensated absences	(36,382)
Accrued interest on bonds	48,038
Capital Lease	-
Amortized deferred charges from defeasance of debt	(103,519)
Amortized bond premium	258,214
	258,214

Change in net position of governmental activities	\$ 9,730,094
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CITY OF CHESTERFIELD, MISSOURI
Statement of Fiduciary Net Position
Fiduciary Funds
As of December 31, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 2,780,760
Accounts Receivable	-
Due from other funds	55
Total assets	<u>\$ 2,780,815</u>
 LIABILITIES	
Accounts payable	\$ 414,054
Deposits held in escrow	2,366,761
Total liabilities	<u>2,780,815</u>
 NET POSITION	 -
Total liabilities and net position	<u>\$ 2,780,815</u>

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2019

(1) Summary of Significant Accounting Policies

The City of Chesterfield, Missouri (the City) was incorporated on June 1, 1988, and established a mayor/council/city administrator form of government. The City's major operations include: police protection, street maintenance and improvements, parks and recreation, general administrative services, legislative services, judicial services, planning, and development.

The accounting policies and financial reporting practices of the City conform to U.S. generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant policies:

(a) *The Financial Reporting Entity*

The City defines its financial reporting entity in accordance with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an amendment of GASB Statement No. 14* and GASB Statement No. 61, *The Financial Reporting Entity – Omnibus*. The requirements for inclusion of component units are based primarily upon whether the City's governing body is considered financially accountable for the potential component units. The City is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or there is a potential for the potential component unit to provide specific financial benefits to, or impose specific financial burdens on, the City. Based on this criteria, the City has determined that its financial reporting entity consists of the City (primary government) and no other reporting units.

(b) *Government-wide and Fund Financial Statements*

The government-wide financial statements (e.g., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. *Program revenues* include: 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenues not included among program revenues are reported instead as general revenues.

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The City has determined that the General Fund, Parks Sales Tax Fund, Public Safety Sales Tax Fund and Capital Improvement Sales Tax Trust Fund are major governmental funds. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds are reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balances for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

The fund financial statements of the City are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

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Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The acquisition, uses, and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the City's governmental major funds:

General Fund - The General Fund is the general operating fund of the City used to account for all financial resources except those required to be accounted for in another fund.

Parks Sales Tax Fund - The Parks Sales Tax Fund is a Special Revenue Fund used to account for the accumulation of resources from the ½ cent parks sales tax passed in November 2004 and is effective April 2005. All parks and recreation activity is tracked in this fund.

Public Safety Sales Tax Fund - The Public Safety Sales Tax Fund is a Special Revenue Fund used to account for the revenues received from the St. Louis County Prop P Public Safety tax that was created in 2017. Public Safety tax revenues are restricted for Public Safety activities. All Public Safety activity is tracked in this fund. Expenses in excess of revenues are offset by transfers in from the General Fund.

Capital Improvement Sales Tax Trust Fund - The Capital Improvement Sales Tax Trust Fund is a Capital Improvement Fund used to account for revenues received from the capital improvement sales tax that are restricted for capital improvements.

The other governmental funds of the City are considered nonmajor. They are Special Revenue Funds that account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes and Debt Service Funds that account for the accumulation of resources for and repayment of general obligation long-term debt principal, interest, and related costs.

Fiduciary Fund Type

Agency Funds - Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, or other governmental units. Agency Funds are accounted for and reported similarly to a proprietary fund type. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of the Court Bond Fund, Explorer's Fund, Highway 40 Trust Fund, Miscellaneous Escrow Fund, and Chesterfield Baseball and Softball Association (CBSA) Fund.

(c) *Measurement Focus and Basis of Accounting*

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. At year-end, entries are recorded for financial reporting

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purposes to reflect the modified accrual basis of accounting for governmental fund types. All fiduciary funds, including Agency Funds use the accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term “available” is defined as collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. For the City, available is defined as expected to be received within 60 days of fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due (e.g., matured).

GASB 33 groups nonexchange transactions into the following four classes based upon principal characteristics: derived tax revenues, imposed nonexchange revenues, government-mandated nonexchange transactions, and voluntary nonexchange transactions.

The City recognizes assets from derived tax revenue transactions (such as sales and utilities gross receipt taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as unearned revenues until the period of the exchange.

The City recognizes assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used for the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied. Imposed nonexchange revenues also include permits and court fines and forfeitures.

The City does not maintain inventory cost records. Inventory is deemed immaterial and is accounted for using the purchase method in which supplies are charged to expenditures when purchased.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have been met. Any resources received before eligibility requirements are met are reported as unearned revenues.

Charges for services in the governmental funds, which are exchange transactions and are, therefore, not subject to the provisions of GASB 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

(d) *Encumbrances*

Within the governmental funds financial statements, no fund balances have been restricted for outstanding encumbrances since appropriations lapse at year-end. Encumbrances are reappropriated in the subsequent fiscal year’s budget to provide for the liquidation of the prior commitments.

(e) *Cash and Cash Equivalents*

Cash and cash equivalents comprise the City’s cash deposits with banks, petty cash funds, repurchase agreements, and money market mutual funds.

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(f) Investments

Investments are recorded at fair value. Fair value of investments is based on quoted market prices.

(g) Capital Assets

Capital assets, which include buildings, other improvements, machinery and equipment, automobiles and trucks, and infrastructure (e.g., streets, sidewalks, roads, bridges, and similar items), are reported in the governmental activities column in the government-wide financial statements, net of accumulated depreciation. Capital assets are defined by the City as assets with an estimated useful life in excess of one year with an initial individual cost of \$5,000 or more. Infrastructure assets are defined as streets with a cost of at least \$250,000; sidewalks with a cost of at least \$50,000; land improvements with a cost of at least \$5,000; and all buildings, building improvements, and land.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of donation. General infrastructure assets acquired prior to January 1, 2002, consist of the roads, bridges, and network assets that were acquired or that received substantial improvements and are reported at estimated historical cost using deflated replacement cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various classes of assets (with the ½ year convention election applied in the first and last year), except for roads, which are computed using the composite method. The estimated useful lives of depreciable capital assets are as follows:

	<u>Years</u>
Buildings	40
Other improvements	10 - 25
Machinery and equipment	5 - 10
Automobiles and trucks	5 - 7
Infrastructure	15 - 30

(h) Compensated Absences

The City grants vacation to all full-time employees based on years of continuous service, and compensatory time is granted to all nonexempt employees for hours worked in excess of a normal work week that are not taken within the current biweekly pay period. These benefits are allowed to accumulate and to carry over, with limitation, into the next calendar year and will be paid to employees upon resignation, retirement, or death. Sick leave benefits do not vest and, accordingly, are recorded as expenditures when paid. The entire accrued benefit liability related to the City's compensated absences in the amount of \$993,131 has been recorded in the government-wide financial statements.

(i) Capital Contributions

Capital contributions within public works represent government grants and other aid used to fund capital projects. Capital contributions are recognized as revenue when the expenditure is made and amounts become subject to claim for reimbursement. Amounts received from other governments that are not restricted for capital purposes are reflected as intergovernmental revenue.

(j) Interfund Transactions

In the fund financial statements, the City has the following types of transactions among funds:

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Transfers

Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

(k) Unearned Revenue

The City has received inspection fees in advance from various developers. These fees are recognized as revenue as the City performs the inspections of the developments. This revenue is recorded in the government-wide statements and fund financial statements as unearned revenue. Unearned revenue in the fund financial statements also includes property tax revenues and court fines that are not collected within 60 days following the end of the current period and gross receipt taxes received from wireless telecommunication companies under protest.

(l) Governmental Fund Balance Classification and Policies

The City's policy is to report the fund balance in the following categories, when applicable, listed from the most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is not in a spendable form or is required to remain intact.

Restricted -- The portion of fund balance that is constrained to specific purposes through constitutional provisions or by enabling legislation.

Committed -- The portion of fund balance with constraints or limitations by formal action of the City Council, the highest level of decision-making authority.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose, as determined by the City Council or by a City official to which the governing City Council delegates the authority.

Unassigned -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. For assigned fund balance, the City Council is authorized to assign amounts to a specific purpose. The authorization to assign fund balance has also been delegated to the Finance & Administration Committee. When both resources are available, the City will spend the most restricted amounts before the least restricted.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, followed by assigned fund balance, and lastly unassigned fund balance.

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain an unassigned fund balance of not less than 40% of annual operating expenditures and transfers out for the year.

The Parks 1998 Nonmajor Debt Service Fund has a negative fund balance of \$3,114.

(m) Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

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(n) Amortization

In the government-wide financial statements, bond premiums and discounts are recorded as an increase or a reduction of the debt obligation. Such amounts are amortized using the interest method or bonds outstanding method over the term of the related bonds. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(o) Net Position and Deferred Outflows of Resources

Deferred Outflow of Resources – In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. The separate financial statement element represents a consumption of net position that applies to a future period or periods and will not be recognized as an outflow of resources until then. The City of Chesterfield has a deferred loss on refunding reported in the statement of net position. A deferred loss on refunding is the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. This item has been reported as deferred outflows on the government-wide statement of net position.

Deferred Inflow of Resources – In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflow of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and will not be recognized as an inflow of resources until then.

Net Position

Net Position is classified as follows:

Net Investment in Capital Assets – the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted Expendable – the component of net position that reports the difference between assets and liabilities of certain programs whose use is subject to externally imposed stipulations that can be fulfilled by actions of the City of Chesterfield.

Unrestricted – the difference between the assets and liabilities that do not meet the definition of “restricted” or “net investment in capital assets.”

(p) Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Investments

State statutes authorize Missouri local governments to invest in obligations of the United States Treasury and U.S. government agencies, obligations of the State of Missouri, time certificates of deposit, and repurchase agreements. Deposits in financial institutions must be collateralized by securities pledged to the City by these same institutions.

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The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2019:

U.S. agency securities of \$328,832 are valued using quoted market prices (Level 1 inputs).

The following is a reconciliation of the City's deposit and investment balances at December 31, 2019:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Fiduciary Net Position	Total
Cash and cash equivalents	\$ 10,873,434	\$ 2,780,760	\$ 13,654,194
Certificates of deposit	2,285,611	-	2,285,611
Money market mutual funds	3,162,046	-	3,162,046
US Agency Securities	328,832	-	328,832
	<u>\$ 16,649,923</u>	<u>\$ 2,780,760</u>	<u>\$ 19,430,683</u>

Interest Rate Risk

The City's investment policy seeks to minimize the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates by:

1. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
2. Maintaining a sufficient balance in liquid funds to adequately cover forecasted cash requirements.

The City's goal is to match its investments with its anticipated cash flow requirements. No investments shall mature and become payable more than five years from the date of purchase. The investments of the primary government had the following maturities as of December 31, 2019:

	Fair Market Value	No Maturity	1-5 Years
Primary Government			
Certificates of deposit	\$ 2,285,611	\$ -	\$ 2,285,611
Money market	3,162,046	3,162,046	-
U.S. Agency Securities	328,832	-	328,832
Grand total investments	<u>\$ 5,776,489</u>	<u>\$ 3,162,046</u>	<u>\$ 2,614,443</u>

Credit Risk

The City's investment policy seeks to minimize credit risk, the risk of loss due to the failure of the security issuer by:

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1. Pre-qualifying the financial institutions, securities dealers, intermediaries, and advisors with which the City will do business.
2. Diversifying the portfolio so that potential losses on individual securities will be minimized.
3. Settling all purchase/sale transactions delivery versus payment.

According to the investment policy, any agency security purchased must be senior debt and rated with the highest debt rating by Moody's Investor Services, Inc. and Standard and Poor's Corporation. The following table provides information on the credit ratings associated with the City's investments as of December 31, 2019, excluding obligations of the United States government or obligations explicitly guaranteed by the United States government.

	<u>Fair Market Value</u>	<u>Average Credit Quality (Moody's)</u>
U.S. Agency Securities	\$ 328,832	Aaa
Money market mutual funds*	3,162,046	Unrated
*Collateralized by United States Treasury or Agency securities		

Concentration of Credit Risk

The investment policy states that the City will diversify by security type and institution. Security types shall be diversified to minimize the risk of loss resulting from over concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies are periodically reviewed.

	<u>Fair Market Value</u>	<u>Percent of Total Investments</u>
U.S. Agency Securities	\$ 328,832	5.7%
Money market mutual funds	3,162,046	54.7%
Certificates of deposit	2,285,611	39.6%

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution.

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial risk by pre-qualifying institutions with which the City places investments, diversifying the investment portfolio, and maintaining a standard of quality for investments.

(3) Receivables, Net of Allowances

All amounts are scheduled for collection during the subsequent fiscal year.

	<u>Municipal Taxes</u>	<u>Intergovern- mental</u>	<u>Interest</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental Activities					
General Fund	\$ 1,822,742	\$ 1,192,424	\$ 7,075	\$ 2,479,768	\$ 5,502,009
Parks Sales Tax Fund	-	35,785	-	1,201,866	1,237,651
Public Safety Sales Tax Fund	-	167,914	-	446,509	614,423
Capital Improvement Sales Tax Trust Fund	-	6,439	-	1,021,585	1,028,024
Nonmajor other governmental Funds	135,588	-	-	-	135,588
Total governmental activities	<u>\$ 1,958,330</u>	<u>\$ 1,402,562</u>	<u>\$ 7,075</u>	<u>\$ 5,149,728</u>	<u>\$ 8,517,695</u>

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(4) Capital Assets

The following is a summary of changes in capital assets - governmental activities for the year ended December 31, 2019:

	Balance December 31, 2018	Transfers And Additions	Transfers And Retirements	Balance December 31, 2019
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 33,254,308	\$ 712,448	\$ -	\$ 33,966,756
Art	85,000	-	-	85,000
Right-of-way	85,651,245	1,442,444	-	87,093,689
Construction in progress	4,517,008	3,539,528	(8,015,629)	40,907
Total capital assets not being depreciated	<u>123,507,561</u>	<u>5,694,420</u>	<u>(8,015,629)</u>	<u>121,186,352</u>
<i>Capital assets being depreciated:</i>				
Buildings	27,267,183	-	-	27,267,183
Other improvements	39,754,973	661,455	-	40,416,428
Machinery and equipment	7,589,022	283,471	(212,434)	7,660,059
Automobiles and trucks	6,163,167	1,135,311	(768,954)	6,529,524
Infrastructure	138,404,565	10,089,125	(1,253,368)	147,240,322
Total capital assets being depreciated	<u>219,178,910</u>	<u>12,169,362</u>	<u>(2,234,756)</u>	<u>229,113,516</u>
<i>Less - Accumulated depreciation for:</i>				
Buildings	9,467,802	680,556	-	10,148,358
Other improvements	18,439,570	1,565,049	(6,220)	19,998,399
Machinery and equipment	5,269,823	302,707	(173,305)	5,399,225
Automobiles and trucks	3,321,713	622,758	(598,008)	3,346,463
Infrastructure	80,410,099	2,993,429	(1,253,368)	82,150,160
Total accumulated depreciation	<u>116,909,007</u>	<u>6,164,499</u>	<u>(2,030,901)</u>	<u>121,042,605</u>
Total capital assets being depreciated, net	<u>102,269,903</u>	<u>6,004,863</u>	<u>(203,855)</u>	<u>108,070,911</u>
Governmental activities - capital assets, net	<u><u>\$225,777,464</u></u>	<u><u>\$ 11,699,283</u></u>	<u><u>\$ (8,219,484)</u></u>	<u><u>\$229,257,263</u></u>

Within the statement of activities, depreciation expense is charged to functions of the primary government as follows:

Governmental Activities

General government	\$ 354,975
Parks and recreation	1,802,728
Planning	2,890
Public works	3,876,506
Public safety	<u>127,400</u>
Total depreciation expense, governmental activities	<u><u>\$ 6,164,499</u></u>

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(5) Accounts Payable

The City's outstanding accounts payable at year-end was entirely attributable to direct payments to vendors.

(6) Restricted Net Position

The government-wide statement of net position reports \$1,214,353 of restricted net position, which is restricted by enabling legislation.

(7) Property Taxes

Through the 2014 fiscal year, the City levied a property tax for the retirement of general obligation bonds. The City's property tax was levied each September based on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes were billed in November, due and collectible on December 31, and delinquent after December 31. Liens were placed on property for delinquent taxes on January 1 following the due date. The City decreased its levied tax rate from \$0.06 per \$100 of assessed valuation to \$0.03 per \$100 of assessed valuation from 2008 through 2014.

Taxes levied for 2014 were recorded as receivables, net of estimated uncollectible amounts; however, revenue recognition on all property tax receivables not collected within 60 days after year-end is deferred on the fund financial statements and recognized as revenue in the government-wide financial statements. The unpaid levy, net of allowance, of \$3,114 remains due as of December 31, 2019.

All property tax assessment, billing, and collection functions are handled by the St. Louis County government. Taxes collected are remitted to the City by the St. Louis County Collector (the County Collector) in the month subsequent to the actual collection date. Taxes held by the County Collector, if any, are included in municipal taxes receivable in the accompanying fund financial statements.

(8) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City, along with various other local governments, participates in an insurance trust for workers' compensation and for general liability matters (St. Louis Area Insurance Trust (SLAIT)). The purpose of this trust is to distribute the cost of self-insurance over similar entities. The trust requires an annual premium payment from each entity to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trust; however, the City is contingently liable to fund its pro rata share of any deficit incurred by the trust should the trust cease operations at some future date. The trust has contracted with an insurance agent to handle all administrative matters, including processing of claims filed. The City's 2019 premium payments to the trust were \$589,082.

The City also purchases commercial insurance to cover risks related to property loss, public official liability, earthquakes, and employees' blanket bonds. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

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(9) Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the assets and liabilities of the deferred compensation plan are not included in the accompanying basic financial statements.

(10) Retirement Plan

The City contributes to the City of Chesterfield Missouri 401(a) Retirement Plan, a defined contribution pension plan, for all eligible full time employees. Prior to 2019, all full time employees had been deemed eligible to participate in the Plan after they had completed one year of service and attained the age of 18. In order to attract and retain employees, in 2019, the one year service requirement was removed. The Plan is administered by Mass Mutual (formerly Hartford Investment.)

Benefit terms for the Plan are established and may be amended by the City Council. Per City ordinance, the City contributes an amount equal to 8% of compensation of eligible participants. For the year ended December 31, 2019, the City recognized pension expense of \$1,090,810.

Employees become vested in City contributions and earnings on City contributions after completion of 5 years of credited service with the City. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to offset contributions from the City. For the year ended December 31, 2019, there were no forfeitures.

(11) Interfund Balances

Individual fund interfund receivable and payable balances as of December 31, 2019, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Sales Tax Fund	\$ (1,247)
General Fund	Public Safety	(500,106)
General Fund	Nonmajor Governmental Funds	(11,234)
Park Sales Tax	General Fund	509,708
Nonmajor Governmental Funds	Park Sales Tax	925,130
Chesterfield Valley Tax Increment Financing	Nonmajor Governmental Funds	139,712
		<u>\$ 1,061,963</u>

All of these interfund balances are due to either timing differences or to the elimination of negative cash balances within the various funds. All interfund balances are expected to be repaid during the fiscal year ending December 31, 2020.

(12) Obligations Under Operating Lease Agreements

The City leases equipment under certain operating lease agreements with terms in excess of one year. Annual aggregate lease payments remaining under the terms of the operating lease agreements as of December 31, 2019, are as follows:

2020	\$ 3,826
2021	1,594
	<u>\$ 5,420</u>

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(13) Long-Term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended December 31, 2019:

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019	Amounts Due Within One Year
Compensated absences	\$ 956,749	\$ 1,264,835	\$ (1,228,452)	\$ 993,132	\$ 902,847
Capital Lease Agreement	39,824	-	(9,956)	29,868	9,956
General obligation bonds	1,925,000	-	(1,925,000)	-	-
Plus - Issuance premium	44,940	-	(44,940)	-	-
Certificates of participation	29,360,000	-	(3,600,000)	25,760,000	3,855,000
Plus - Issuance premium	1,335,299	-	(213,273)	1,122,026	-
Total	<u>\$ 33,661,812</u>	<u>\$ 1,264,835</u>	<u>\$ (7,021,621)</u>	<u>\$ 27,905,026</u>	<u>\$ 4,767,803</u>

Compensated absences are generally liquidated by the General Fund.

Capital Lease Agreements

At December 31, 2019, the City is obligated under a lease that is classified as a capital lease.

In 2018, the City entered into a lease purchase agreement for maintenance equipment. The lease is for a total of \$49,780 and calls for bi-annual payments of \$4,978. The final payment under this lease is due in October 2022.

The equipment purchased under this capital lease agreement is included in capital assets in the government-wide financial statements, net of accumulated depreciation. As of December 31, 2019, the total cost is \$49,780 and the total accumulated depreciation is \$4,978.

Future minimum lease payments under the capital lease described above are as follows:

For The Year Ending December 31,	Capital Lease		
	Principal	Interest	Total
2020	\$ 9,956	\$ -	\$ 9,956
2021	9,956	-	9,956
2022	9,956	-	9,956
Total	<u>\$ 29,868</u>	<u>\$ -</u>	<u>\$ 29,868</u>

General Obligation Bonds Payable

In February 2008, the City issued \$5,255,000 in General Obligation Refunding Bonds Series 2008, the proceeds of which were used to advance refund \$5,245,000 of outstanding Series 1998 General Obligation Bonds. The bonds bear interest ranging from 2.95% to 3.5% and are repaid through a Debt Service Fund. The net proceeds of the Series 2008 bonds plus an additional \$88,646 of City monies were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the \$5,245,000 principal of the Series 1998 bonds. As a result, the Series 1998 bonds are considered defeased and the liability for these bonds has been removed from the basic financial statements. The City decreased its aggregated debt service payments by \$368,292 over 7 years, which resulted in

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2019

economic gain (difference between the present values of the old and new debt service payments) of \$356,707.

In January 2015, the City issued \$7,340,000 in General Obligation Refunding Bonds Series 2015, the proceeds of which were used to advance refund \$9,125,000 of outstanding Series 2005 General Obligation Bonds. The bonds bear interest of 2% and are repaid through a Debt Service Fund. The net proceeds of the Series 2015 bonds plus an additional \$1,851,638 of City monies were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the \$9,125,000 principal of the Series 2005 bonds. As a result, the Series 2005 bonds are considered defeased and the liability for these bonds has been removed from the basic financial statements. The City decreased its aggregated debt service payments by \$552,722 over 5 years, which resulted in economic gain (difference between the present values of the old and new debt service payments) of \$541,791.

The final payments were made in 2019.

Certificates of Participation

In April 2016, the City issued \$3,000,000 in Certificates of Participation (Series 2016) with interest ranging from 0.75% to 2.15% to advance refund \$2,640,000 of its outstanding Certificates of Participation (Series 2008), which had a total outstanding balance of \$3,490,000 at that time. The Certificates are scheduled to mature at various dates through December 2028. As a result of the refunding, the City decreased its total debt service requirements by \$365,954, which resulted in an economic gain of \$332,430. The refunded certificates were issued to finance the City's renovation and improvement of the City's Central Park and the Chesterfield Valley Athletic Complex. The certificates are repaid by Parks Sales Tax Fund operating revenues.

In September 2014, the City issued \$8,600,000 in Certificates of Participation (Series 2014) with interest rates ranging from 2% to 3.25% to advance refund Certificates of Participation (Series 2009A and Series 2009B). The Certificates are scheduled to mature at various dates through December 2031. As a result of the refunding, the City decreased its total debt service requirements by \$719,556, which resulted in an economic gain of \$593,471. The refunded certificates were issued to finance the City's renovation and improvement of the City's Central Park and the Chesterfield Valley Athletic Complex. The certificates of participation are repaid by Parks Sales Tax Fund operating revenues.

In November 2013, the City had advanced refunding on the Certificates of Participation (Series 2005), which had an outstanding principal amount of \$21,275,000 at that time. The City simultaneously issued the Certificates of Participation (Series 2013) in the amount of \$20,360,000, depositing the proceeds and the funds currently in the reserve fund with the Escrow Agent (BOKF, N.A., Kansas City, Missouri). The certificates of participation bear interest from 2% to 5% and are repaid by General Fund operating revenues.

In December 2008, the City issued \$4,720,000 in Certificates of Participation (Series 2008), which represent proportionate interests in base rentals to be paid by the City pursuant to an annually renewable lease/purchase agreement dated December 1, 2012, between the City and Wells Fargo Bank (the trustee/lessor). The trustee has agreed to execute and deliver certificates pursuant to a declaration and indenture of trust to finance the City's renovation and improvement of the City's Central Park and the Chesterfield Valley Athletic Complex. The base rentals constitute rent for the land pursuant to the lease. As noted above, certificates with a principal balance of \$3,000,000 were refunded in April 2016. The remaining certificates of participation outstanding, with a principal balance of \$2,840,000, bear interest ranging from 4.25% to 5.00% and will be repaid by the Parks Sales Tax Fund operating revenues through 2019.

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2019

In August 2004, the City had advanced refunding on the Certificates of Participation (Series 2000), which had an outstanding principal amount of \$16,495,000 at that time. The City simultaneously issued the Certificates of Participation (Series 2004) in the amount of \$15,820,000, depositing the proceeds and the funds currently in the reserve fund with the Escrow Agent (UMB Bank, N.A., Kansas City, Missouri). The certificates of participation bear interest from 3% to 5% and are repaid by General Fund operating revenues.

The annual principal and interest requirements to maturity of the certificates of participation as of December 31, 2019, are as follows:

<u>December 31</u>	<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 3,855,000	\$ 947,054	\$ 4,802,054
2021	3,925,000	772,854	4,697,854
2022	3,715,000	606,378	4,321,378
2023	2,910,000	464,028	3,374,028
2024	3,110,000	336,128	3,446,128
2025 - 2029	6,600,000	697,382	7,297,382
2030 - 2031	1,645,000	71,250	1,716,250
	<u>\$ 25,760,000</u>	<u>\$ 3,895,074</u>	<u>\$ 29,655,074</u>

(14) Interfund Transfers

Individual fund transfers for the year ended December 31, 2019, are as follows:

<u>Transfers To</u>	<u>Transfers From</u>				<u>Total</u>
	<u>General Fund</u>	<u>Parks Sales Tax Fund</u>	<u>Capital Improvement Sales Tax Trust Fund</u>	<u>Other Nonmajor Governmental Funds</u>	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvement Sales Tax Trust Fund	-	-	-	-	-
Parks Sales Tax Fund	1,341,606	-	-	-	1,341,606
Public Safety Fund	7,012,963	-	-	-	7,012,963
Other nonmajor governmental funds	3,591,507	3,120,211	1,944,250	476	8,656,444
	<u>\$ 11,946,076</u>	<u>\$ 3,120,211</u>	<u>\$ 1,944,250</u>	<u>\$ 476</u>	<u>\$ 17,011,013</u>

Interfund transfers were used to: 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them; 2) use unrestricted revenues collected in the General Fund to finance capital improvements and other funds in accordance with budgetary authorization; or 3) move revenues in excess of current year expenditures to other funds.

CITY OF CHESTERFIELD, MISSOURI
Notes to Basic Financial Statements
December 31, 2019

(15) Commitments and Contingencies

Various legal claims have arisen during the normal course of business which, in the opinion of management after discussion with legal counsel, will not result in any material liability to the City.

(16) Pledged Revenues

The City has pledged a portion of future parks sales tax revenues to repay \$20,360,000 in certificates of participation originally issued in December 2005 to finance park improvements throughout the City. The 2005 issue was advanced refunded in 2013. The certificates are payable solely from the sales taxes generated by a 1/2 cent parks sales tax. These taxes were projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$14,411,302 payable through December 2025. For the current year, principal and interest paid and total sales tax revenues were \$2,156,976 and \$6,716,871, respectively.

(17) Section 479.350.1 RSMo Requirements

Under Senate Bill 5, the State of Missouri requires all municipalities to provide an accounting of annual general operating revenue from fines, bond forfeitures and court costs for minor traffic violations, since the Bill went into law on August 28, 2015, in the municipality's annual financial report. The purpose of the bill is to make sure municipalities are not generating more than 12.5% of their operating revenue from fines, bond forfeitures and court costs for minor traffic violations. The City of Chesterfield's revenues from fines, bond forfeitures and court costs for minor traffic violations were 2.27% of operating revenues and 1.20% of total revenues during 2019.

(18) Future Accounting Pronouncements

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

In January 2017, the GASB approved Statement No. 84, "Fiduciary Activities." The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In June 2017, the GASB approved Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

The effects of the City's financial statements as a result of the adoption of these new pronouncements are undetermined

(19) Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

During the first quarter of 2020, there was a global outbreak of a novel strain of the coronavirus (COVID-19), which resulted in a significant disruption to businesses and individuals throughout the world. This outbreak of COVID-19 could significantly affect the operations and future revenue of the City. At the time these financial statements were issued, the City is unable to fully quantify the current and future effects of COVID-19 on its financial position and future revenues and expenses.

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Required Supplementary Information

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule - General Fund
For the year ended December 31, 2019

Schedule 1

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Municipal taxes:				
Utility gross receipts	\$ 6,582,000	\$ 6,582,000	\$ 6,715,585	\$ 133,585
Sales taxes	7,177,000	7,177,000	7,193,842	16,842
Total municipal taxes	13,759,000	13,759,000	13,909,427	150,427
Licenses and permits	1,586,470	1,586,470	1,490,178	(96,292)
Intergovernmental:				
Motor fuel and vehicle sales taxes	1,896,000	1,896,000	1,938,889	42,889
Cigarette tax	117,000	117,000	96,658	(20,342)
Road and bridge tax	1,878,000	1,878,000	2,011,961	133,961
Grants and other	-	-	-	-
Total intergovernmental	3,891,000	3,891,000	4,047,508	156,508
Charges for services:				
Inspection and subdivision fees	10,000	10,000	31,993	21,993
Zoning applications	10,000	10,000	14,557	4,557
Police reports	8,000	8,000	-	(8,000)
False alarms	23,150	23,150	-	(23,150)
Other charges	30,100	30,100	60,763	30,663
Total charges for services	81,250	81,250	107,313	26,063
Other:				
Court fines and forfeitures	692,556	692,556	779,665	87,109
Investment income	110,000	110,000	298,281	188,281
Miscellaneous	105,690	105,690	218,847	113,157
Total other	908,246	908,246	1,296,793	388,547
Total revenues	20,225,966	20,225,966	20,851,219	625,253
EXPENDITURES	10,064,606	10,523,948	10,236,066	287,882
Excess of revenues over expenditures	10,161,360	9,702,018	10,615,153	913,135
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(9,180,551)	(11,595,551)	(11,946,076)	(350,525)
Sale of capital assets	250,000	250,000	149,700	(100,300)
Total other financing sources (uses), net	(8,930,551)	(11,345,551)	(11,796,376)	(450,825)
Net change in fund balance	\$ 1,230,809	\$ (1,643,533)	\$ (1,181,223)	\$ 462,310

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule - General Fund
For the year ended December 31, 2019

Schedule 1

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
General government:				
Legislative - Mayor's Office and City Council	\$ 73,525	\$ 73,525	\$ 70,789	\$ 2,736
Administrative:				
City clerk	92,740	92,740	70,377	22,363
City Administrator	556,419	559,589	477,297	82,292
Economic development	—	—	—	—
Finance	600,501	600,501	557,866	42,635
Central services	1,065,819	1,094,607	1,242,256	(147,649)
Information systems	841,863	840,303	813,389	26,914
Total administrative	3,157,342	3,187,740	3,161,185	26,555
Police services	—	—	—	—
Judicial	270,444	270,444	254,155	16,289
Planning and zoning	782,786	1,044,838	960,642	84,196
Public works:				
Administration and engineering	901,514	905,363	819,854	85,509
Street and sewer maintenance	3,005,202	3,171,418	3,195,348	(23,930)
Vehicle maintenance	874,263	874,263	870,511	3,752
Building maintenance	965,530	962,357	874,160	88,197
Street lighting	34,000	34,000	29,422	4,578
Total public works	5,780,509	5,947,401	5,789,295	158,106
Total expenditures	\$ 10,064,606	\$ 10,523,948	\$ 10,236,066	\$ 287,882

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule
Parks Sales Tax Fund - Special Revenue Major Fund
For the year ended December 31, 2019

Schedule 2

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Municipal taxes:				
Sales taxes	\$ 7,027,193	\$ 7,027,193	\$ 6,716,871	\$ (310,322)
Intergovernmental	-	223,097	24,800	(198,297)
Park charges and fees	1,963,011	1,991,240	2,093,035	101,795
Investment income	-	-	65,315	65,315
Miscellaneous	1,451	15,424	26,626	11,202
Total revenues	<u>8,991,655</u>	<u>9,256,954</u>	<u>8,926,647</u>	<u>(330,307)</u>
EXPENDITURES				
Parks and recreation	5,708,741	5,768,747	5,429,177	339,570
Capital outlay	<u>163,500</u>	<u>385,962</u>	<u>325,037</u>	<u>60,925</u>
Total expenditures	<u>5,872,241</u>	<u>6,154,709</u>	<u>5,754,214</u>	<u>400,495</u>
Excess of revenues over expenditures	<u>3,119,414</u>	<u>3,102,245</u>	<u>3,172,433</u>	<u>70,188</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	1,351,130	1,341,606	(9,524)
Transfers out	<u>(3,009,914)</u>	<u>(3,936,044)</u>	<u>(3,120,211)</u>	<u>815,833</u>
Total other financing sources (uses), net	<u>(2,999,914)</u>	<u>(2,584,914)</u>	<u>(1,778,605)</u>	<u>806,309</u>
Net change in fund balance	<u>\$ 119,500</u>	<u>\$ 517,331</u>	<u>\$ 1,393,828</u>	<u>\$ 876,497</u>

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule - Public Safety Fund
For the year ended December 31, 2019

Schedule 3

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Municipal taxes:				
Sales taxes	\$ 2,432,000	\$ 2,432,000	\$ 2,639,884	\$ 207,884
Total municipal taxes	<u>2,432,000</u>	<u>2,432,000</u>	<u>2,639,884</u>	<u>207,884</u>
Licenses and permits	-	-	-	-
Intergovernmental:				
Grants and other	499,850	499,850	569,579	69,729
Total intergovernmental	<u>499,850</u>	<u>499,850</u>	<u>569,579</u>	<u>69,729</u>
Charges for services:				
Police reports	-	-	9,117	9,117
False alarms	-	-	-	-
Other charges	430,607	456,731	475,581	18,850
Total charges for services	<u>430,607</u>	<u>456,731</u>	<u>484,698</u>	<u>27,967</u>
Court fines and forfeitures	-	-	2,808	2,808
Total revenues	<u>3,362,457</u>	<u>3,388,581</u>	<u>3,696,969</u>	<u>308,388</u>
EXPENDITURES	<u>10,908,808</u>	<u>11,174,528</u>	<u>11,084,771</u>	<u>89,757</u>
Excess of revenues over expenditures	<u>(7,546,351)</u>	<u>(7,785,947)</u>	<u>(7,387,802)</u>	<u>398,145</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,546,351	7,546,351	7,012,963	(533,388)
Total other financing sources (uses), net	<u>7,546,351</u>	<u>7,546,351</u>	<u>7,012,963</u>	<u>(533,388)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (239,596)</u>	<u>\$ (374,839)</u>	<u>\$ (135,243)</u>

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule - Public Safety Fund
For the year ended December 31, 2019

Schedule 3

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
General government:				
Police services	\$ 10,908,808	\$ 11,174,528	\$ 11,084,771	\$ 89,757
Total expenditures	<u>\$ 10,908,808</u>	<u>\$ 11,174,528</u>	<u>\$ 11,084,771</u>	<u>\$ 89,757</u>
Police services				
Personal services	9,741,167	9,741,167	9,674,571	66,596
Contractual services	766,541	766,541	752,023	14,518
Commodities	375,899	375,899	349,560	26,339
Capital outlay	25,201	290,921	308,617	(17,696)
Total police services	<u>10,908,808</u>	<u>11,174,528</u>	<u>11,084,771</u>	<u>89,757</u>
Total expenditures	<u>\$ 10,908,808</u>	<u>\$ 11,174,528</u>	<u>\$ 11,084,771</u>	<u>\$ 89,757</u>

CITY OF CHESTERFIELD, MISSOURI
Notes to Budgetary Comparison Schedules
For the year ended December 31, 2019

EXPLANATION OF BUDGETARY PROCESS

The City prepares and legally adopts an annual budget for the General Fund, the Parks Sales Tax Fund, the Capital Improvement Sales Tax Trust Fund, the Police Forfeiture Fund, the Sewer Lateral Fund, the Chesterfield Valley Tax Increment Financing Fund, all Debt Service Funds, and all Capital Project Funds. Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. The Council follows the procedures outlined below in establishing the budgetary data:

1. During or before the last week of November, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures, estimated revenue of the fund for the budget year, and the means of financing them.
2. During or before December 31, the City Administrator presents the proposed budget at a Public Hearing prior to a regularly scheduled City Council meeting. The budget is adopted at a regular City Council meeting by resolution.
3. Copies of the proposed budget are made available for public inspection in the office of the City Clerk for at least 10 days prior to passage of the budget. At least one public hearing is held on the budget by the City Council. Notice of the hearing is given by publication in a newspaper with general circulation in the City.
4. The budget is adopted by the City Council by the affirmative vote of a majority of the members of the City Council and approval by the Mayor on or before the last day preceding the budget year. If the budget has not been passed and approved by this time, then the budget and appropriations for the current fiscal year shall be rebudgeted and reappropriated for the budget year until a new budget is adopted and approved.
5. All appropriations lapse at year-end; outstanding encumbrances are reappropriated in the subsequent fiscal year budget to provide for the liquidation of the prior commitments.

The legal level of budgetary control for the City's original adopted annual budget is defined as the budgeted division level of each department.

Subsequent transfers within each fund's budget may be made as follows:

- a) Heads of departments may make transfers between Fund divisions in an amount up to \$2,500 with the prior approval of the Finance Director.
- b) Heads of departments may make transfers between Fund divisions in an amount from \$2,500 to \$5,000 with the prior approval of the Finance Director and the City Administrator.
- c) Approval of a majority of the City Council is required for transfers in an amount over \$5,000.

Other Supplementary Information

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The following Special Revenue Funds are maintained by the City:

Police Forfeiture - This fund is used to account for special revenues received, which are specifically earmarked for future expenditures in the area of public safety.

Sewer Lateral - This fund is used to account for special revenues received, which are specifically earmarked for expenditures for repairs to residential sanitary sewer laterals.

Chesterfield Valley Tax Increment Financing - This fund is used to account for financial resources to be used for infrastructure and transportation projects in the Chesterfield Valley.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, certain General long-term debt principal, interest, and related costs. The following Debt Service Funds are maintained by the City:

Parks 1998 - This fund is used to account for the accumulation of resources and payment of general obligation principal and interest on the parks General Obligation Bond issue, Series 2008, which advance refunded the General Obligation Bond issue, Series 1998.

City Hall - This fund is used to account for the accumulation of resources and payment of principal and interest on Government Center Certificates of Participation issued in fiscal year 2000.

Parks Construction - This fund is used to account for the accumulation of resources and payment of principal and interest on the 2008, 2013, 2014 and 2016 Certificates of Participation.

R&S - This fund (Road and Sidewalk Fund) is used to account for the accumulation of resources for and the payment of general long-term debt principal and interest payments on the General Obligation Street and Sidewalk Bond issue Series 2005.

CITY OF CHESTERFIELD, MISSOURI
Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2019

Schedule 4

	Nonmajor Special Revenue Funds				Nonmajor Capital Projects Fund	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
	Police Forfeiture	Sewer Lateral	Chesterfield Valley Tax Increment Financing	Total Special Revenue			
ASSETS							
Cash and investments	\$ 50,000	\$ 266,552	\$ 211,727	\$ 528,279	\$ -	\$ 5,254,571	\$ 5,782,850
Receivables:							
Municipal taxes	-	132,474	-	132,474	-	3,114	135,588
Other	-	-	-	-	-	-	-
Due from other funds	-	-	139,712	139,712	-	925,130	1,064,842
Prepays	-	-	-	-	-	-	-
Total assets	<u>\$ 50,000</u>	<u>\$ 399,026</u>	<u>\$ 351,439</u>	<u>\$ 800,465</u>	<u>\$ -</u>	<u>\$ 6,182,815</u>	<u>\$ 6,983,280</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ 20,585	\$ 1,149	\$ 21,734	\$ -	\$ 476	\$ 22,210
Due to other funds	-	-	-	-	-	11,234	11,234
Deferred revenue	-	-	-	-	-	3,114	3,114
Total liabilities	<u>-</u>	<u>20,585</u>	<u>1,149</u>	<u>21,734</u>	<u>-</u>	<u>14,824</u>	<u>36,558</u>
Fund balances							
Restricted for:							
Public Safety	50,000	-	-	50,000	-	-	50,000
Sewer Lateral	-	378,441	-	378,441	-	-	378,441
Committed for Capital Projects	-	-	350,290	350,290	-	-	350,290
Assigned for Debt Service	-	-	-	-	-	6,171,105	6,171,105
Unassigned	-	-	-	-	-	(3,114)	(3,114)
Total fund balances	<u>50,000</u>	<u>378,441</u>	<u>350,290</u>	<u>778,731</u>	<u>-</u>	<u>6,167,991</u>	<u>6,946,722</u>
Total liabilities and fund balances	<u>\$ 50,000</u>	<u>\$ 399,026</u>	<u>\$ 351,439</u>	<u>\$ 800,465</u>	<u>\$ -</u>	<u>\$ 6,182,815</u>	<u>\$ 6,983,280</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2019

Schedule 5

	Nonmajor Special Revenue Funds				Nonmajor Capital Projects Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
	Police Forfeiture	Sewer Lateral	Chesterfield Valley Tax Increment Financing	Total Special Revenue			
REVENUES							
Municipal taxes	\$ -	\$ 435,583	\$ -	\$ 435,583	\$ -	\$ (322)	\$ 435,261
Intergovernmental	5,378	-	-	5,378	-	-	5,378
Investment income	-	-	4,563	4,563	-	2,111	6,674
Miscellaneous	-	15	77,095	77,110	-	-	77,110
Total revenues	5,378	435,598	81,658	522,634	-	1,789	524,423
EXPENDITURES							
Current:							
Police services	-	-	-	-	-	-	-
Public works	-	444,131	-	444,131	-	-	444,131
Parks	-	-	-	-	-	-	-
Capital outlay	74,426	-	116,182	190,608	-	-	190,608
Debt service:							
Principal	-	-	-	-	-	5,525,000	5,525,000
Interest and fiscal charges	-	-	-	-	-	1,135,454	1,135,454
Bond issuance costs	-	-	-	-	-	-	-
Total expenditures	74,426	444,131	116,182	634,739	-	6,660,454	7,295,193
Deficiency of revenues under expenditures	(69,048)	(8,533)	(34,524)	(112,105)	-	(6,658,665)	(6,770,770)
OTHER FINANCING SOURCES (USES)							
Issuance of refunding bonds	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-
Premium on issuance of refunding bonds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	8,656,444	8,656,444
Transfers out	-	-	-	-	-	(476)	(476)
Total other financing sources (uses), net	-	-	-	-	-	8,655,968	8,655,968
Net change in fund balances	(69,048)	(8,533)	(34,524)	(112,105)	-	1,997,303	1,885,198
Fund balances:							
Beginning of year	119,048	386,974	384,814	890,836	-	4,170,688	5,061,524
End of year	\$ 50,000	\$ 378,441	\$ 350,290	\$ 778,731	\$ -	\$ 6,167,991	\$ 6,946,722

CITY OF CHESTERFIELD, MISSOURI
Combining Balance Sheet
Nonmajor Debt Service Funds
As of December 31, 2019

Schedule 6

	<u>Parks 1998</u>	<u>City Hall</u>	<u>Parks Construction</u>	<u>R&S Debt Service</u>	<u>Total</u>
ASSETS					
Cash and investments	\$ -	\$ 3,098,955	\$ 2,096,185	\$ 59,431	\$ 5,254,571
Receivables:					
Municipal taxes	3,114	-	-	-	3,114
Due from other funds			925,130	-	925,130
Total assets	<u>\$ 3,114</u>	<u>\$ 3,098,955</u>	<u>\$ 3,021,315</u>	<u>\$ 59,431</u>	<u>\$ 6,182,815</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 476	\$ -	\$ 476
Due to other funds	3,114	8,120	-	-	11,234
Deferred revenue	3,114	-	-	-	3,114
Total liabilities	<u>6,228</u>	<u>8,120</u>	<u>476</u>	<u>-</u>	<u>14,824</u>
Fund balances					
Nonspendable: Prepaid Expenses	-	-	-	-	-
Restricted for Debt Service	-	-	-	-	-
Assigned for Debt Service	-	3,090,835	3,020,839	59,431	6,171,105
Unassigned	(3,114)	-	-	-	(3,114)
Total Fund Balance	<u>(3,114)</u>	<u>3,090,835</u>	<u>3,020,839</u>	<u>59,431</u>	<u>6,167,991</u>
Total liabilities and fund balances	<u>\$ 3,114</u>	<u>\$ 3,098,955</u>	<u>\$ 3,021,315</u>	<u>\$ 59,431</u>	<u>\$ 6,182,815</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the year ended December 31, 2019

Schedule 7

	<u>Parks 1998</u>	<u>City Hall</u>	<u>Parks Construction</u>	<u>R&S Debt Service</u>	<u>Total</u>
REVENUES					
Municipal taxes	\$ (322)	\$ -	\$ -	\$ -	\$ (322)
Investment income	-	259	1,852	-	2,111
Total revenues	<u>(322)</u>	<u>259</u>	<u>1,852</u>	<u>-</u>	<u>1,789</u>
EXPENDITURES					
Debt service:					
Principal	-	1,400,000	2,200,000	1,925,000	5,525,000
Interest and fiscal charges	-	232,789	883,415	19,250	1,135,454
Debt Issuance Costs	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,632,789</u>	<u>3,083,415</u>	<u>1,944,250</u>	<u>6,660,454</u>
Deficiency of revenues under expenditures	<u>(322)</u>	<u>(1,632,530)</u>	<u>(3,081,563)</u>	<u>(1,944,250)</u>	<u>(6,658,665)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of refunding bonds	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Premium on issuance of refunding bonds	-	-	-	-	-
Transfers in	818	2,703,605	4,007,771	1,944,250	8,656,444
Transfers out	-	-	(476)	-	(476)
Total other financing sources (uses), net	<u>818</u>	<u>2,703,605</u>	<u>4,007,295</u>	<u>1,944,250</u>	<u>8,655,968</u>
Net change in fund balances	496	1,071,075	925,732	-	1,997,303
Fund balances:					
Beginning of year	(3,610)	2,019,760	2,095,107	59,431	4,170,688
End of year	<u>\$ (3,114)</u>	<u>\$ 3,090,835</u>	<u>\$ 3,020,839</u>	<u>\$ 59,431</u>	<u>\$ 6,167,991</u>

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule
Police Forfeiture Fund - Nonmajor Special Revenue Fund
For the year ended December 31, 2019

Schedule 8

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5,378	\$ 5,378
EXPENDITURES				
Police services	-	-	-	-
Capital outlay	106,288	136,303	74,426	61,877
Total expenditures	106,288	136,303	74,426	(61,877)
Deficiency of revenues under expenditures	(106,288)	(136,303)	(69,048)	67,255
OTHER FINANCING USES				
Transfers out	-	-	-	-
Net change in fund balances	<u>\$ (106,288)</u>	<u>\$ (136,303)</u>	<u>\$ (69,048)</u>	<u>\$ 67,255</u>

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule
Sewer Lateral Fund - Nonmajor Special Revenue Fund
For the year ended December 31, 2019

Schedule 9

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Municipal taxes	\$ 460,000	\$ 460,000	\$ 435,583	\$ (24,417)
Charges for Services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	15	15
Total revenues	<u>460,000</u>	<u>460,000</u>	<u>435,598</u>	<u>(24,402)</u>
EXPENDITURES				
Public works	<u>460,000</u>	<u>460,000</u>	<u>444,131</u>	<u>15,869</u>
Deficiency of revenues under expenditures	-	-	(8,533)	(8,533)
OTHER FINANCING USES				
Transfers out	-	-	-	-
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,533)</u>	<u>\$ (8,533)</u>

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule
Chesterfield Valley Tax Increment Financing Fund - Nonmajor Special Revenue Fund
For the year ended December 31, 2019

Schedule 10

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	\$ -	\$ -	\$ 4,563	\$ 4,563
Miscellaneous	-	-	77,095	77,095
Total revenues	-	-	81,658	81,658
EXPENDITURES				
Public works	351,383	351,383	116,182	235,201
Deficiency of revenues under expenditures	(351,383)	(351,383)	(34,524)	316,859
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Net change in fund balance	\$ (351,383)	\$ (351,383)	\$ (34,524)	\$ 316,859

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule
Parks 1998 - Nonmajor Debt Service Fund
For the year ended December 31, 2019

Schedule 11

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 500	\$ 500	\$ (322)	\$ (822)
EXPENDITURES				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	500	500	(322)	(822)
OTHER FINANCING SOURCES				
Transfers in	-	-	818	818
Net change in fund balance	\$ 500	\$ 500	\$ 496	\$ (4)

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule
City Hall - Nonmajor Debt Service Fund
For the year ended December 31, 2019

Schedule 12

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 259	\$ 259
EXPENDITURES				
Debt service:				
Principal	1,400,000	1,400,000	1,400,000	-
Interest and fiscal charges	234,200	234,200	232,789	1,411
Total expenditures	<u>1,634,200</u>	<u>1,634,200</u>	<u>1,632,789</u>	<u>1,411</u>
Deficiency of revenues under expenditures	(1,634,200)	(1,634,200)	(1,632,530)	1,670
OTHER FINANCING SOURCES				
Transfers in	1,634,200	2,708,070	2,703,605	(4,465)
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,073,870</u>	<u>\$ 1,071,075</u>	<u>\$ (2,795)</u>

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule
Parks Construction - Nonmajor Debt Service Fund
For the year ended December 31, 2019

Schedule 13

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment income	\$ -	\$ -	\$ 1,852	\$ 1,852
Intergovernmental	-	-	-	-
Total Revenue	-	-	1,852	1,852
EXPENDITURES				
Debt service:				
Principal	2,200,000	2,200,000	2,200,000	-
Interest and fiscal charges	884,916	884,916	883,415	1,501
Debt Issuance Costs	-	-	-	-
Total expenditures	3,084,916	3,084,916	3,083,415	1,501
Deficiency of revenues under expenditures	(3,084,916)	(3,084,916)	(3,081,563)	3,353
OTHER FINANCING SOURCES (USES)				
Issuance of refunding bonds	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Premium on issuance of refunding bonds	-	-	-	-
Transfers in	3,009,914	3,936,044	4,007,771	71,727
Transfers out	-	-	(476)	(476)
Total other financing sources	3,009,914	3,936,044	4,007,295	71,251
Net change in fund balance	\$ (75,002)	\$ 851,128	\$ 925,732	\$ 74,604

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule
R&S Debt Service Fund - Nonmajor Debt Service Fund
For the year ended December 31, 2019

Schedule 14

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Investment income	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service:				
Principal	1,925,000	1,925,000	1,925,000	-
Interest and fiscal charges	19,600	19,600	19,250	350
Debt Issuance Costs	-	-	-	-
Total expenditures	<u>1,944,600</u>	<u>1,944,600</u>	<u>1,944,250</u>	<u>350</u>
Deficiency of revenues under expenditures	<u>(1,944,600)</u>	<u>(1,944,600)</u>	<u>(1,944,250)</u>	<u>350</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,885,169</u>	<u>1,885,169</u>	<u>1,944,250</u>	<u>59,081</u>
Net change in fund balance	<u>\$ (59,431)</u>	<u>\$ (59,431)</u>	<u>\$ -</u>	<u>\$ 59,431</u>

Capital Projects Fund

Capital Projects Funds are used to account for the accumulation of resources for the acquisition and construction of major capital assets.

The following major capital projects fund is maintained by the City:

Capital Improvement Sales Tax Trust Fund - This fund is used to account for the accumulation of resources from the one-half cent Capital Improvement sales tax passed by voters in 1997. The revenues are used to pay for principal and interest payments on R&S I and R&S II series bonds, as well as the City's capital projects for annual infrastructure maintenance.

The following nonmajor capital projects fund is maintained by the City:

Parks Construction Fund - This fund is used to account for the accumulation of resources from the 2009B Parks Bonds (subsequently refinanced with the 2014 Certificates of Participation) issue as well as transfers in from the Parks Sales Tax Fund. The funds were designated to assist in the development of City trails, streams, parks and other upgrades.

Fiduciary Fund Types

Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds.

Agency Funds

Court Bond Fund - This fund is used to account for monies received and held as bond deposits to ensure defendants' appearances in court.

Explorers' Fund - This fund is used to account for proceeds received in connection with a joint program sponsored by the City and the local explorer's post.

Highway 40 Trust Fund - This fund is used to account for collection and release of monies for future roadway improvements contemplated in a construction development within the City. Collection of monies ensures completion of projects and restoration of the surrounding area. An inspection by the City is necessary to release funds.

Miscellaneous Escrow Fund - This fund is used to account for the collection and release of monies in connection with various permits issued for construction projects in which the contractor must comply with certain requirements. Collection of monies ensures completion of projects and restoration of the surrounding area. An inspection by the City is necessary to release funds.

CBSA Fund - This fund is used to account for proceeds received in connection with a joint program sponsored by the City and the Chesterfield Baseball and Softball Association.

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule
Capital Improvement Sales Tax Trust Fund - Capital Projects Major Fund
For the year ended December 31, 2019

Schedule 15

	Original Budget	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Municipal taxes:				
Sales taxes	\$ 5,973,114	\$ 5,973,114	\$ 5,709,344	\$ (263,770)
Intergovernmental	-	-	80,671	80,671
Miscellaneous income	-	-	(269,093)	(269,093)
Total revenues	<u>5,973,114</u>	<u>5,973,114</u>	<u>5,520,922</u>	<u>(452,192)</u>
EXPENDITURES				
Public works	332,032	376,032	315,178	60,854
Capital outlay	<u>3,610,402</u>	<u>4,743,410</u>	<u>4,442,283</u>	<u>301,127</u>
Total expenditures	<u>3,942,434</u>	<u>5,119,442</u>	<u>4,757,461</u>	<u>361,981</u>
Excess of revenues over expenditures	<u>2,030,680</u>	<u>853,672</u>	<u>763,461</u>	<u>(90,211)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(1,885,169)</u>	<u>(1,885,169)</u>	<u>(1,944,250)</u>	<u>(59,081)</u>
Total other financing sources (uses), net	<u>(1,885,169)</u>	<u>(1,885,169)</u>	<u>(1,944,250)</u>	<u>(59,081)</u>
Net change in fund balance	<u>\$ 145,511</u>	<u>\$ (1,031,497)</u>	<u>\$ (1,180,789)</u>	<u>\$ (149,292)</u>

CITY OF CHESTERFIELD, MISSOURI
Budgetary Comparison Schedule
Parks Construction Fund - Nonmajor Capital Projects Fund
For the year ended December 31, 2019

Schedule 16

	<u>Original Budget</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Investment income	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Parks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Fiduciary Net Position
Agency Funds
December 31, 2019

Schedule 17

	<u>Court Bond Fund</u>	<u>Explorer's Fund</u>	<u>Highway 40 Trust Fund</u>	<u>Miscellaneous Escrow Fund</u>	<u>CBSA Fund</u>	<u>Total Agency Funds</u>
ASSETS						
Cash and investments	\$ 70,262	\$ 8,882	\$ 55,172	\$ 2,296,444	\$ 350,000	\$ 2,780,760
Accounts Receivable	-	-	-	-	-	-
Due from other funds	55	-	-	-	-	55
Total assets	<u>\$ 70,317</u>	<u>\$ 8,882</u>	<u>\$ 55,172</u>	<u>\$ 2,296,444</u>	<u>\$ 350,000</u>	<u>\$ 2,780,815</u>
LIABILITIES						
Accounts payable	\$ -	\$ 8,882	\$ 55,172	\$ -	\$ 350,000	\$ 414,054
Deposits held in escrow	70,317	-	-	2,296,444	-	2,366,761
Total liabilities	<u>\$ 70,317</u>	<u>\$ 8,882</u>	<u>\$ 55,172</u>	<u>\$ 2,296,444</u>	<u>\$ 350,000</u>	<u>\$ 2,780,815</u>

CITY OF CHESTERFIELD, MISSOURI
Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the year ended December 31, 2019

Schedule 18

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
Court Bond Fund				
Assets - cash and investments	\$ 27,570	\$ 42,692	\$ -	\$ 70,262
Assets - due from other funds	55	-	-	55
Total Assets	<u>\$ 27,625</u>	<u>\$ 42,692</u>	<u>\$ -</u>	<u>\$ 70,317</u>
Liabilities - deposits held in escrow	<u>\$ 27,625</u>	<u>\$ 42,692</u>	<u>\$ -</u>	<u>\$ 70,317</u>
Explorer's Fund				
Assets - cash and investments	<u>\$ 9,481</u>	<u>\$ 172</u>	<u>\$ 771</u>	<u>\$ 8,882</u>
Liabilities - accounts payable	<u>\$ 9,481</u>	<u>\$ 172</u>	<u>\$ 771</u>	<u>\$ 8,882</u>
Highway 40 Trust Fund				
Assets - cash and investments	<u>\$ 55,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,172</u>
Liabilities - accounts payable	<u>\$ 55,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,172</u>
Miscellaneous Escrow Fund				
Assets - cash and investments	\$ 2,718,470	\$ 1,303,436	\$ 1,725,462	\$ 2,296,444
Assets - accounts receivable	89,000	-	89,000	-
Total Assets	<u>\$ 2,807,470</u>	<u>\$ 1,303,436</u>	<u>\$ 1,814,462</u>	<u>\$ 2,296,444</u>
Liabilities - deposits held in escrow	<u>\$ 2,807,470</u>	<u>\$ 2,936,898</u>	<u>\$ 3,447,924</u>	<u>\$ 2,296,444</u>
Parks CBSA Fund				
Assets - cash and investments	<u>\$ -</u>	<u>\$ 350,000.00</u>	<u>\$ -</u>	<u>\$ 350,000</u>
Liabilities - accounts payable	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ 350,000</u>
Total - All Agency Funds				
Assets - cash and investments	\$ 2,810,693	\$ 1,696,300	\$ 1,726,233	\$ 2,780,760
Assets - accounts receivable	89,000	-	89,000	-
Assets - due from other funds	55	-	-	55
Total Assets	<u>\$ 2,899,748</u>	<u>\$ 1,696,300</u>	<u>\$ 1,815,233</u>	<u>\$ 2,780,815</u>
Liabilities - accounts payable	\$ 64,653	\$ 350,172	\$ 771	\$ 414,054
Liabilities - deposits held in escrow	2,835,095	2,979,590	3,447,924	2,366,761
Total liabilities	<u>\$ 2,899,748</u>	<u>\$ 3,329,762</u>	<u>\$ 3,448,695</u>	<u>\$ 2,780,815</u>

Statistical Section

CITY OF CHESTERFIELD, MISSOURI
Notes to Statistical Section
December 31, 2019

This part of the City's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	74-77
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	78-82
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	83-87
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	88-89
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	90-92

Sources: Unless otherwise noted, the information in these schedules is derived from the CAFRs for the relevant year.

Table 1

CITY OF CHESTERFIELD, MISSOURI
Net Position by Component
Last Ten Fiscal Years

Functions/Programs	December 31									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:										
Net Investment in capital assets	\$ 133,596,730	\$ 144,327,104	\$ 154,461,332	\$ 159,288,489	\$ 165,439,709	\$ 175,832,360	\$ 185,177,271	\$ 190,432,849	\$ 193,932,145	\$ 203,101,607
Restricted	14,721,706	2,877,831	3,673,588	4,824,418	3,124,606	4,359,867	3,376,697	3,663,377	2,886,804	1,214,353
Unrestricted	<u>13,361,355</u>	<u>20,900,703</u>	<u>19,525,138</u>	<u>15,901,081</u>	<u>16,626,897</u>	<u>14,340,700</u>	<u>12,882,198</u>	<u>11,564,575</u>	<u>15,829,318</u>	<u>18,062,401</u>
Total governmental activities net position	<u>\$ 161,679,791</u>	<u>\$ 168,105,638</u>	<u>\$ 177,660,058</u>	<u>\$ 180,013,988</u>	<u>\$ 185,191,212</u>	<u>\$ 194,532,927</u>	<u>\$ 201,436,166</u>	<u>\$ 205,660,801</u>	<u>\$ 212,648,267</u>	<u>\$ 222,378,361</u>

Source: Basic financial statements

Table 2

CITY OF CHESTERFIELD, MISSOURI
Changes in Net Position
Last Ten Fiscal Years

	For the years ended December 31									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
EXPENSES										
Primary Government										
Governmental activities:										
General government	\$ 3,428,768	\$ 3,224,915	\$ 3,504,645	\$ 3,612,270	\$ 3,768,186	\$ 3,549,373	\$ 3,466,585	\$ 3,728,755	\$ 3,384,763	\$ 3,568,730
Parks and recreation	4,735,969	5,282,317	6,667,066	9,188,081	6,843,588	6,017,571	7,563,968	7,385,187	7,335,566	7,232,969
Judicial	260,387	236,646	242,383	234,551	247,843	253,116	241,757	252,080	260,041	255,313
Planning	1,422,702	1,081,173	1,040,706	987,612	852,903	934,239	908,638	678,134	777,546	964,147
Public works	11,437,429	9,952,319	11,027,314	11,674,201	12,073,599	11,318,138	12,005,296	12,060,993	10,655,827	5,858,868
Public safety	8,275,428	7,720,308	8,468,966	8,664,668	10,465,006	10,864,250	9,356,672	9,717,324	11,224,519	10,984,153
Interest on long-term debt	3,094,375	2,954,766	2,809,885	2,451,798	2,404,560	1,787,957	1,845,028	1,279,567	1,119,173	932,721
Capital Outlay	-	-	-	-	-	-	-	399,771	-	-
Total primary government expenses	<u>32,655,058</u>	<u>30,452,444</u>	<u>33,760,965</u>	<u>36,813,181</u>	<u>36,655,685</u>	<u>34,724,644</u>	<u>35,387,944</u>	<u>35,501,811</u>	<u>34,757,435</u>	<u>29,796,901</u>
PROGRAM REVENUES										
Primary Government										
Governmental activities:										
Charges for services:										
General government	683,912	696,465	691,161	662,641	724,227	729,870	749,040	716,151	729,741	714,163
Parks and recreation	1,027,958	1,136,840	1,210,006	1,394,799	1,920,356	1,640,112	1,794,837	1,953,302	1,938,210	2,092,995
Judicial	1,317,384	1,275,826	1,223,280	1,296,878	1,230,999	1,176,211	1,033,303	681,028	855,980	778,268
Planning	25,119	24,455	39,377	33,541	32,439	43,412	34,571	57,384	61,726	66,409
Public works	139,747	62,828	154,180	414,247	47,512	584,774	179,612	174,305	84,236	(151,079)
Public safety	60,126	61,604	51,152	55,799	53,214	53,934	46,606	240,244	465,797	496,525
Operating grants and contributions	5,094,736	5,694,181	4,713,574	4,671,981	5,838,334	4,871,779	4,460,450	4,312,654	4,503,875	4,550,607
Capital grants and contributions	2,202,831	7,659,799	2,695,237	8,114,634	2,502,738	3,462,945	6,751,617	2,555,721	947,375	80,671
Total primary government program revenues	<u>10,551,813</u>	<u>16,611,998</u>	<u>10,777,967</u>	<u>16,644,520</u>	<u>12,349,819</u>	<u>12,563,037</u>	<u>15,050,036</u>	<u>10,690,789</u>	<u>9,586,940</u>	<u>8,628,559</u>
Net Revenues (Expenses)										
Total primary government net expense	<u>(22,103,245)</u>	<u>(13,840,446)</u>	<u>(22,982,998)</u>	<u>(20,168,661)</u>	<u>(24,305,866)</u>	<u>(22,161,607)</u>	<u>(20,337,908)</u>	<u>(24,811,022)</u>	<u>(25,170,495)</u>	<u>(21,168,342)</u>
General Revenues and Other Changes in Net Position										
Primary Government										
Governmental activities:										
Taxes:										
Property taxes	618,841	481,419	522,890	524,173	491,974	517,357	3,872	-	-	-
Sales taxes	16,212,514	16,104,082	16,537,971	17,427,057	18,172,465	19,706,655	20,150,313	20,147,798	22,553,778	22,258,813
Gross receipts tax (includes franchise tax)	8,512,571	7,975,310	7,970,597	7,930,276	8,253,569	8,308,322	8,001,265	7,807,439	8,146,494	7,492,613
Sewer lateral	555,847	560,418	551,252	559,184	550,039	552,604	568,195	531,574	537,617	532,241
Investment earnings	522,906	236,571	188,313	47,236	18,705	61,357	47,685	147,383	280,845	370,270
Miscellaneous	86,970	226,765	329,309	182,939	260,090	123,577	244,993	401,463	639,227	244,500
Total primary government	<u>26,509,649</u>	<u>25,584,565</u>	<u>26,100,332</u>	<u>26,670,865</u>	<u>27,746,842</u>	<u>29,269,872</u>	<u>29,016,323</u>	<u>29,035,657</u>	<u>32,157,961</u>	<u>30,898,436</u>
Changes in Net Position										
Total primary government	<u>\$ 4,406,404</u>	<u>\$ 11,744,119</u>	<u>\$ 3,117,334</u>	<u>\$ 6,502,204</u>	<u>\$ 3,440,976</u>	<u>\$ 7,108,265</u>	<u>\$ 8,678,415</u>	<u>\$ 4,224,635</u>	<u>\$ 6,987,466</u>	<u>\$ 9,730,094</u>

Source: Basic financial statements

Table 3

CITY OF CHESTERFIELD, MISSOURI
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	December 31									
	2010	2011 (1)	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Nonspendable	\$ -	\$ 315,421	\$ 326,621	\$ 351,461	\$ 381,070	\$ 554,291	\$ 371,942	\$ 387,938	\$ 422,834	\$ 454,640
Restricted	-	304,737	125,150	122,836	121,300	129,015	133,647	133,647	133,808	129,090
Committed	-	1,502,468	712,719	2,665,608	2,612,384	1,179,935	534,715	-	-	-
Unassigned	-	11,945,289	12,947,803	10,798,346	11,233,430	10,717,788	9,540,893	8,771,592	11,273,190	10,064,879
Reserved	313,113	-	-	-	-	-	-	-	-	-
Unreserved	13,026,230	-	-	-	-	-	-	-	-	-
Total General Fund	\$ 13,339,343	\$ 14,067,915	\$ 14,112,293	\$ 13,938,251	\$ 14,348,184	\$ 12,581,029	\$ 10,581,197	\$ 9,293,177	\$ 11,829,832	\$ 10,648,609
All other governmental funds:										
Nonspendable	\$ -	\$ 6,700	\$ 1,850	\$ 22,935	\$ 1,850	\$ 1,850	\$ -	\$ 5,000	\$ 5,000	\$ -
Restricted	-	2,476,850	3,233,805	4,662,479	2,989,334	4,059,458	2,951,324	3,141,806	2,368,182	734,973
Committed	-	4,709,222	3,336,654	803,014	867,777	1,149,155	582,387	387,926	384,814	350,290
Assigned	-	2,547,444	2,604,527	2,329,919	2,546,925	1,897,255	3,048,857	3,250,264	5,101,047	8,496,683
Unassigned	-	-	-	-	-	(19,741)	(4,434)	(4,253)	(3,610)	(3,114)
Reserved	6,500	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	5,910,621	-	-	-	-	-	-	-	-	-
Capital Project Funds	7,488,023	-	-	-	-	-	-	-	-	-
Debt Service Funds	1,289,731	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 14,694,875	\$ 9,740,216	\$ 9,176,836	\$ 7,818,347	\$ 6,405,886	\$ 7,087,977	\$ 6,578,134	\$ 6,780,743	\$ 7,855,433	\$ 9,578,832

Source: Basic financial statements.

(1) In 2011, GASB Statement No. 54 was implemented

Table 4

CITY OF CHESTERFIELD, MISSOURI
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	For the years ended December 31									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES										
Municipal taxes	\$ 24,353,526	\$ 24,714,140	\$ 25,530,789	\$ 26,557,150	\$ 28,083,202	\$ 27,837,051	\$ 27,607,498	\$ 27,420,647	\$ 30,340,210	\$ 29,410,787
Licenses and permits	1,405,911	1,429,034	1,446,273	1,520,132	1,605,721	1,533,307	1,600,329	1,663,844	1,523,010	1,490,178
Intergovernmental	6,168,445	5,421,620	5,940,145	6,250,747	7,286,575	6,150,652	6,351,973	6,985,266	5,555,107	4,727,936
Charges for services, net	1,228,675	1,306,008	1,583,455	1,768,488	1,760,938	1,906,548	2,003,614	2,304,720	1,993,694	2,200,348
Court fines and forfeitures	1,259,764	1,226,101	1,290,848	1,272,870	1,177,957	1,065,157	838,000	711,087	847,725	782,473
Investment income, net arbitrage	236,571	188,313	47,236	18,703	61,750	47,686	47,852	147,385	280,845	370,270
Miscellaneous	119,748	233,533	481,528	437,905	739,431	437,373	1,217,268	485,485	1,106,653	538,188
Total revenues	<u>34,772,640</u>	<u>34,518,749</u>	<u>36,320,274</u>	<u>37,825,995</u>	<u>40,715,574</u>	<u>38,977,774</u>	<u>39,666,534</u>	<u>39,718,434</u>	<u>41,647,244</u>	<u>39,520,180</u>
EXPENDITURES										
Government	2,900,142	2,690,394	3,080,829	3,220,092	3,352,928	3,131,685	3,079,111	3,366,866	2,971,181	3,218,099
Police services	8,073,774	7,491,176	7,878,348	8,052,881	10,258,001	9,100,819	9,216,640	9,569,418	10,626,588	10,776,154
Judicial	374,434	237,756	241,426	237,707	248,122	252,978	242,349	251,865	258,997	254,155
Planning and development services	1,418,020	1,063,073	1,043,966	984,692	848,918	914,187	908,872	678,436	764,902	960,642
Public works	5,819,677	5,510,508	5,636,416	5,893,415	6,488,829	6,094,766	6,063,428	5,954,569	5,796,273	6,337,889
Parks and recreation	3,579,510	4,533,143	4,026,900	4,591,602	4,997,194	5,820,701	5,822,670	5,577,553	5,512,801	5,429,177
Capital outlay	14,321,060	9,940,082	7,573,259	8,564,650	8,460,558	7,637,252	10,662,885	9,016,592	5,772,849	5,491,135
Debt service:										
Principal	4,190,000	4,425,000	4,645,000	5,300,000	5,040,000	3,605,000	4,690,000	4,950,000	5,235,000	5,525,000
Interest and fiscal charges	3,130,140	2,995,968	2,851,471	2,713,287	2,247,820	1,769,542	1,597,937	1,476,623	1,319,087	1,135,454
Cost of issuance	-	-	-	230,856	162,241	96,460	97,921	-	-	-
Total expenditures	<u>43,806,757</u>	<u>38,887,100</u>	<u>36,977,615</u>	<u>39,789,182</u>	<u>42,104,611</u>	<u>38,423,390</u>	<u>42,381,813</u>	<u>40,841,922</u>	<u>38,257,678</u>	<u>39,127,705</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,034,117)</u>	<u>(4,368,351)</u>	<u>(657,341)</u>	<u>(1,963,187)</u>	<u>(1,389,037)</u>	<u>554,384</u>	<u>(2,715,279)</u>	<u>(1,123,488)</u>	<u>3,389,566</u>	<u>392,475</u>
OTHER FINANCING SOURCES (USES)										
Proceeds from borrowing	-	-	-	22,252,459	8,836,605	7,340,000	3,000,000	-	-	-
Sale of capital assets	189,558	142,264	138,339	199,791	223,528	112,485	103,745	38,070	221,785	149,700
Payments to escrow agent	-	-	-	(22,021,594)	(8,673,624)	(9,091,933)	(2,898,141)	-	-	-
Transfers in	7,074,387	6,517,322	7,997,230	8,281,179	15,937,772	8,982,352	9,835,625	8,592,504	17,016,283	17,011,013
Transfers out	(7,074,387)	(6,517,322)	(7,997,230)	(8,281,179)	(15,937,772)	(8,982,352)	(9,835,625)	(8,592,503)	(17,016,284)	(17,011,013)
Total other financing source (uses)	<u>189,558</u>	<u>142,264</u>	<u>138,339</u>	<u>430,656</u>	<u>386,509</u>	<u>(1,639,448)</u>	<u>205,604</u>	<u>38,071</u>	<u>221,784</u>	<u>149,700</u>
Net change in fund balances	<u>\$ (8,844,559)</u>	<u>\$ (4,226,087)</u>	<u>\$ (519,002)</u>	<u>\$ (1,532,531)</u>	<u>\$ (1,002,528)</u>	<u>\$ (1,085,064)</u>	<u>\$ (2,509,675)</u>	<u>\$ (1,085,417)</u>	<u>\$ 3,611,350</u>	<u>\$ 542,175</u>
Debt service as a percentage of noncapital expenditures	23.72%	26.45%	23.77%	22.61%	21.22%	17.48%	19.59%	19.94%	20.67%	22.75%

Source: Revenues from governmental funds and expenditures from required supplementary information

Table 5

CITY OF CHESTERFIELD, MISSOURI
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Real Property			Personal Property	Railroad and Utilities	Total Taxable Assessed Total	Total Direct Tax Rate	Estimated Actual Value
	Residential Property	Commercial Property	Agricultural Property					
2010	1,108,180	496,507	2,068	255,632	13,744	1,876,131	0.03	8,211,267
2011	1,074,986	462,000	500	229,277	15,180	1,781,943	0.03	7,840,981
2012	1,080,291	457,997	496	223,212	17,652	1,779,648	0.03	7,846,585
2013	1,045,856	457,071	466	224,406	15,549	1,743,348	0.03	7,659,218
2014	1,054,555	473,467	400	237,259	18,516	1,784,197	0.03	-
2015	1,097,102	516,252	508	236,218	20,410	1,870,490	-	8,164,886
2016	1,098,164	530,255	502	244,208	19,057	1,892,186	-	8,233,951
2017	1,202,432	574,377	690	249,002	18,691	2,045,192	-	8,935,431
2018	1,214,798	587,038	577	255,371	18,691	2,076,475	-	9,058,265
2019	1,213,204	539,587	588	254,706	16,905	2,024,990	-	8,894,105

Notes: Assessments are determined by the Assessor of St. Louis County as of January 1.

- (1) Assessments are based on a percentage of estimated actual values. Real property is classified as residential, agricultural, or commercial. Residential property is assessed at 19%, agricultural is assessed at 12%, and commercial is assessed at 32%. All railroad and utility property is assessed at 32%. All personal property is assessed at 33 1/3%. Real property is reassessed biannually in odd-numbered years.
- (2) The City was incorporated on June 1, 1988. No property tax was levied by the City until 1995 when the voters approved an \$11 million general obligation bond issue for parks. The entire levy funded debt service on the bonds until they were paid off. The final levy was during 2014.
- (3) The City participates in the county-wide sales tax sharing pool, therefore, sales tax is not the City's own source revenue.

Table 6

CITY OF CHESTERFIELD, MISSOURI
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Per \$100 of Assessed Value)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Taxes levied on all property in the City:										
Direct rate:										
City of Chesterfield	0.0300	0.0300	0.0300	0.0300	0.0300	-	-	-	-	-
Overlapping rates:										
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
St. Louis County	0.5230	0.5230	0.5230	0.5230	0.5230	0.5150	0.5150	0.4890	0.4890	0.4430
Special School District	0.9950	1.0130	1.0120	1.2400	1.2400	1.2348	1.2409	1.1912	1.1980	1.1077
St. Louis Community College	0.2180	0.2200	0.2200	0.2200	0.2200	0.2176	0.2185	0.2112	0.2129	0.1986
St. Louis County Library	0.1570	0.1630	0.1730	0.2500	0.2500	0.2460	0.2460	0.2340	0.2340	0.2120
Metropolitan St. Louis Sewer District (Extension)	0.0180	0.0190	0.0190	0.0200	0.0200	0.1950	0.2795	0.2694	0.2694	0.2329
Metropolitan Zoological Park and Museum District	0.2550	0.2670	0.2680	0.2800	0.2800	0.2777	0.1196	0.1195	0.2724	0.2549
Sheltered Workshop (Dev. Disability-Productive Living Board)	0.0790	0.0840	0.0840	0.0890	0.0890	0.0880	0.0880	0.0840	0.0840	0.0750
Total Overlapping Rates	<u>2.2750</u>	<u>2.3190</u>	<u>2.3290</u>	<u>2.6520</u>	<u>2.6520</u>	<u>2.8041</u>	<u>2.7375</u>	<u>2.6283</u>	<u>2.7897</u>	<u>2.5541</u>
Total Direct and Overlapping Rates	<u>2.3050</u>	<u>2.3490</u>	<u>2.3590</u>	<u>2.6810</u>	<u>2.6810</u>	<u>2.8041</u>	<u>2.7375</u>	<u>2.6283</u>	<u>2.7897</u>	<u>2.5541</u>
Other Overlapping Rates:										
School districts (2):										
Parkway	3.5670	3.6760	3.9360	3.9360	4.0740	4.4617	4.2163	3.9857	4.0640	3.7661
Rockwood	4.2750	4.4630	4.5360	4.5360	4.6830	4.6015	4.6678	4.5015	4.5539	4.3463
Fire protection districts (3):										
Metro West	1.0120	1.0300	1.0290	1.0290	1.0640	1.0130	1.0110	0.9680	1.1010	1.0440
Monarch	0.8650	0.8420	0.8290	0.8290	0.8290	0.8060	0.8050	0.7630	0.8800	0.8360

Notes:

- (1) The City levied property tax in 1995 when the voters approved an \$11 million general obligation bond issue for parks. The entire levy funded debt service, until it ended after 2014.
- (2) All property is located in one of the two school districts whose boundaries include part of the City.
- (3) All property is located in one of the two fire protection districts whose boundaries include part of the City.

Source: St. Louis County Collector

Table 7

CITY OF CHESTERFIELD, MISSOURI
Principal Property Taxpayers
Current Year and Nine Years Ago
(dollars in thousands)

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
THF Chesterfield Development LLC	\$ 32,421	1	1.60%	\$ 49,454	1	
St Louis County MO	31,517	2	1.56%			
St Louis Missouri Chapter 100	27,721	3	1.37%			
Monsanto	27,298	4	1.35%	34,959	3	
St Louis Premium Outlets	21,758	5	1.07%			
Baxter Crossing	11,243	6	0.56%	7,768	9	
FSP Timberlake Corp.	9,995	7	0.49%	9,733	7	
GAHC3 Chesterfield Corporate Plaza LLC	9,917	8	0.49%			
Chapter 100 St Louis Co	9,444	9	0.47%			
St Andrews	8,709	10	0.43%			
St. Lukes Episcopal Presbyterian Hospital				16,401	5	
Pfizer, Inc.				40,546	2	
Chesterfield Mall				28,974	4	
Chesterfield Village, Inc.				10,673	6	
G&E Healthcare REIT Chesterfield Rehab H				7,841	8	
NNN One Chesterfield Place LLC				5,746	10	
Total	<u>\$ 190,023</u>		<u>9.38%</u>	<u>\$ 212,095</u>		<u>10.21%</u>

Source: St. Louis County Department of Collection

Table 8

CITY OF CHESTERFIELD, MISSOURI
Property Tax Levies and Collections
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year Ended December 31	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	563	482	85.6	81	563	99.9
2011	534	466	87.3	67	533	99.9
2012	534	470	88.0	61	531	99.4
2013	523	463	88.5	57	520	99.5
2014 (1)	536	478	89.2	57	535	99.8
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-

Source: St. Louis County - Collector of Revenue

(1) Final levy was in 2014.

Table 9

CITY OF CHESTERFIELD, MISSOURI
Sales Tax Rates and Taxable Sales
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	City Direct Rate	St. Louis County	State of Missouri	Direct and Overlapping	Sales Tax Revenues	Taxable Sales (1)
2010	1.00%	2.700%	4.225%	7.925%	10,544	1,011,597
2011	1.00%	2.700%	4.225%	7.925%	10,714	1,118,534
2012	1.00%	2.700%	4.225%	7.925%	11,301	1,234,141
2013	1.00%	2.888%	4.225%	8.113%	11,832	1,292,076
2014	1.00%	2.888%	4.225%	8.113%	12,910	1,409,592
2015	1.00%	2.888%	4.225%	8.113%	13,174	1,438,626
2016	1.00%	2.888%	4.225%	8.113%	13,372	1,460,222
2017	1.00%	2.888%	4.225%	8.113%	13,610	1,471,322
2018	1.00%	2.888%	4.225%	8.113%	12,603	1,272,993
2019	1.00%	3.513%	4.225%	8.738%	15,065	1,521,714

(1) Taxable sales reported by the Missouri Department of Revenue. State Law prohibits the disclosure of specific taxpayer information.

Note: The City participates in the county-wide sales tax sharing pool, which is generally distributed based on population.

Note: The City's direct rate is made up of the following:

0.500% Capital improvements sales tax effective April 1997
0.500% Parks and stormwater sales tax effective April 2005

Table 10

CITY OF CHESTERFIELD, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities						Total Primary Government	Percentage of Personal Income (3)	Per Capita
	General Obligation Bonds, net of Premium	Tax Increment Notes	Capital Lease Agreements	Tax Increment Bonds	Lease Revenue Bonds (2)	Less - Reserve for Debt Service			
2010	19,554	-	-	-	52,027	-	70,460	2.87%	1,484
2011	17,313	-	-	-	49,750	-	66,035	2.72%	1,391
2012	15,016	-	-	-	47,308	-	61,390	2.50%	1,293
2013	12,615	-	-	-	45,731	-	58,346	2.51%	1,229
2014	10,134	-	-	-	43,271	-	53,405	2.16%	1,125
2015	7,520	-	-	-	40,345	-	47,865	1.62%	1,008
2016	5,735	-	-	-	37,632	-	43,367	1.47%	913
2017	3,895	-	-	-	34,264	-	38,158	1.28%	804
2018	1,970	-	40	-	30,695	-	32,705	1.10%	689
2019	-	-	30	-	26,882	-	26,912	0.90%	567

Notes: (1) Details regarding the City's outstanding debt can be found in note 13 to the basic financial statements.
(2) Prior years restated to show lease revenue bonds net of premium.
(3) See Table 14 for personal income and population data.

Table 11

CITY OF CHESTERFIELD, MISSOURI
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	General Bonded Debt Outstanding					Percentage of Actual Taxable Value of Property (2)	Per Capita (3)
	General Obligation Bonds, net of Premium	Redevelopment Bonds	Total General Bonded Debt	Resources Restricted to Repaying the General Bonded Debt	Net Bonded Debt		
2010	19,554	-	19,554	(1,059)	18,495	0.99%	389
2011	17,313	-	17,313	(704)	16,609	0.93%	350
2012	15,016	-	15,016	(343)	14,673	0.82%	309
2013	12,615	-	12,615	-	12,615	0.72%	266
2014	10,134	-	10,134	-	10,134	0.57%	213
2015	7,520	-	7,520	-	7,520	0.40%	158
2016	5,735	-	5,735	-	5,735	0.30%	121
2017	3,895	-	3,895	-	3,895	0.19%	82
2018	1,970	-	1,970	-	1,970	0.09%	41
2019	-	-	-	-	-	0.00%	-

Notes: (1) Details regarding the City's outstanding debt can be found in note 13 to the basic financial statements.

(2) See Table 5 for property value data.

(3) See Table 14 for population data.

Table 12

CITY OF CHESTERFIELD, MISSOURI
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019
(dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
St. Louis County	\$ 87,375	7.05 %	\$ 6,160
Parkway School District (1)	245,760	24.58	60,408
Rockwood School District (1)	236,175	27.16	64,145
Monarch Fire Protection District (1)	-	73.47	-
Metro-West Fire Protection District (1)	7,300	72.90	5,322
Subtotal, overlapping debt			<u>136,035</u>
City direct debt	26,912	100.00	<u>26,912</u>
Total direct and overlapping debt			<u><u>\$ 162,947</u></u>

Notes: (1) Only portions of the school and fire districts are located within the City boundaries. The applicable amounts refer to that portion of the district that is contained within the City's boundary. Therefore, the applicable amounts refer to portions of the City's taxpayers.

Source: The above-named jurisdictions, St. Louis County Real Estate Assessment rolls, and St. Louis County report of Assessed Valuation.

Table 13

CITY OF CHESTERFIELD, MISSOURI
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 187,613	\$ 178,194	\$ 177,965	\$ 174,335	\$ 178,941	\$ 179,529	\$ 183,619	\$ 200,714	\$ 205,678	\$ 202,499
Total net debt applicable to limit	19,325	17,110	14,840	12,465	10,134	7,520	5,600	3,805	1,970	-
Legal debt margin	<u>\$ 168,288</u>	<u>\$ 161,084</u>	<u>\$ 163,125</u>	<u>\$ 161,870</u>	<u>\$ 168,807</u>	<u>\$ 172,009</u>	<u>\$ 178,019</u>	<u>\$ 196,909</u>	<u>\$ 203,708</u>	<u>\$ 202,499</u>
Total net debt applicable to the limit as a percentage of debt limit	10.30	9.60	8.34	7.15	5.66	4.19	3.05	1.90	0.96	-

Legal debt margin calculation for fiscal year 2019:

Assessed value	<u>\$ 2,024,990</u>
Debt limit (10% of assessed value)	\$ 202,499
Debt applicable to limit	-
Legal debt margin	<u>\$ 202,499</u>

Note: Bonded indebtedness is limited by Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

Table 14

CITY OF CHESTERFIELD, MISSOURI
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Park Sales Tax Bonds (1)					
	Park Sales Tax	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	5,697,406	3,730,984	1,966,422	1,155,000	1,689,350	0.69
2011	5,790,849	4,637,846	1,153,003	1,240,000	1,659,510	0.40
2012	6,108,998	4,853,540	1,255,458	1,330,000	1,623,539	0.43
2013	6,395,774	4,987,982	1,407,792	1,405,000	1,600,627	0.47
2014	6,977,481	5,492,025	1,485,456	1,210,000	1,051,594	0.66
2015	7,121,200	6,546,134	575,066	1,675,000	1,184,457	0.20
2016	7,228,099	6,284,430	943,669	1,850,000	1,043,955	0.33
2017	6,842,838	5,987,433	855,405	1,945,000	1,018,128	0.29
2018	6,812,227	5,568,047	1,244,180	2,055,000	961,637	0.41
2019	6,716,871	5,754,214	962,657	2,200,000	883,415	0.31

Note: Details regarding the City's outstanding debt can be found in note 13 to the basic financial Statements.
Operating expenses do not include interest, depreciation, or amortization expenses.

- (1) Park sales tax bonds are backed by the sales tax revenue produced by the sales tax rate in effect when the bonds were issued (1/2-cent) applied to the increase in retail sales in the City.

Table 15

CITY OF CHESTERFIELD, MISSOURI
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	School Enrollment		Unemployment Rate
				Parkway School District	Rockwood School District	
2010	47,484	2,454,590	53,782	17,386	22,657	8.9
2011	47,484	2,430,231	54,873	17,456	22,823	7.8
2012	47,484	2,456,110	60,442	17,351	22,504	6.5
2013	47,484	2,320,638	57,540	17,274	22,244	6.2
2014	47,484	2,859,297	60,216	17,466	21,879	5.8
2015	47,484	2,953,220	62,194	17,547	22,144	4.6
2016	47,484	2,953,220	62,194	17,674	21,931	4.2
2017	47,484	2,980,903	62,777	17,803	21,744	3.6
2018	47,484	2,980,903	62,777	17,599	20,964	3.6
2019	47,484	2,980,903	62,777	17,405	22,657	2.4

Source: Most recent data available - Population and per capita personal income data for the City using the U.S. Census Bureau data for the area and Bureau of Economic Analysis for St. Louis County.
School enrollment information provided by Parkway and Rockwood School Districts.
Unemployment rate using U.S. Department of Labor, Bureau of Labor Statistics.

Note: 2015 Per capita personal income used for year 2016.

Table 16

CITY OF CHESTERFIELD, MISSOURI
Principal Employers
Current Year and Nine Years Ago

Employer	2019				2010			
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment	
St. Lukes Hospital	3,672	1	10.20	%	3,645	1	10.13	%
Mercy Health	1,788	2	4.97		-	-	-	
Monsanto	1,600	3	4.44		380	7	1.06	
Reinsurance Group of America	1,521	4	4.23		607	5	1.69	
Parkway School District	1,170	5	3.25		1,027	3	2.85	
Centene	884	6	2.46		-	-	-	
Delmar Gardens	786	7	2.18		1,039	2	2.89	
First Community Credit Union	570	8	1.58		-	-	-	
Rockwood School District	551	9	1.53		363	8	1.01	
Bunge North America	531	10	1.48		-	-	-	
McBride and Sons Management Co.	-	-	-		700	4	1.94	
Amdocs, Inc.	-	-	-		550	6	1.53	
Technology Partners, Inc.	-	-	-		300	9	0.83	
Ikon Office Solutions	-	-	-		293	10	0.81	
Total	<u>13,073</u>		<u>36.32</u>	%	<u>8,904</u>		<u>24.74</u>	%

Source: Survey by, and Business License database from, the Finance Division

Table 17

CITY OF CHESTERFIELD, MISSOURI
Full-time Equivalent City Government Employees by Functions/Programs
Last Ten Fiscal Years

Functions/Programs	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government:										
Elected officials	9	9	9	9	9	9	9	9	9	9
City administrator	2	2	2	2	2	2	2	2	4	4
Community development	-	-	-	-	-	-	-	-	-	-
Customer service	3	3	3	3	3	3	3	3	-	-
Finance	6	6	6	6	6	6	6	6	7.5	7.5
Information systems	4	3	3	4	4	4	4	4	7	8
Court	3	3	3	3	3	3	3	3	3	3
Economic development	1	1	1	1	2	2	2	2	-	-
Planning	9	9	9	9	9	9	9	9	11	11
Police:										
Officers	84	84	84	89	92	94	94	94	99	99
Civilians	8	8	8	8	8	8	8	8	12	13
Public works:										
Engineering	16	16	16	16	16	16	16	16	11	10.5
Street maintenance	29	29	29	29	29	29	29	29	29	29
Vehicle maintenance	5	5	5	5	6	6	6	6	6	6
Building maintenance	6	6	6	6	6	7	7	7	8	8
Parks and recreation	33	33	37	40	44	45	48	48	44.5	45.5
Total	<u>217</u>	<u>216</u>	<u>220</u>	<u>229</u>	<u>237</u>	<u>242</u>	<u>245</u>	<u>245</u>	<u>251</u>	<u>253.5</u>

Source: Payroll Report, Finance Department

Table 18

CITY OF CHESTERFIELD, MISSOURI
Operating Indicators by Functions/Programs
Last Ten Fiscal Years

Functions/Programs	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Adult arrests	1,649	1,753	1,665	1,412	1,647	1,245	1,422	1,567	1,557	1,158
Juvenile arrests	262	218	165	111	186	169	135	131	127	53
Parking violations	381	278	381	279	203	216	258	258	264	130
Traffic violations	12,677	11,628	11,565	12,291	11,908	4,412	7,770	7,179	8,235	7,449
Public works:										
Street work orders completed	2,507	2,543	2,161	64	38	166	3,109	3,109	3,109	1,282
Sidewalk work orders completed	110	97	92	92	125	539	66	176	176	176
Tree trimming work orders completed	865	786	475	220	368	718	587	556	556	1,619
Storm sewer repairs	60	25	23	43	18	62	41	24	24	-
Sewer lateral repairs	85	88	116	126	107	120	109	99	99	127
Handicap accessible sidewalk ramps installed	-	16	52	19	23	19	82	82	82	50
Parks and recreation:										
Athletic field rental hours	15,283	16,047	17,785	17,489	19,049	19,058	17,472	17,127	17,127	13,530
Aquatic Center admissions	52,845	55,487	52,001	35,699	35,648	39,282	39,996	38,267	38,267	24,812
Planning:										
Building permits for new construction	86	68	98	90	50	38	41	66	66	119
Building permits for alterations/additions	3,834	298	385	335	372	760	749	821	821	731
Finance and administration:										
Business licenses issued	2,080	2,080	2,124	2,184	2,321	2,398	2,502	2,597	2,597	2,486
Vending licenses issued	820	789	711	732	700	612	565	475	475	478
Liquor licenses issued	135	141	139	130	134	135	139	134	134	128
Solicitor licenses issued	51	53	54	55	35	77	133	38	38	21

Sources: City of Chesterfield Annual Reports, City of Chesterfield Annual Budgets, various City departments

Table 19

CITY OF CHESTERFIELD, MISSOURI
Capital Asset Statistics by Functions/Programs
Last Ten Fiscal Years

Functions/Programs	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sectors	6	6	6	6	6	6	6	6	6	6
Marked patrol units	36	36	30	30	31	33	34	34	38	38
Public works:										
Streets (miles)	167	167	172	172	175	175	176	176	176	176
Streetlights	184	184	230	230	237	237	237	237	237	237
Parks and recreation:										
Acreage	352	352	352	352	488	488	488	488	488	597
Playgrounds	2	2	2	2	3	3	3	3	3	3
Baseball/softball diamonds	29	29	29	29	29	29	29	29	29	21
Multi-purpose fields (1)	15	15	15	15	15	15	15	15	15	12
Athletic Complex	1	1	1	1	1	1	1	1	1	1
Aquatic Center	1	1	1	1	1	1	1	1	1	1

Note: No capital asset indicators are available for the Planning or Finance and Administration functions.

(1) Multi-purpose fields can all be used for: soccer, football, lacrosse, ultimate frisbee, and field hockey.

APPENDIX C

DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF LEGAL DOCUMENTS

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DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF LEGAL DOCUMENTS

The summaries of the Declaration of Trust, the Lease and the Base Lease contained in this Appendix C do not purport to be comprehensive or definitive and are qualified in their entirety by reference to such documents, copies of which may be viewed at the designated corporate office of the Trustee, or will be provided by the Underwriter to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

DEFINITIONS OF WORDS AND TERMS

The definitions of certain words and terms used in this Official Statement are set forth below:

“Additional Certificates” means any Certificates executed and delivered pursuant to the Declaration of Trust. See the caption **“SUMMARY OF THE DECLARATION OF TRUST – Additional Certificates.”**

“Authorized Representative” means the Mayor, the City Administrator or any other person designated as an Authorized Representative by the Mayor to act on behalf of the City, such designation being approved by the governing body of the City by a resolution or ordinance that is filed with the Trustee.

“Available Revenues” means, for any Fiscal Year, any balances of the City from previous Fiscal Years encumbered to pay Rent, amounts budgeted or appropriated by the City for such Fiscal Year plus any unencumbered balances of the City from previous Fiscal Years that are legally available to pay Rent during such Fiscal Year, plus all moneys and investments, including earnings thereon, held by the Trustee pursuant to the Declaration of Trust.

“Base Lease” means the Base Lease dated as of December 1, 2008, between the City, as lessor, and the Trustee, as lessee.

“Basic Rent” means the Basic Rent Payments comprised of a Principal Portion and an Interest Portion as set forth in the Lease.

“Basic Rent Payment” means a payment of Basic Rent.

“Basic Rent Payment Date” means each June 1 and December 1 during the Lease Term, which commenced on December 1, 2008.

“Business Day” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the Trustee is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“Cede & Co.” means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

“Certificate Payment” means the payments to be made to the Owners of the Certificates, whether representing Interest Portion only or Principal Portion and Interest Portion of Basic Rent under the Lease.

“Certificates” means the Series 2016 Certificates, the Series 2020 Certificates and any Additional Certificates.

“City” means the City of Chesterfield, Missouri, a third-class city duly created, organized and existing under and by virtue of the laws of the State of Missouri, and its successors.

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

“Completion Certificate” means the certificate of the City given in accordance with the Lease. See the caption **“SUMMARY OF THE LEASE – Completion Date; Excess Funds.”**

“Completion Date” means the date of completion of the Series 2020 Project as that date will be certified in the Completion Certificate as provided in the Lease.

“Construction Agreement” means one of any agreements between the City and various parties, if any, providing for the acquisition, construction and installation of various portions of the Series 2020 Project.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking dated as of October 1, 2020 executed by the City, as may be amended from time to time in accordance with its terms.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, execution, sale and delivery of the Certificates, including advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, legal fees of parties to the transaction and all other initial fees and disbursements contemplated by the Lease and the Declaration of Trust.

“Costs of Issuance Fund” means the fund by that name established in the Declaration of Trust.

“Declaration of Trust” means, collectively, the Original Declaration of Trust, the First Supplemental Declaration of Trust, the Second Supplemental Declaration of Trust, the Third Supplemental Declaration of Trust and the Fourth Supplemental Declaration of Trust.

“Directive” means an instrument in writing executed in one or more counterparts by the Owners of Certificates, as determined from the records of the Registrar kept pursuant to the Declaration of Trust, or their lawful attorneys-in-fact, representing not less than a majority of the aggregate unpaid Principal Portion represented by the then-Outstanding Certificates.

“Escrow Agent” means BOKF, N.A., St. Louis, Missouri, and any successors or assigns.

“Escrow Agreement” means the Escrow Trust Agreement dated as of October 1, 2020, between the City and the Escrow Agent.

“Escrow Fund” means the fund by that name established in the Escrow Agreement.

“Event of Default” with respect to the Lease has the meaning specified under the caption **“SUMMARY OF THE LEASE - Events of Default”** and with respect to the Declaration of Trust has the meaning specified under the caption **“SUMMARY OF THE DECLARATION OF TRUST - Defaults.”**

“Event of Lease Default” means an Event of Default under the Lease. See the caption **“SUMMARY OF THE LEASE – Events of Default.”**

“Event of Nonappropriation” means an Event of Nonappropriation as described under the caption **“SUMMARY OF THE LEASE - Nonappropriation.”**

“First Supplemental Declaration of Trust” means the First Supplemental Declaration of Trust dated as of September 1, 2009, executed by the Trustee.

“First Supplemental Lease” means the First Supplemental Lease Purchase Agreement dated as of September 1, 2009, between the City and the Trustee.

“Fiscal Year” means the fiscal year of the City, currently the twelve-month period beginning January 1 and ending on December 31.

“Fourth Supplemental Declaration of Trust” means the Fourth Supplemental Declaration of Trust dated as of October 1, 2020, executed by the Trustee.

“Fourth Supplemental Lease” means the Fourth Supplemental Lease Purchase Agreement dated as of October 1, 2020, between the City and the Trustee.

“Funds” means, collectively, the funds created and held under the Declaration of Trust.

“Government Obligations” means (a) direct noncallable obligations of the United States of America and obligations the timely payment of principal and interest on which is fully and unconditionally guaranteed by the United States of America, and (b) trust receipts or certificates evidencing participation or other direct ownership interests in principal or interest payments to be made upon obligations described in clause (a) above that are held in a custody or trust account free and clear of all claims of persons other than the holders of such trust receipts or certificates, and (c) obligations that are noncallable or for which the call date has been irrevocably determined having an investment rating in the highest rating category of either Moody’s or S&P as a result of the advance refunding of such obligations by the deposit of direct noncallable obligations of the United States of America in a trust or escrow account segregated and exclusively set aside for the payment of such obligations and that mature as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to timely pay such principal and interest.

“Interest Portion” means the portion of each Basic Rent Payment that represents the payment of interest.

“Investment Securities” means and includes any of the following securities, if and to the extent the same are permitted by law:

- (a) Government Obligations;
- (b) other obligations issued by or on behalf of agencies or instrumentalities of the United States of America except for the Federal Farm Credit Bank;
- (c) negotiable certificates of deposit, demand deposits and other deposit arrangements, repurchase agreements, and investment agreements issued by banks or trust companies, including without limitation, the Trustee and its affiliates, continuously secured (to the extent not fully insured by the Federal Deposit Insurance Corporation), for the benefit of the Trustee by lodging with a bank or trust company (which may or may not be the bank or trust company issuing such negotiable certificates of deposit, repurchase agreement or investment agreement), as collateral security, Government Obligations having a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit, demand deposits and other deposit arrangements; and
- (d) money market mutual funds rated in the highest rating category by a nationally recognized rating service consisting of Government Obligations or repurchase agreements for Government Obligations.

“Lease” means, collectively, the Original Lease, the First Supplemental Lease, the Second Supplemental Lease, the Third Supplemental Lease and the Fourth Supplemental Lease.

“Lease Revenue Fund” means the fund by that name established pursuant to the Declaration of Trust.

“Lease Revenues” means the Basic Rent Payments, Supplemental Rent Payments and all other amounts due and owing pursuant to or with respect to the Lease, including prepayments, insurance proceeds, condemnation proceeds, and any and all interest, profits or other income derived from the investment thereof in any fund or account established pursuant to the Declaration of Trust.

“Leased Property” means the Real Property and the portion of the Original Project located thereon.

“Moody’s” means Moody’s Investors Service, Inc. and its successors and assigns, and, if that firm will be dissolved or liquidated or no longer performs the functions of a securities rating service, “Moody’s” will be deemed to refer to any other nationally recognized securities rating service designated by the City, with notice to the Trustee.

“Net Proceeds” means the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all reasonable expenses, including attorneys’ fees, incurred in the collection thereof.

“Notice by Mail” or **“Notice”** of any action or condition “by Mail” means a written notice meeting the requirements of the Declaration of Trust mailed by first-class mail to the Owners of specified Certificates at the addresses shown on the registration books maintained by the Registrar.

“Original Declaration of Trust” means the Declaration of Trust dated as of December 1, 2008, executed by the Trustee.

“Original Lease” means the Lease Purchase Agreement dated as of December 1, 2008, between the City and the Trustee.

“Original Project” means the renovation and improvement of the City’s Central Park and the Chesterfield Valley Athletic Complex, including any modifications, additions, improvements, replacements or substitutions thereto or therefor.

“Original Term” means the period from the date of delivery of the Lease, until the end of the Fiscal Year then in effect.

“Outstanding” means, as of the date of determination, all Certificates theretofore executed and delivered pursuant to the Declaration of Trust except (a) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation, (b) Certificates for the transfer or exchange of or in lieu of or in substitution for which other Certificates shall have been executed and delivered by the Trustee pursuant to the Declaration of Trust, (c) Certificates whose payment or prepayment has been provided for, and (d) Certificates paid or deemed to be paid pursuant to the Declaration of Trust.

“Owner” of a Certificate means the registered owner of such Certificate as shown on the register kept by the Registrar.

“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.

“Prepayment Date” means any date set for prepayment of the Principal Portion of Basic Rent represented by Certificates.

“Prepayment Price” means with respect to any Certificate (or portion thereof), the amount specified in the Declaration of Trust.

“Principal Portion” means the principal portion of the Basic Rent Payments.

“Proceeds” means the aggregate moneys initially paid to the Trustee for each series of the Certificates.

“Project Costs” means all reasonable or necessary expenses related or incidental to the acquisition and construction of the Series 2020 Project, including the expenses of studies, surveys, title policies, architectural and engineering services, legal and other special services and all other necessary and incidental expenses, including interest on the Certificates to the Completion Date. Project Costs include Costs of Issuance.

“Project Fund” means the fund by that name established pursuant to the Declaration of Trust.

“Purchase Price” means the amount designated as such in the Lease that the City may pay to the Trustee to purchase the Trustee’s interest in the Leased Property.

“Real Property” means the real property described in the Lease.

“Rebate Fund” means the fund by that name established pursuant to the Declaration of Trust.

“Record Date” means the fifteenth day of the month (whether or not a Business Day) before the applicable Basic Rent Payment Date.

“Registrar” means the Trustee when acting in that capacity, or its successor as Registrar.

“Renewal Term” means each renewal term of the Lease, each having a duration of one year and a term coextensive with the then-current Fiscal Year as provided in the Lease, except that the last possible Renewal Term will end on December 1, 2031.

“Rent” means, collectively, Basic Rent and Supplemental Rent.

“Rent Payment” means a payment of Rent.

“Representation Letter” means the Representation Letter from the City to the Securities Depository.

“Second Supplemental Declaration of Trust” means the Second Supplemental Declaration of Trust dated as of September 1, 2014, executed by the Trustee.

“Second Supplemental Lease” means the Second Supplemental Lease Purchase Agreement dated as of September 1, 2014, between the City and the Trustee.

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

“Series 2008 Certificates” means the \$4,720,000 original aggregate principal amount Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2008, evidencing a proportionate interest in Basic

Rent Payments to be made by the City pursuant to the Lease, executed and delivered pursuant to the Declaration of Trust.

“Series 2014 Certificates” means the \$8,600,000 original aggregate principal amount Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2014, evidencing a proportionate interest in Basic Rent Payments to be made by the City pursuant to the Lease, executed and delivered pursuant to the Second Supplemental Declaration of Trust.

“Series 2016 Certificates” means the \$3,000,000 original aggregate principal amount Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2016, evidencing a proportionate interest in Basic Rent Payments to be made by the City pursuant to the Lease, executed and delivered pursuant to the Third Supplemental Declaration of Trust.

“Series 2020 Certificates” means the Series 2020A Certificates and the Series 2020B Certificates.

“Series 2020 Project” means the acquisition and improvement of certain vacant land.

“Series 2020A Certificates” means the \$6,055,000 aggregate principal amount Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A, evidencing a proportionate interest in Basic Rent Payments to be made by the City pursuant to the Lease, executed and delivered pursuant to this Fourth Supplemental Declaration of Trust.

“Series 2020B Certificates” means the \$4,730,000 aggregate principal amount Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B, evidencing a proportionate interest in Basic Rent Payments to be made by the City pursuant to the Lease, executed and delivered pursuant to this Fourth Supplemental Declaration of Trust.

“S&P” means Standard & Poor’s Ratings Services, a division of the McGraw-Hill Financial, Inc., and its successors and their assigns, and if that entity will no longer perform the functions of a municipal securities rating agency, “S&P” will be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee.

“Special Tax Counsel” means Gilmore & Bell, P.C., or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds or other obligations issued by states and political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America.

“State” means the State of Missouri.

“Supplemental Declaration of Trust” means any amendment or supplement to the Declaration of Trust entered into pursuant to the Declaration of Trust. See the caption **“SUMMARY OF THE DECLARATION OF TRUST – Amendments Permitted.”**

“Supplemental Lease” means any amendment or supplement to the Lease entered pursuant to the Lease.

“Supplemental Rent” means all amounts due under the Lease other than Basic Rent.

“Supplemental Rent Payment” means a payment of Supplemental Rent.

“Tax Compliance Agreement” means the Tax Compliance Agreement entered into by the City and the Trustee in connection with the execution and delivery of each series of Certificates.

“Third Supplemental Declaration of Trust” means the Third Supplemental Declaration of Trust dated as of April 1, 2016, executed by the Trustee.

“Third Supplemental Lease” means the Third Supplemental Lease Purchase Agreement dated as of April 1, 2016, between the City and the Trustee.

“Trust Estate” means the assets, property and interests held by the Trustee pursuant to the Declaration of Trust and the Lease.

“Trustee” means Wells Fargo Bank, N.A., and its successor or successors and their respective assigns.

“Underwriter” means Commerce Bank Capital Markets Group, the original purchaser of the Series 2020 Certificates.

SUMMARY OF THE DECLARATION OF TRUST

General Provisions

The Declaration of Trust is made by the Trustee. The Declaration of Trust authorizes the Trustee to execute and deliver the Certificates, provides the terms of the Certificates and provides for various Funds related to the Original Project, the Series 2020 Project and the Lease.

Trust Estate

The Trustee has executed and delivered the Declaration of Trust in order to secure the payment of the Principal Portions of Basic Rent Payments, premium, if any, and the Interest Portions of Basic Rent Payments. It further declares that it will hold all of the assets, property and interests received by it under the terms of the Declaration of Trust, the Base Lease and the Lease and all agreements and instruments contemplated thereby (except the Rebate Fund and any compensation, indemnification or other amounts that are due directly to the Trustee under the Declaration of Trust).

Additional Certificates

Upon the execution and delivery of a Supplemental Lease that provides for an increase in the amount of Basic Rent payable under the Lease and so long as no Event of Default or Event of Nonappropriation exists, Additional Certificates evidencing the right of the Owners thereof to receive the Principal Portion and the Interest Portion of such additional Basic Rent may be executed and delivered under and equally and ratably secured by the Declaration of Trust on a parity with the Series 2016 Certificates, the Series 2020 Certificates and any other Additional Certificates, at any time and from time to time, upon compliance with the conditions provided in the Declaration of Trust, for the purposes described under the heading **“SUMMARY OF THE LEASE - Increased Basic Rent.”**

Establishment of Funds

The following funds and accounts have been established with the Trustee:

- (a) Project Fund, which shall contain a Series 2020 Project Account.
- (b) Lease Revenue Fund, which shall contain a Series 2014 Account, a Series 2016 Account and a Series 2020 Account, which Series 2020 Account shall contain a Series 2020A Subaccount and a Series 2020B Subaccount.

(c) Costs of Issuance Fund, which shall contain Series 2020A Account and a Series 2020B Account.

All funds and accounts established pursuant to the Declaration of Trust will be held by the Trustee in trust for the benefit of the Certificate Owners. The money in all of the funds and accounts will be held in trust and applied as provided in the Declaration of Trust.

In addition to the Funds described above, the Escrow Agreement establishes the Escrow Fund to be held and administered by the Escrow Agent in accordance with the provisions of the Escrow Agreement.

Application of Lease Revenues

Lease Revenues will be deposited, as received, pursuant to the Lease, as follows:

- (a) The Basic Rent will be deposited to the applicable account of the Lease Revenue Fund.
- (b) Optional prepayments of the Principal Portion of Basic Rent (in amounts equal to the applicable Prepayment Price) will be deposited to the applicable account of the Lease Revenue Fund.
- (c) Payments of Supplemental Rent pursuant to the Lease will be applied as provided in the Lease.

Undesignated payments of Rent that are insufficient to discharge the full amount then due will be applied first to the Interest Portion of Basic Rent, next to the Principal Portion of Basic Rent and finally to Supplemental Rent.

Disbursements from the Project Fund

Moneys in the Project Fund will be used to pay for Project Costs of the Series 2020 Project, excluding Costs of Issuance. Except as otherwise provided in the Declaration of Trust, payment will be made from moneys in the Project Fund upon receipt by the Trustee of a requisition certificate therefor signed by an Authorized Representative of the City. In the event of the acceleration of all the Certificates pursuant to the Lease, any moneys then remaining in the Project Fund will be transferred to the credit of the Lease Revenue Fund and will be used to pay Basic Rent.

Disbursements from the Costs of Issuance Fund

Moneys in the applicable account of the Costs of Issuance Fund will be used to pay Costs of Issuance of the applicable series of Series 2020 Certificates. Payment will be made from moneys in the Costs of Issuance Fund upon receipt by the Trustee of a requisition certificate therefor signed by an Authorized Representative of the City.

In making disbursements for Costs of Issuance, the Trustee will be entitled to conclusively rely upon each written requisition certificate executed by the Authorized Representative. The approval of each requisition certificate by the Authorized Representative will constitute unto the Trustee an irrevocable determination that all conditions precedent to the payment of the specified amounts from the Costs of Issuance Fund have been completed. The Trustee will make disbursements to pay Costs of Issuance for which any such request is made within five (5) Business Days of the receipt of an executed requisition certificate and any required attachments.

Any balance remaining in an account of the Costs of Issuance Fund on April 1, 2021, shall be transferred and deposited to the credit of the applicable subaccount in the Series 2020 Account of the Lease Revenue Fund to pay Basic Rent.

In the event of the acceleration of all of the Certificates pursuant to the Declaration of Trust, any moneys then remaining in the Costs of Issuance Fund will be transferred and deposited to the credit of the applicable accounts of the Lease Revenue Fund to pay Basic Rent.

Application of Moneys in the Lease Revenue Fund

Except as otherwise provided in the Declaration of Trust, all amounts in the Lease Revenue Fund will be used and withdrawn by the Trustee solely to pay Basic Rent represented by the Certificates when due and payable or on a Prepayment Date.

Investment of Moneys in Various Funds

Moneys held in the Funds will, subject to the requirements of the Tax Compliance Agreement and as provided in the Declaration of Trust, be invested and reinvested by the Trustee, pursuant to written direction of the City, signed by an Authorized Representative of the City, in Investment Securities that mature or are subject to redemption by the owner prior to the date such funds will be needed.

The Trustee will sell and reduce to cash a sufficient amount of such Investment Securities held by the Trustee in any fund held under the Declaration of Trust whenever the cash balance in such Fund is insufficient for the purpose of such Fund. Any such Investment Securities will be held by or under the control of the Trustee and will be deemed at all times a part of the Fund in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Investment Securities will be credited to such Fund, and any loss resulting from such Investment Securities will be charged to such Fund.

For purposes of determining the amount in any Fund, the value of any investments will be computed at the market value thereof (excluding accrued interest), the purchase price thereof (excluding accrued interest) or principal amount, whichever is lower.

The Trustee may, in making or disposing of any investment permitted by the Declaration of Trust, deal with itself (in its individual capacity), or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as a principal for its own account.

Amendments to the Declaration of Trust, the Lease or the Base Lease

The Declaration of Trust, the Lease and the Base Lease and the rights and obligations of the City and of the Owners of the Certificates and of the Trustee may be modified or amended from time to time and at anytime by an amendment or supplement thereto that the parties thereto may enter into when the written consent of the Trustee and the City, if not a party thereto, and the Owners of a majority in aggregate Principal Portion of Basic Rent Payments represented by the Certificates then Outstanding has been filed with the Trustee. No such modification or amendment will (a) extend the stated maturity of any Certificate, or reduce the amount of principal represented thereby, or extend the time of payment or reduce the amount of any Prepayment Price provided in the Declaration of Trust for the payment of any Certificate, or reduce the rate of interest with respect thereto, or extend the time of payment of interest with respect thereto without the consent of the Owner of each Certificate so affected, (b) reduce the aforesaid percentage of Certificates the consent of the Owners of which is required to effect any such modification or amendment or, except in connection with the delivery of any Additional Certificates, permit the creation of any lien on the moneys in the Project Fund or the Lease Revenue Fund or deprive the Owners of the trust created by the Declaration of Trust with respect to the moneys in the Project Fund or the Lease Revenue Fund, or (c) create a preference or priority of any Certificate or Certificates over any other Certificate or Certificates without the consent of the Owners of all of the Certificates then Outstanding.

Notwithstanding the preceding paragraph, the Declaration of Trust, the Lease or the Base Lease and the rights and obligations of the City, of the Trustee and of the Owners of the Certificates may also be modified or amended from time to time by an agreement that the parties thereto may enter into without the

consent of any Certificate Owners, only to the extent permitted by law and only for any one or more of the following purposes: (a) to add to the covenants and agreements of the Trustee in the Declaration of Trust, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Certificates (or any portion thereof), or to surrender any right or power in the Declaration of Trust reserved to or conferred upon the City; provided, however, that no such covenant, agreement, pledge, assignment or surrender will materially adversely affect the interests of the Owners of the Certificates; (b) to add to the covenants and agreements of the City in the Base Lease or the Lease, other covenants and agreements thereafter to be observed or to surrender any right or power therein reserved to or conferred upon the Trustee or the City; provided, however, that no such covenant, agreement or surrender will materially adversely affect the interests of the Owners of the Certificates; (c) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Declaration of Trust, the Base Lease or the Lease, or in regard to matters or questions arising under the Declaration of Trust, the Base Lease or the Lease as the Trustee and the City may deem necessary or desirable and not inconsistent with said agreements, or as may be requested by the City, or the Trustee and that will not, in any such case adversely affect the interests of the Owners of the Certificates; (d) to modify, amend or supplement the Declaration of Trust in such manner as to permit the qualification of the Declaration of Trust under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and that will not materially adversely affect the interests of the Owners of the Certificates; (e) to provide for any additional procedures, covenants or agreements necessary to maintain the exclusion of the Interest Portion of Basic Rent from gross income for purposes of federal income taxation; (f) to provide for the execution and delivery of Additional Certificates; or (g) to make any other change that in the sole judgment of the Trustee does not have a materially adverse effect on the rights of the Certificate Owners.

Opinion of Counsel

Before the Trustee or the City consents to any modification or amendment of the Declaration of Trust, the Base Lease or the Lease, an Opinion of Special Tax Counsel to the effect that such amendment (a) is permitted by the Declaration of Trust and the instrument modified or amended (if other than the Declaration of Trust), (b) complies with its terms, (c) will, upon execution and delivery thereof, be valid and binding upon the City in accordance with the terms of the instrument modified or amended, and (d) will not adversely affect the exclusion from gross income for purposes of federal income taxation of the Interest Portion of Basic Rent Payments represented by the Certificates will be delivered to the Trustee. In any instance in which the Trustee may be required to determine that a modification or amendment will not materially adversely affect the interest of the Owners of the Certificates, prior to consenting to such modification or amendment, the Trustee will be entitled to require that there be delivered to it an Opinion of Counsel to the effect that no such materially adverse affect would result from such modification or amendment. The Trustee will be fully protected and will incur no liability in relying upon such Opinion of Counsel in making such determination.

Defaults

The occurrence of any of the following events, subject to the provisions permitting waivers of defaults, is defined as an “Event of Default” under the Declaration of Trust:

- (a) Default in the due and punctual payment of any Interest Portion of Basic Rent represented by a Certificate; or
- (b) Default in the due and punctual payment of the Principal Portion of Basic Rent represented by a Certificate, whether at the stated payment date thereof or the Prepayment Date set therefor in accordance with the terms of the Declaration of Trust; or
- (c) Any Event of Lease Default.

Acceleration

Upon the occurrence of an Event of Default under the Declaration of Trust, the Trustee may, and upon receipt of a Directive will, by notice in writing delivered to the City, declare the Principal Portion and Interest Portion of Basic Rent represented by all Certificates Outstanding to the end of the then-current Fiscal Year immediately due and payable.

Other Remedies

Upon the occurrence of an Event of Lease Default or Event of Nonappropriation, the Trustee may exercise any remedies available under the Lease and, to the extent consistent therewith, may sell, lease or manage any portion of the Leased Property or Trustee's interest in the Leased Property and apply the net proceeds thereof in accordance with the Declaration of Trust and, whether or not it has done so, may pursue any other remedy available to it under the Lease or at law or in equity.

No remedy by the terms of the Declaration of Trust conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy, but each and every such remedy will be cumulative and will be in addition to any other remedy given to the Trustee or to the Certificate Owners under the Declaration of Trust or now or hereafter existing at law or in equity or by statute.

Rights of Certificate Owners

If an Event of Default or an Event of Nonappropriation has occurred and is continuing and if instructed to do so by a Directive and if indemnified as provided in the Declaration of Trust, the Trustee will be obligated to exercise such one or more of the rights and the remedies conferred by the Declaration of Trust as the Trustee, upon the advice of counsel, deems to be in the interests of the Certificate Owners.

Any other provision in the Declaration of Trust to the contrary notwithstanding, the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding will have the right, at any time, by a Directive, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the Declaration of Trust, or for the appointment of a receiver or any other proceedings under the Declaration of Trust; provided that (a) such Directive will not be otherwise than in accordance with the provisions of law and of the Declaration of Trust, and (b) the Trustee has been indemnified as provided in the Declaration of Trust and will have the right to decline to follow any such direction if the Trustee in good faith determines that the proceeding so directed would involve it in personal liability.

No Owner of any Certificate will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Base Lease, the Lease or the Declaration of Trust, for the execution of any trust thereof, for the appointment of a receiver or to enforce any other remedy thereunder, unless (a) an Event of Default or Event of Nonappropriation has occurred; (b) the Owners have given a Directive to the Trustee and have offered reasonable opportunity either to proceed to exercise the powers granted by the Declaration of Trust or to institute such action, suit or proceeding in its own name; (c) such Certificate Owners have provided to the Trustee indemnification satisfactory to the Trustee; and (d) the Trustee thereafter fails or refuses to exercise the powers granted by the Declaration of Trust or to institute such action, suit or proceedings. Such notification, request and indemnity are at the option of the Trustee to be conditions precedent to the execution of the powers and the trusts of the Declaration of Trust and to any action or cause of action for the enforcement of the Declaration of Trust or for the appointment of a receiver or for any other right or remedy thereunder.

Defeasance

When (a) the obligations of the City under the Lease have been satisfied in connection with the exercise by the City of its option to purchase the Leased Property in accordance with the Lease by the irrevocable deposit in escrow of moneys or Government Obligations (maturing as to principal and interest in such amounts and at such times as are necessary to make any required payments without reinvestment of any

earnings thereon) or both moneys and Government Obligations, and (b) the City has delivered to the Trustee an Opinion of Counsel to the effect that the conditions for such discharge contained in the Declaration of Trust and the Lease have been satisfied or irrevocably provided for and an accountant's certificate verifying the sufficiency of moneys or Government Obligations or both so deposited for the payment of the Principal Portion and Interest Portion of the Certificates and any applicable Prepayment Price to be paid with respect to the Certificates and (c) the City has deposited sufficient moneys to pay the fees, charges and expenses of the Trustee (or has made provision satisfactory to the Trustee for their payment), thereupon the obligations created by the Declaration of Trust will cease, determine and become void except for the right of the Certificate Owners and the obligation of the Trustee to apply such moneys and Government Obligations to the payment of the Certificates as set forth in the Declaration of Trust; provided, however, that all provisions relating to the compensation or indemnification of the Trustee will survive the satisfaction and discharge of the Declaration of Trust.

The Trustee

The Trustee will, prior to an Event of Default or Event of Nonappropriation and after the curing of all Events of Default or Events of Nonappropriation that may have occurred, perform only such duties as are specifically set forth in the Declaration of Trust. The Trustee will, during the existence of any Event of Default or Event of Nonappropriation, exercise such of the rights and powers vested in it by the Declaration of Trust, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee may be removed at any time by a Directive or will resign at any time the Trustee ceases to be eligible in accordance with the Declaration of Trust or becomes incapable of acting, or is adjudged as bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the property or affairs of the Trustee for the purpose of rehabilitation, conservation or liquidation and thereupon a successor Trustee will be appointed by a Directive. Written notice of any removal or resignation pursuant to this paragraph will be given by the Trustee to the City.

The Trustee may at any time resign by giving written notice of such resignation to the City and by giving the Certificate Owners Notice by Mail of such resignation at the addresses listed on the registration books kept by the Registrar. Upon receiving such notice of resignation, a successor Trustee will be appointed by a Directive.

SUMMARY OF THE LEASE

General

The Lease has been entered into between the Trustee and the City and contains the terms and conditions under which the Leased Property will be leased to and used by the City.

Lease Term

The Original Term of the Lease terminated December 31, 2008 and was continued at the option of the City each year since. The Lease Term may be continued, solely at the option of the City, at the end of any Renewal Term for an additional one year, provided that the final Renewal Term shall not extend beyond December 1, 2031. At the end of each Renewal Term, unless the City has terminated the Lease and for no other reason, the City will be deemed to have exercised its option to continue the Lease for the next Renewal Term. The terms and conditions during any Renewal Term will be the same as the terms and conditions during the Original Term, except for any difference in the Rent as provided in the Lease.

Continuation of Lease Term by the City

The City reasonably believes that legally available funds in an amount sufficient to make all payments of Rent during each of the Renewal Terms can be obtained. The City covenants in the Lease that its responsible financial officer will do all things lawfully within his power to obtain and maintain funds from which the Rent may be paid, including making provision for such payments to the extent necessary in each proposed budget or appropriation request submitted for adoption in accordance with applicable provisions of law and to exhaust all available reviews and appeals in the event such portion of the budget or appropriation request is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to extend the Lease for any Renewal Term is to be made in accordance with the City's normal procedures for such decisions by the then-current governing body of the City.

Nonappropriation

The City is obligated only to pay periodic payments under the Lease as may lawfully be made from Available Revenues. If an Event of Nonappropriation occurs, the Lease will be deemed terminated at the end of the then-current Renewal Term. An Event of Nonappropriation will be deemed to have occurred if the City fails to budget, appropriate or otherwise provide for sufficient funds to pay Basic Rent and any reasonably anticipated Supplemental Rent to come due during the immediately following Renewal Term. The City agrees to deliver notice to the Trustee of such termination at least 90 days prior to the end of the then-current Renewal Term, but failure to give such notice will not extend the term beyond such Renewal Term. If the Lease is terminated in accordance with such provision, the City agrees peaceably to transfer and surrender possession of the Leased Property to the Trustee.

Completion Date; Excess Funds

The Completion Date will be evidenced to the Trustee upon receipt by the Trustee of the Completion Certificate signed by an Authorized Representative of the City stating (a) the date on which the Series 2020 Project was substantially completed, (b) that all other facilities necessary in connection with the Series 2020 Project have been purchased, constructed and installed, (c) that the Series 2020 Project and such other facilities have been purchased, constructed, made and installed in accordance with the plans and specifications therefor and in conformance with all applicable zoning, planning, building, environmental and other similar governmental regulations, (d) that, except for Project Costs described in accordance with clause (e), all Project Costs have been paid, and (e) the amounts, if any, to be retained in the Project Fund for the payment of Project Costs, if any, not yet due or Project Costs whose liability the City is contesting, and amounts that otherwise should be retained and the reasons they should be retained. The Completion Certificate may state that it is given without prejudice to any rights of the City that then exist or may subsequently come into being against third parties. Any amounts remaining in the Project Fund that are not needed to pay any remaining Project Costs will be transferred by the Trustee without further authorization to the Lease Revenue Fund.

Enjoyment of Leased Property

The Trustee will provide the City during the Lease Term with quiet use and enjoyment of the Leased Property. The City will, during the Lease Term, peaceably and quietly have, hold and enjoy the Leased Property, without suit, trouble or hindrance from the Trustee, except as expressly set forth in the Lease. The City may use the Leased Property for any governmental or proprietary purpose of the City, subject to the limitations contained in the Lease. Notwithstanding any other provision in the Lease, the Trustee will have no responsibility to cause the Series 2020 Project to be constructed or to maintain, repair or insure the Leased Property.

The City will comply with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Leased Property, as to the manner and use or the condition of the Leased Property. The City will also comply with the mandatory requirements, rules and regulations of all insurers

under the policies required to be carried by the provisions of the Lease. The City will pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the City to comply with the foregoing provisions. Notwithstanding any provision contained in this paragraph, however, the City may, at its own cost and expense, to contest or review by legal or other appropriate procedures the validity or legality of any such governmental statute, law, ordinance, order, judgment, decree, regulation, direction or requirement, or any such requirement, rule or regulation of an insurer and during such contest or review, the City may refrain from complying therewith, if the City furnishes, on request, to the Trustee, at the City's expense, indemnity satisfactory to the Trustee.

Basic Rent

The City will promptly pay all Basic Rent, subject to its right to terminate the Lease as described under the heading **"Nonappropriation"** on each Basic Rent Payment Date. A portion of each Basic Rent Payment is paid as, and represents payment of, interest. To provide for the timely payment of Basic Rent, the City will pay to the Trustee for deposit in the Lease Revenue Fund not less than five Business Days before each Basic Rent Payment Date, the amount due on such Basic Rent Payment Date.

The City will, in accordance with the requirements of law and its normal budgeting procedures, fully budget and appropriate sufficient funds for the current Fiscal Year to make the Rent Payments scheduled to come due during the current Renewal Term, and to meet its other obligations for the current Renewal Term and such funds will not be expended for other purposes.

Supplemental Rent

The City will pay, subject to its right to terminate the Lease as described under the heading **"Nonappropriation,"** as Supplemental Rent (a) all Impositions (as defined below under the caption **"Impositions"**); (b) all amounts required and all other payments that the City has agreed to pay or assume under the Lease; (c) all expenses, including attorneys' fees and expenses to the extent permitted by law, incurred in connection with the enforcement of any rights under the Lease or the Base Lease by the Trustee; (d) all fees and charges of the Trustee as provided in the Lease; and (e) any payments required to be made pursuant to the Tax Compliance Agreement.

Rent Payments to Constitute a Current Expense and Limited Obligation of the City

The obligation of the City to pay Rent under the Lease is limited to payment from Available Revenues and will constitute a current expense of the City. Such obligation will not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the City, nor shall anything contained in the Lease constitute a pledge of the general tax revenues, funds or moneys of the City.

Net Lease; Rent Payments to be Unconditional

The Lease is intended to be net, net, net to the Trustee. Subject to the right of the City to terminate the Lease, the obligations of the City to pay the Basic Rent Payments and to perform and observe the other covenants and agreements contained in the Lease will be absolute and unconditional in all events without abatement, diminution, deduction, setoff or defense, for any reason, including any failure of the Series 2020 Project to be constructed or installed, any defects, malfunctions, breakdowns or infirmities in the Original Project or Series 2020 Project or any accident, condemnation or unforeseen circumstances.

Nothing in the Lease will be construed as a waiver by the City of any rights or claims the City may have against the Trustee, but any recovery upon such rights and claims will be from the Trustee separately.

Increased Basic Rent

Notwithstanding any other provision of the Lease, the Trustee and the City may enter into a Supplemental Lease or Supplemental Leases that increase the amount of Basic Rent payable by the City on any Basic Rent Payment Date to provide funds to pay the costs of (a) repairing, replacing or restoring the Leased Property, (b) improving, upgrading or modifying the Leased Property, (c) completing the Original Project, (d) additional improvements to the Original Project or the acquisition of additional real property to be included in the Leased Property or the acquisition, purchase, construction or equipping of additions to or expansions or remodeling or modification of the Leased Property, and (e) refunding any or all of the Certificates. Each such Supplemental Lease will include an amended schedule of Rental Payments reflecting separately the Principal Portion and the Interest Portion of Basic Rent allocable to the original Lease and to each Supplemental Lease due on each Basic Rent Payment Date as well as the total Basic Rent on each Basic Rent Payment Date.

Disclaimer of Warranties

The Trustee makes no warranty or representation, either express or implied, as to the value, design, condition or fitness for particular purpose or fitness for use of the Series 2020 Project or any part thereof, or warranty with respect thereto. In no event will the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of the Lease or the existence, furnishing, functioning or the City's use of the Series 2020 Project or any part thereof.

Deficiency of Project Fund

If the Project Fund is insufficient to pay fully all Project Costs and to complete fully the Series 2020 Project lien free, the City will pay, in cash, the full amount of any such deficiency by making payments directly to the contractors and to the suppliers of materials and services as the same becomes due. The Trustee is not obligated to pay and will not be responsible for any such deficiency, and the City will save the Trustee whole and harmless from any obligation to pay such deficiency. The City's obligation to pay any such deficiency will be limited to its current budget appropriations for the Series 2020 Project, and the City will have no obligation to appropriate additional funds therefor and may amend the Series 2020 Project to reduce or eliminate such deficiency.

Impositions

The City will bear, pay and discharge, before the delinquency thereof, as Supplemental Rent, all taxes and assessments, general and special, if any, that may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Leased Property, including any taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and including all water and sewer charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, that if not paid when due would impair the security of the Trustee or encumber the Leased Property (all of the foregoing being herein referred to as "Impositions").

Contest of Impositions

The City may, in its own name or in the Trustee's name, contest the validity or amount of any Imposition that the City is required to bear, pay and discharge pursuant to the terms of the Lease by appropriate legal proceedings instituted at least 10 days before the contested Imposition becomes delinquent. The City may permit the Imposition so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee notifies the City that, in the Opinion of Counsel, by nonpayment of any such items the interest of the Trustee in the Leased Property will be endangered or the Leased Property or any part thereof will be subject to loss or forfeiture. In that event, the City shall promptly pay such taxes,

assessments or charges or provide the Trustee with full security against any loss which may result from nonpayment in form satisfactory to the Trustee.

Insurance

The City will, during the Lease Term, cause the Leased Property to be kept continuously insured against such risks customarily insured against for facilities such as the Leased Property and will pay (except as otherwise provided in the Lease) as the same become due, all premiums in respect thereof, such insurance to include the following policies of insurance:

(a) Insurance insuring the Leased Property against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State in an amount not less than the Principal Portion of the Certificates then Outstanding and issued by such insurance company or companies authorized to do business in the State as may be selected by the City. The policy or policies of such insurance will name the City and the Trustee as insureds, as their respective interests may appear. All proceeds from such policies of insurance will be applied as provided in the Lease.

(b) To the extent appropriate, during the acquisition, construction and installation of the Series 2020 Project and in lieu of the insurance required in subparagraph (a) above, builder's risk-completed value insurance insuring the Series 2020 Project against fire, lightning and all other risks covered by the extended coverage endorsement then in use in the State to the full insurable value of the Series 2020 Project (subject to reasonable loss deductible clauses) issued by such insurance company or companies authorized to do business in the State as may be selected by the City. Such policy or policies of insurance will name the City and the Trustee as insureds, as their respective interests may appear, and all payments received under such policy or policies by the City will be paid over to the Trustee.

(c) Comprehensive general accident and public liability insurance (including coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), under which the City and the Trustee are named as insureds, in an amount not less than \$500,000 combined single limit for bodily injuries and property damage.

(d) Workers' compensation and unemployment coverages to the extent, if any, required by the laws of the State.

(e) Owner's policy of title insurance, issued on ALTA forms by a title insurance underwriter acceptable to the Underwriter, insuring the Trustee's leasehold estate created by the Base Lease, subject only to exceptions acceptable to the Underwriter, with endorsements and affirmative coverages reasonably required by the Underwriter, including comprehensive, nonmerger, validity of sublease, creditors' rights, survey or in the absence of a survey, location, access, and contiguity endorsements, and otherwise in form and substance satisfactory to the Underwriter.

(f) Performance and labor and material payment bonds with respect to the Construction Agreements in the full amount of the Construction Agreements from surety companies qualified to do business in the State.

Maintenance and Modification of Leased Property by the City

The City will at its own expense (a) keep the Leased Property in a safe condition, (b) with respect to the Leased Property, comply with all applicable health and safety standards and all other industrial requirements or restrictions enacted or promulgated by the State, or any political subdivision or agency thereof, or by the government of the United States of America or any agency thereof, and (c) keep the Leased Property

in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; provided, however, that the City will have no obligation to operate, maintain, preserve, repair, replace or renew any element or unit of the Leased Property the maintenance, repair, replacement or renewal of which becomes uneconomical to the City because of damage, destruction or obsolescence, or change in economic or business conditions, or change in government standards and regulations. The City will not permit or suffer others to commit a nuisance in or about the Leased Property or itself commit a nuisance in connection with its use or occupancy of the Leased Property. The City will pay all costs and expenses of operation of the Leased Property.

The City may, also at its own expense, make from time to time any additions, modifications or improvements to the Leased Property that it deems desirable for its business purposes and that do not materially impair the structural strength or effective use, or materially decrease the value, of the Leased Property. All such additions, modifications or improvements made by the City will (a) be made in a workmanlike manner and in strict compliance with all laws and ordinances applicable thereto, (b) when commenced, be pursued to completion with due diligence and (c) when completed, be deemed a part of the Leased Property.

Damage, Destruction and Condemnation

The City will bear the risk of loss with respect to the Leased Property during the Lease Term. If (a) the Leased Property or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Leased Property or any part thereof shall be nonexistent or deficient or taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, the City will cause the Net Proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Leased Property, unless the City has exercised its option to purchase the Trustee's interest in the Leased Property by making payment of the Purchase Price as provided in the Lease. Any balance of the Net Proceeds remaining after such work has been completed will be paid to the City and will be held and appropriated by the City for the exclusive purpose of paying Rent under the Lease.

If the City determines that the repair, restoration, modification or improvement of the Leased Property is not economically feasible or in the best interest of the City, then, in lieu of making such repair, restoration, modification or improvement and if permitted by law, the City will promptly purchase the Trustee's interest in the Leased Property pursuant to the Lease by paying the Purchase Price. The Net Proceeds will be applied by the City to payment of the Purchase Price. Any balance of the Net Proceeds remaining after paying the Purchase Price will belong to the City.

In the Lease, the City acknowledges the provisions pertaining to eminent domain in the Base Lease. The Trustee and City agree that the terms of the Base Lease are incorporated in and made a part of the Lease to the same extent as if set forth in full in the Lease. This Section will survive the termination of the Lease for any reason.

If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to above, and the City has not elected to purchase the Trustee's interest in the Leased Property, the City will complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds. If the City makes any payments as provided in this paragraph, the City will not be entitled to any reimbursement therefor from the Trustee nor will the City be entitled to any diminution of Rent.

Purchase Option

The City may purchase the Trustee's interest in the Leased Property, upon giving written notice to the Trustee at least 30 days before the purchase date, at the following times and on the following terms:

(a) On or after December 1, 2027, upon payment in full of Rent Payments then due plus a Purchase Price equal to 100% of the remaining Principal Portions of Basic Rent for the maximum Lease Term plus the Interest Portion of Basic Rent accrued to the Prepayment Date.

(b) Upon deposit of moneys or Government Obligations or both with the Trustee in accordance with the Declaration of Trust, in the amount necessary to provide for the Basic Rent Payments until and on, and the Purchase Price calculated as described in (a) above on the Certificates to, the next Prepayment Date, which will be on or after December 1, 2027.

(c) In the event of substantial damage to or destruction or condemnation (other than condemnation by the City or any entity controlled by or otherwise affiliated with the City) of, or loss of title to, substantially all of the Leased Property, or if, as a result of changes in the constitution of the State or legislative or administrative action by the State or the United States, the Base Lease or the Lease becomes unenforceable, on the Basic Rent Payment Date the City specifies as the purchase date in the City's notice to the Trustee of its exercise of the purchase option, upon payment in full of the Rent Payments then due plus the then remaining Principal Portions of Basic Rent for the maximum Lease Term, plus the Interest Portion of Basic Rent accrued to the Prepayment Date.

Partial Prepayment

On or after December 1, 2027, the City may prepay the Basic Rent Payments with respect to the Series 2020A Certificates in part, upon giving written notice to the Trustee at least 30 days before the Prepayment Date, at the Prepayment Price equal to 100% of the Principal Portion of Basic Rent being so prepaid plus the Interest Portion of Basic Rent accrued thereon to such Basic Rent Payment Date.

The Principal Portion of Basic Rent prepaid pursuant to the provisions of the Lease will be in integral multiples of \$5,000 and shall be credited in inverse order of maturity. Upon any partial prepayment, the amount of each Interest Portion of Basic Rent coming due thereafter will be reduced by the amount of such Interest Portion attributable to such prepaid Principal Portion determined by applying the annual interest rate corresponding to such prepaid Principal Portion.

Assignment and Subleasing by the City

Except as provided in the Lease, none of the City's right, title and interest in, to and under the Base Lease, the Lease and in the Leased Property may be assigned or encumbered by the City for any reason; except that the City may sublease any one or more parts of the Leased Property if the City obtains an Opinion of Special Tax Counsel that such subleasing will not adversely affect the exclusion of the Interest Portion of the Basic Rent Payments from gross income for purposes of federal income taxation. Any such sublease of all or part of the Leased Property shall be subject to the Base Lease, the Lease and the rights of the Trustee in, to and under the Base Lease, the Lease and the Leased Property.

Events of Default

Any of the following will constitute an "Event of Default" under the Lease:

- (a) Failure by the City to pay Basic Rent pursuant to the Lease;
- (b) Failure by the City to make any Supplemental Rent Payment when due and the continuance of such failure for 10 days after written notice specifying such failure and requesting that it be remedied is given to the City by the Trustee;
- (c) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Lease, other than as described in subparagraph (a) or (b) above, for a period of 30 days after written notice specifying such failure and requesting that it be

remedied is given to the City by the Trustee unless the Trustee will agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected;

(d) Any statement, representation or warranty made by the City in or pursuant to the Base Lease or the Lease or the execution, delivery or performance of either of them proves to have been false, incorrect, misleading or breached in any material respect on the date when made;

(e) Any provision of the Lease or the Base Lease at any time for any reason ceases to be valid and binding on the City, or is declared to be null and void, or the validity or enforceability thereof is contested by the City or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of the Trustee; or

(f) The City becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee, receiver or custodian for the City or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian for the City or a substantial part of its property and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the State and, if instituted against the City, is consented to or acquiesced in by the City or is not dismissed within 60 days.

Failure of the City to comply with the Continuing Disclosure Certificate will not be an Event of Default under the Lease.

Remedies on Default

Whenever any Event of Default under the Lease exists, the Trustee will have the right, without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to the City, the Trustee may declare all Rent payable by the City under the Lease to the end of the then-current Original Term or Renewal Term to be due;

(b) With or without terminating the Lease, the Trustee may take possession of the Leased Property (in which event the City will take all actions necessary to authorize, execute and deliver to the Trustee for the remainder of the Trustee's leasehold term under the Base Lease all documents necessary to vest in the Trustee for the remainder of the Trustee's leasehold term under the Base Lease all of the City's interest in the Leased Property), and sell the Trustee's interest in the Leased Property or lease the Leased Property or, for the account of the City, sublease the Leased Property continuing to hold the City liable for the difference between (1) the Rent payable by the City under the Lease for the then-current Original Term or Renewal Term, as the case may be, and (2) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of the Trustee in exercising its remedies under the Lease, including without limitation all expenses of taking possession, removing, storing, reconditioning, and selling or leasing or subleasing the Leased Property and all brokerage, auctioneers and attorney's fees);

(c) The Trustee may terminate any rights the City may have in any moneys held by the Trustee under the Declaration of Trust; and

(d) The Trustee may take whatever action at law or in equity necessary or desirable to enforce its rights in the Leased Property and under the Lease.

SUMMARY OF THE BASE LEASE

Generally

The City and the Trustee have entered into the Base Lease under which the City leases the Real Property to the Trustee for the rentals and upon the terms and conditions set forth therein.

Term

The term of the Base Lease commences from the date of delivery thereof, and ends on December 1, 2048, unless extended or terminated as provided therein.

Rental

As and for rental under the Base Lease and in consideration for the leasing of the Real Property to the Trustee, the Trustee will take the following actions: (a) simultaneously with the delivery of the Base Lease, enter into the Lease; (b) simultaneously with the delivery of the Base Lease, pay to the City the sum of \$10.00 and provide such other consideration as the Trustee and City may agree; and (c) deposit funds in the amount and in the Funds established and as set forth in the Declaration of Trust.

Assignments and Subleases

The Trustee will hold the Base Lease and its rights thereunder for the benefit of Owners of the Certificates. The Trustee may assign the Base Lease and its rights thereunder or lease or sublease the Leased Property without the written consent of the City (a) in connection with any assignment of its rights under the Lease, (b) if the Lease is terminated for any reason or (c) if any Event of Default under the Lease has occurred.

Termination

The Base Lease will terminate at the end of its stated term; provided, however, that if the City pays the Purchase Price or all of the Rent Payments pursuant to the Lease and exercises its option to purchase the Trustee's interest in the Leased Property, then the Base Lease will be considered assigned to the City and terminated through merger of the leasehold interest under the Base Lease with the fee interest of the City if the City is the owner of the fee interest.

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE UNDERTAKING

Dated as of October 1, 2020

by the

CITY OF CHESTERFIELD, MISSOURI

\$6,055,000
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI,
LESSEE)
SERIES 2020A

\$4,730,000
TAXABLE REFUNDING
CERTIFICATES OF PARTICIPATION (CITY
OF CHESTERFIELD, MISSOURI, LESSEE)
SERIES 2020B

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of October 1, 2020 (this “**Continuing Disclosure Undertaking**”), is executed and delivered by the **CITY OF CHESTERFIELD, MISSOURI** (the “**City**”).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the City in connection with the delivery of (a) \$6,055,000 principal amount of Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A (the “**Series 2020A Certificates**”) and (b) \$4,730,000 principal amount of Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B (the “**Series 2020B Certificates**” and, together with the Series 2020A Certificates, the “**2020 Certificates**”), pursuant to a Declaration of Trust dated as of December 1, 2008, as supplemented by the First Supplemental Declaration of Trust dated as of September 1, 2009, the Second Supplemental Declaration of Trust dated as of September 1, 2014, the Third Supplemental Declaration of Trust dated as of April 1, 2016 and the Fourth Supplemental Declaration of Trust dated as of October 1, 2020 (as supplemented, the “**Declaration of Trust**”), granted by Wells Fargo Bank, N.A., as trustee (the “**Trustee**”).

2. The City is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the 2020 Certificates and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “**Rule**”). The City is the only “**obligated person**” with responsibility for continuing disclosure hereunder.

The City covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Declaration of Trust, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report provided by the City pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

“**Beneficial Owner**” means any registered owner of any 2020 Certificates and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2020 Certificates (including persons holding 2020 Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2020 Certificates for federal income tax purposes.

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the Trustee or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“Dissemination Agent” means any entity designated in writing by the City to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the City a written acceptance of such designation.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the **12-month** period beginning on **January 1** and ending on **December 31** or any other **12-month** period selected by the City as the Fiscal Year of the City for financial reporting purposes.

“Material Events” means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“Participating Underwriter” means any of the original underwriter(s) of the 2020 Certificates required to comply with the Rule in connection with the offering of the 2020 Certificates.

Section 2. Provision of Annual Reports.

- (a) The City shall, not later than 180 days after the end of the City’s Fiscal Year, commencing with the year ending December 31, 2020, file with the MSRB, through EMMA, the following financial information and operating data (the **“Annual Report”**):
 - (1) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with accounting principles generally accepted in the United States. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the 2020 Certificates, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the 2020 Certificates, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the City.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is

an “**obligated person**” (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The City shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

- (b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than **10** Business Days after the occurrence of any of the following events, the City shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the 2020 Certificates (“**Material Events**”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2020 Certificates, or other material events affecting the tax status of the 2020 Certificates;
- (7) modifications to rights of certificate holders, if material;
- (8) certificate calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the 2020 Certificates, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the City has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the City shall send a notice to the MSRB of the failure of the City to file on a timely basis the Annual Report, which notice shall be given by the City in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The City's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the 2020 Certificates. If the City's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the 2020 Certificates, the City shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the City. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the City pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the City may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Special Tax Counsel or other counsel experienced in federal securities law matters provides the City with its written opinion that the undertaking of the City contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the City chooses to include any

information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the City shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the City fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the 2020 Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Declaration of Trust, the Lease or the 2020 Certificates, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the City to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the City, the Participating Underwriter, and the Beneficial Owners from time to time of the 2020 Certificates, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Declaration of Trust or the 2020 Certificates shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

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IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

CITY OF CHESTERFIELD, MISSOURI

By: _____
Title: Mayor

EXHIBIT A
TO CONTINUING DISCLOSURE UNDERTAKING

**FINANCIAL INFORMATION AND OPERATING DATA TO BE
INCLUDED IN ANNUAL REPORT**

The financial information and operating data contained in the tables in Appendix A of the final Official Statement relating to the 2020 Certificates under the sections captioned contained:

1. **“FINANCIAL INFORMATION CONCERNING THE CITY - The General Fund,”
“ - General Sales Tax Collection” and “ - Park Sales Tax”.**
2. **“PROPERTY TAX INFORMATION - Property Valuations – *Current Assessed Valuation*,” “- History of Tax Levies” and “- Tax Collection Record.”**

APPENDIX E

FORM OF OPINION OF SPECIAL TAX COUNSEL

Gilmore & Bell, P.C., St. Louis, Missouri, Special Tax Counsel to the City, proposes to issue its approving opinion upon the delivery of the Series 2020 Certificates in substantially the following form:

Mayor and City Council
Chesterfield, Missouri

Commerce Bank Capital Markets Group
Kansas City, Missouri

Wells Fargo Bank, N.A., as Trustee
Chicago, Illinois

Re: \$6,055,000 Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A and \$4,730,000 Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B

Ladies and Gentlemen:

We have acted as special tax counsel in connection with a transaction involving the \$6,055,000 Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A (the “Series 2020A Certificates”) and \$4,730,000 Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B (the “Series 2020B Certificates” and, together with the Series 2020A Certificates, the “Series 2020 Certificates”), evidencing proportionate interests of the owners thereof in Basic Rent Payments to be made by the City of Chesterfield, Missouri (the “City”) under a Lease Purchase Agreement dated as of December 1, 2008 (the “Original Lease”), as amended and supplemented by a First Supplemental Lease Purchase Agreement dated as of September 1, 2009 (the “First Supplemental Lease”), a Second Supplemental Lease Purchase Agreement dated as of September 1, 2014 (the “Second Supplemental Lease”), a Third Supplemental Lease Purchase Agreement dated as of April 1, 2016 (the “Third Supplemental Lease”) and as amended and supplemented by a Fourth Supplemental Lease Purchase Agreement dated as of October 1, 2020 (the “Fourth Supplemental Lease” and, together with the Original Lease, the First Supplemental Lease, the Second Supplemental Lease and the Third Supplemental Lease, the “Lease”), between Wells Fargo Bank, N.A., a national banking association (the “Trustee”), and the City. Capitalized terms used herein and not otherwise defined herein will have the meanings assigned to such terms in the Lease and in the Declaration of Trust dated as of December 1, 2008 (the “Original Declaration of Trust”), as amended and supplemented by a First Supplemental Declaration of Trust dated as of September 1, 2009 (the “First Supplemental Declaration of Trust”), a Second Supplemental Declaration of Trust dated as of September 1, 2014 (the “Second Supplemental Declaration of Trust”), a Third Supplemental Declaration of Trust dated as of April 1, 2016 (the “Third Supplemental Declaration of Trust”) and a Fourth Supplemental Declaration of Trust dated as of October 1, 2020 (the “Fourth Supplemental Declaration of Trust” and, together with the Original Declaration of Trust, the First Supplemental Declaration of Trust, the Second Supplemental Declaration of Trust and the Third Supplemental Declaration of Trust, the “Declaration of Trust”), executed by the Trustee.

We have examined (a) the Lease, (b) the Declaration of Trust, (c) the Tax Compliance Agreement, (d) the Continuing Disclosure Undertaking, (e) certifications of officers and officials of the City and others, and (f) the form of the Series 2020 Certificates. In addition, we have reviewed and considered the Internal

Revenue Code of 1986, as amended (the “Code”), and the applicable regulations thereunder promulgated by the United States Treasury Department.

In rendering the opinions set forth herein, we have assumed without undertaking to verify the same by independent investigation, (a) as to questions of fact, the accuracy of all representations of the Trustee and the City set forth in the Lease, the Declaration of Trust, the Tax Compliance Agreement, the Continuing Disclosure Undertaking, and all certificates of and officials of the Trustee, the City and others examined by us, and (b) the conformity to original documents of all documents submitted to us as copies and the authenticity of such original documents and all documents submitted to us as originals.

Based on and subject to the foregoing, we are of the opinion, under existing law, as follows:

1. The Declaration of Trust has been approved by the City, and the Lease, the Tax Compliance Agreement and the Continuing Disclosure Undertaking have been duly authorized, executed and delivered by the City and constitute legal, valid and binding agreements of the City, enforceable in accordance with their terms, except that the Lease is enforceable only during each fiscal year for which sufficient funds have been appropriated.

2. The Series 2020 Certificates have been duly authorized, executed and delivered in accordance with the Declaration of Trust, are entitled to the benefits and security of the Declaration of Trust and evidence interests in the right to receive Basic Rent Payments under the Lease, which right to receive Basic Rent Payments is enforceable against the City in accordance with the terms of the Series 2020 Certificates, the Declaration of Trust and the Lease.

3. The Interest Portion of each Basic Rent Payment represented by the Series 2020A Certificates (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the City complies with all requirements of the Code that must be satisfied subsequent to the delivery of the Series 2020A Certificates in order that the Interest Portion of each Basic Rent Payment represented by the Series 2020A Certificates be, or continue to be, excludable from gross income for federal and Missouri income tax purposes. The City has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the Interest Portion of each Basic Rent Payment represented by the Series 2020A Certificates to be included in gross income for federal and Missouri income tax purposes retroactive to the date of delivery of the Series 2020A Certificates. The City’s obligation to pay Basic Rent under the Lease with respect to the Series 2020A Certificates is a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code.

We express no opinion regarding (a) other federal or Missouri tax consequences arising with respect to the Basic Rent or the Series 2020A Certificates, (b) the treatment for federal or Missouri income tax purposes of any money received by registered owners of the Series 2020A Certificates other than payments by the City made pursuant to the Lease upon an Event of Nonappropriation or an Event of Default or (c) the title to or the description of the property subject to the Lease.

The rights of the owners of the Series 2020 Certificates and the enforceability of the Series 2020 Certificates, the Declaration of Trust, the Lease, the Tax Compliance Agreement and the Continuing Disclosure Undertaking may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

ESCROW TRUST AGREEMENT

Dated as of October 1, 2020

Between the

CITY OF CHESTERFIELD, MISSOURI

and

**BOKF, N.A.,
as Escrow Agent**

Entered in Connection with the Refunding and/or Payment and Discharge of a portion of the:

**Refunding Certificates of Participation
(City of Chesterfield, Missouri, Lessee)
Series 2014**

ESCROW TRUST AGREEMENT

THIS ESCROW TRUST AGREEMENT dated as of October 1, 2020 (the “Agreement”), between the **CITY OF CHESTERFIELD, MISSOURI** (the “City”), and **BOKF, N.A.**, a national banking association duly organized and existing under the laws of the United States of America, with a corporate trust office located in St. Louis, Missouri, and having full trust powers, as escrow agent (the “Escrow Agent”).

RECITALS:

1. The City has heretofore duly authorized the delivery of the following series of certificates of participation, which it has determined to refund:

<u>Series of Certificates</u>	<u>Date of Certificates</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee) Series 2014 (the “Series 2014 Certificates”)	September 17, 2014	\$8,600,000	\$6,460,000

2. The City desires to advance prepay a portion of the Series 2014 Certificates being those Series 2014 Certificates maturing on December 1, 2021 through and including December 1 2031 (the “Refunded Certificates”).

3. The Refunded Certificates will mature (or will be subject to prepayment prior to maturity) in the amounts and on the dates shown on **Schedule 1** attached hereto.

4. Pursuant to a Declaration of Trust dated as of December 1, 2008 (the “Original Declaration of Trust”), as amended and supplemented by the First Supplemental Declaration of Trust dated as of September 1, 2009 (the “First Supplemental Declaration of Trust”), as further amended and supplemented by the Second Supplemental Declaration of Trust dated as of September 1, 2014 (the “Second Supplemental Declaration of Trust”), as further amended and supplemented by the Third Supplemental Declaration of Trust dated as of April 1, 2016 (the “Third Supplemental Declaration of Trust”) and as further amended by the Fourth Supplemental Declaration of Trust dated as of October 1, 2020 (the “Fourth Supplemental Declaration of Trust” and together with the Original Declaration of Trust, the First Supplemental Declaration of Trust, the Second Supplemental Declaration of Trust and the Third Supplemental Declaration of Trust, the “Declaration of Trust”), Wells Fargo Bank, N.A., as trustee, will deliver \$4,730,000 aggregate principal amount of Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B (the “Refunding Certificates”), the proceeds of which will be used to (a) pay and refund the Refunded Certificates and (b) pay the costs of delivering the Refunding Certificates.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

Section 1. Definitions. The following words and terms used in this Agreement shall have the following meanings:

“**Agreement**” means this Escrow Trust Agreement.

“City” means the City of Chesterfield, Missouri.

“Declaration of Trust” means, collectively, the Original Declaration of Trust, the First Supplemental Declaration of Trust, the Second Supplemental Declaration of Trust, the Third Supplemental Declaration of Trust and the Fourth Supplemental Declaration of Trust.

“Escrow Agent” means BOKF, N.A., St. Louis, Missouri, and its successor or successors at the time acting as the Escrow Agent under this Agreement.

“Escrow Fund” means the fund by that name referred to in **Section 3** hereof.

“Escrowed Securities” means the direct non-callable obligations of the United States of America listed on **Schedule 2** attached hereto and any Substitute Escrowed Securities.

“Prepayment Date” means December 1, 2021.

“Refunded Certificate Payment Date” means any date on which any principal portion or interest portion of the Refunded Certificates is due and payable, including the Prepayment Date.

“Refunded Certificates” means a portion of the outstanding Series 2014 Certificates, being those Series 2014 Certificates maturing on December 1, 2021 through and including December 1, 2031, as further described on **Schedule 1** attached hereto.

“Refunding Certificates” means the Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B, authorized and delivered pursuant to the Declaration of Trust.

“Series 2014 Certificates” means the Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2014, delivered in the original principal amount of \$8,600,000.

“Special Tax Counsel” means Gilmore & Bell, P.C., or other firm of attorneys nationally recognized on the subject of municipal bonds.

“Substitute Escrowed Securities” means non-callable direct obligations of the United States of America which have been acquired by the Escrow Agent and substituted for Escrowed Securities in accordance with **Section 8** of this Agreement.

“Trustee” means Wells Fargo Bank, N.A., and any successors at the time acting as the trustee for any of the Refunding Certificates.

Section 2. Receipt of Documents. The Escrow Agent hereby acknowledges receipt of true and correct copies of the Declaration of Trust, and reference herein to or citation herein of any provisions of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

Section 3. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent the following special and irrevocable trust fund to be held in the custody of the Escrow Agent and designated as the “Escrow Fund for the City of Chesterfield, Missouri, Certificates of Participation, Series 2014” (the “Escrow Fund”).

Section 4. Verification of Certified Public Accountants. Robert Thomas CPA, LLC, certified public accountants, has verified the mathematical computations performed by Piper Sandler & Co., as financial advisor to the City with respect to the Refunding Certificates, which demonstrate that the cash held in the Escrow Fund, together with the maturing Escrowed Securities and interest to accrue thereon, will be sufficient to pay the principal portion, prepayment premium, if any, and interest portion of the Refunded Certificates on the Refunded Certificate Payment Dates, a copy of which verification report has been delivered to the City and the Escrow Agent concurrently with the execution and delivery of this Agreement.

Section 5. Deposits to the Escrow Fund. Concurrently with the execution and delivery of this Agreement, and pursuant to the provisions of the Declaration of Trust, the City herewith deposits with the Escrow Agent, and the Escrow Agent acknowledges receipt and deposit into the Escrow Fund, \$6,264,066.74, consisting of proceeds from the sale of the Refunding Certificates in the sum of \$5,084,066.74 and \$1,180,000.00 from available moneys of the City. The Escrow Agent shall apply such amount as follows:

(a) \$6,264,064.00 shall be used to purchase the Escrowed Securities described in **Schedule 2** attached hereto, which shall be delivered to and deposited in the Escrow Fund.

(b) \$2.74 shall be held uninvested in the Escrow Fund as a beginning cash balance.

Section 6. Creation of Lien. The escrow created hereby shall be irrevocable. The holders of the Refunded Certificates are hereby given an express lien on and security interest in the Escrowed Securities and cash in the Escrow Fund and all earnings thereon until used and applied in accordance with this Agreement. The matured principal of and earnings on the Escrowed Securities and any cash in the Escrow Fund are hereby pledged and assigned, and except as otherwise provided in **Section 8** hereof, shall be applied solely for the payment of the principal portion, prepayment premium, if any, and interest portion of the Refunded Certificates.

Section 7. Application of Cash and Escrowed Securities in the Escrow Fund.

(a) Except as otherwise expressly provided in this Section or in **Section 8** hereof, the Escrow Agent shall have no power or duty to invest any cash held hereunder or to sell, transfer or otherwise dispose of any Escrowed Securities.

(b) On or prior to the Refunded Certificate Payment Dates, the Escrow Agent shall withdraw from the Escrow Fund an amount equal to the principal portion, prepayment premium, if any, and interest portion of the Refunded Certificates becoming due and payable on the Refunded Certificate Payment Date, all as set forth in **Schedule 1** attached hereto, and shall forward such amount to the office of the Trustee, so that immediately available funds will reach the office of the Trustee on or before 12:00 Noon, Central Time, on such Refunded Certificate Payment Date. In order to make the payments required by this subsection (b), the Escrow Agent is hereby authorized to redeem or otherwise dispose of Escrowed Securities in accordance with the maturity schedule in **Schedule 2** attached hereto. The liability of the Escrow Agent to make the payments required by this subsection (b) shall be limited to the cash and Escrowed Securities in the Escrow Fund.

(c) Upon the payment in full of the principal portion, prepayment premium, if any, and interest portion of the Refunded Certificates, all remaining cash and Escrowed Securities in the Escrow Fund, together with any interest thereon, shall be transferred by the Escrow Agent to the City for deposit in the Series 2020B Account of the Lease Revenue Fund for the Refunding Certificates.

(d) Cash held from time to time in the Escrow Fund shall be held uninvested and shall be fully collateralized by noncallable direct obligations of the United States of America maturing on or before the next Refunded Certificate Payment Date that such cash will be needed.

Section 8. Substitute Escrowed Securities.

(a) If any of the Escrowed Securities are not available for delivery on the date of delivery of the Refunding Certificates, the Escrow Agent is directed to accept substitute securities in lieu thereof, provided: (1) the substitute securities are non-callable direct obligations of the United States of America; (2) the maturing principal of and interest on such substitute securities is equal to or greater than the maturity value of such unavailable Escrowed Securities; (3) principal of and interest on the substitute securities is payable on or before the maturity date of the unavailable Escrowed Securities; and (4) the City and Special Tax Counsel approve such substitution in writing. If the original Escrowed Securities become available and are tendered to the Escrow Agent by or on behalf of the original purchaser of the Refunding Certificates, the Escrow Agent shall accept such Escrowed Securities, shall return the substitute securities as directed in writing by such original purchaser and shall notify Special Tax Counsel and the City of the transaction.

(b) At the written request of the City and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, request the redemption of or otherwise dispose of the Escrowed Securities and to substitute for the Escrowed Securities solely cash or Substitute Escrowed Securities. The Escrow Agent shall purchase such Substitute Escrowed Securities with the proceeds derived from the sale, transfer, disposition or redemption of the Escrowed Securities together with any other funds available for such purpose. The substitution may be effected only if: (1) the substitution of the Substitute Escrowed Securities for the original Escrowed Securities occurs simultaneously; (2) the Escrow Agent receives from an independent certified public accountant acceptable to the Escrow Agent in its reasonable judgment a certification, satisfactory in form and substance to the Escrow Agent, to the effect that after such substitution, (A) the principal of and interest on the Escrowed Securities to be held in the Escrow Fund after giving effect to the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay the principal portion, prepayment premium, if any, and interest portion of the Refunded Certificates as set forth on **Schedule 1** attached hereto, and (B) the amounts and dates of the anticipated transfers from the Escrow Fund to the Trustee for the Refunded Certificates will not be diminished or postponed thereby; and (3) the Escrow Agent receives a written opinion of Special Tax Counsel to the effect that such substitution is permitted under this Agreement and will not cause the interest on the Refunded Certificates to become included in gross income for purposes of federal income taxation under then existing law. If any such substitution results in cash held in the Escrow Fund in excess of the amount required to fully fund the escrow, as certified in (2) above, the Escrow Agent shall, at the written request of the City, withdraw such excess from the Escrow Fund and pay such excess to the City for deposit in the Lease Revenue Fund for the Refunding Certificates, to be applied as provided by law; provided that, a written opinion of Special Tax Counsel shall be delivered to the Escrow Agent to the effect that such withdrawal and application will not be contrary to State law and will not cause the interest on the Refunded Certificates to become included in gross income for purposes of federal income taxation.

Section 9. Prepayment of Refunded Certificates; Payment of Original Obligations under the Lease.

(a) Pursuant to the Second Supplemental Declaration of Trust, the City has elected to call the Refunded Certificates maturing in the years 2022 and thereafter for prepayment prior to maturity on the Prepayment Date. In accordance with the provisions of the Original Declaration of Trust, the City has

provided the Trustee with irrevocable instructions to provide notice of prepayment of such Refunded Certificates as required by the Original Declaration of Trust.

(b) In consideration of the termination of the obligation to pay rent payments with respect to the Refunded Certificates under the lease purchase agreement related to the Series 2014 Certificates, the City agrees (1) to the deposit of funds in the Escrow Fund, and (2) to pay the principal portion, prepayment premium and interest portion of the Refunded Certificates in accordance with **Schedule 1** attached hereto solely from monies on deposit in the Escrow Fund, when the escrow provided herein becomes irrevocable.

Section 10. Reports of the Escrow Agent. As long as any of the Refunded Certificates, together with the interest thereon, have not been paid in full, the Escrow Agent shall, at least 60 days prior to the Refunded Certificate Payment Date, determine the amount of money which will be available in the Escrow Fund to pay the principal portion, prepayment premium, if any, and interest portion of the Refunded Certificates on the next Refunded Certificate Payment Date. If the Escrow Agent determines that sufficient funds will not be available on such Refunded Certificate Payment Date to pay the principal portion, prepayment premium, if any, and interest portion of the Refunded Certificates, then the Escrow Agent shall certify in writing to the City the amount so determined and shall provide a list of the money and Escrowed Securities held by it in the Escrow Fund on the date of such certification.

Section 11. Liability of Escrow Agent.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer or other disposition made pursuant to this Agreement in compliance with the provisions hereof. The Escrow Agent shall have no lien whatsoever on any of the money or Escrowed Securities on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement or otherwise.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrowed Securities and money to pay the Refunded Certificates. So long as the Escrow Agent applies the Escrowed Securities and money as provided herein, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Certificates. Notwithstanding the foregoing, the Escrow Agent shall not be relieved of liability arising from and proximate to its failure to comply fully with the terms of this Agreement.

(c) If the Escrow Agent fails to account for any of the Escrowed Securities or money received by it, said Escrowed Securities or money shall be and remain the property of the City in trust for the holders of the Refunded Certificates, and, if for any reason such Escrowed Securities or money are not applied as herein provided, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof until the required application shall be made.

(d) The Escrow Agent shall not be responsible for any action or failure to take action on the part of the Trustee.

(e) The Escrow Agent may rely and shall be protected in acting upon or refraining from acting upon in good faith any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, verification, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(f) The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement.

(g) No provision of this Agreement shall be construed to relieve the Escrow Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that the Escrow Agent shall not be liable for any error of judgment made in good faith by an authorized officer, employee or agent of the Escrow Agent, unless it shall be proved that the Escrow Agent was negligent in ascertaining the pertinent facts.

(h) Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Escrow Agent shall be subject to the provisions of this section.

Section 12. Fees and Costs of the Escrow Agent.

(a) The aggregate amount of the costs, fees and expenses of the Escrow Agent in connection with the creation of the escrow described in and created by this Agreement and in carrying out any of the duties, terms or provisions of this Agreement is fee of \$800, which amount shall be paid by the City upon receipt of an invoice from the Escrow Agent.

(b) Notwithstanding the preceding paragraph, the Escrow Agent shall be entitled to reimbursement from the City of reasonable out-of-pocket, legal or extraordinary expenses incurred in carrying out the duties, terms or provisions of this Agreement. Claims for such reimbursement may be made to the City and in no event shall such reimbursement be made from funds held by the Escrow Agent pursuant to this Agreement.

Section 13. Resignation or Removal of Escrow Agent; Successor Escrow Agent.

(a) The Escrow Agent at the time acting hereunder may at any time resign and be discharged from its duties and responsibilities hereby created by giving written notice by registered or certified mail to the City and to the Trustee (who shall cause notice to be given to all of the owners of record of the Refunded Certificates) not less than 60 days prior to the date when the resignation is to take effect. Such resignation shall take effect immediately upon the acceptance of the City of the resignation, the appointment of a successor Escrow Agent (which may be a temporary Escrow Agent) by the City, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the cash and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the resigning Escrow Agent.

(b) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and the City and signed by the owners of a majority in principal amount of the Refunded Certificates then outstanding; provided that written notice thereof is mailed by or on behalf of the City on or before the date of such removal by registered or certified mail, postage prepaid, to all registered owners of such Refunded Certificates, who are not parties to such instruments. The Escrow Agent may also be removed by the City if the Escrow Agent fails to make timely payment on any Refunded Certificate Payment Date to the Trustee of the amounts required to be paid by it on such date by **Section 7(b)** hereof; provided that written notice thereof is mailed by or on behalf of the City on or before the date of such removal by registered or certified mail, postage prepaid, to the Trustee and to all registered owners of the Refunded Certificates, who are not parties to such instruments. Any removal pursuant to this paragraph shall become effective upon the appointment of a successor Escrow Agent (which may be a temporary successor Escrow Agent) by the City, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of

the Escrow Fund, including the cash and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the Escrow Agent being removed.

(c) If the Escrow Agent resigns or is removed, or is dissolved, or is in the course of dissolution or liquidation, or otherwise becomes incapable of acting hereunder, or if the Escrow Agent is taken under the control of any public officer or officers, or of a receiver appointed by a court, the City shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent is appointed by the City in the manner above provided, and any such temporary Escrow Agent so appointed by the City shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

(d) If no appointment of a successor Escrow Agent or a temporary successor Escrow Agent has been made by such holders or the City pursuant to the foregoing provisions of this Section within 60 days after written notice of resignation of the Escrow Agent has been given to the City, the holder of any of the Refunded Certificates or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

(e) No successor Escrow Agent shall be appointed unless such successor Escrow Agent is a corporation with trust powers authorized to do business in the State of Missouri and organized under the banking laws of the United States or the State of Missouri and has at the time of appointment capital and surplus of not less than \$25,000,000.

(f) Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City an instrument in writing accepting such appointment hereunder, and thereupon such successor Escrow Agent without any further act, deed or conveyance shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the City, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Escrow Agent shall deliver all securities and money held by it to its successor. Should any transfer, assignment or instrument in writing from the City be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

(g) Any corporation into which the Escrow Agent, or any successor to it of the duties and responsibilities created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent or any successor to it may be a party, or any entity to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, shall, if satisfactory to the City, be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 14. Limitation on Liability of the City. The City shall not be liable (a) for any loss resulting from any investment made pursuant to this Agreement, (b) for the accuracy of the calculations as to the sufficiency of the Escrowed Securities and money in the Escrow Fund to pay the principal portion, prepayment premium, if any, or interest portion of the Refunded Certificates, or (c) for any acts of the Escrow Agent.

Section 15. Amendments to this Agreement. This Agreement is made for the benefit of the City and the holders from time to time of the Refunded Certificates, and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the City; provided, however, that the City and the Escrow Agent may, without the consent of or notice to such holders, enter into agreements supplemental to this Agreement if such supplemental agreements do not adversely affect the rights of such holders and are not inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Certificates, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified written opinion of Special Tax Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Certificates, or that any instrument executed hereunder complies with the conditions and provisions of this Section. Notice of any proposed amendment to this Agreement shall be provided to the Trustee at the address set forth in **Section 17** hereof.

Section 16. Termination. This Agreement shall terminate when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made.

Section 17. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by the Declaration of Trust or this Agreement to be given to or filed with the following parties if the same is duly mailed by certified or registered mail (return receipt requested) addressed:

- (a) To the City at:

City of Chesterfield, Missouri
Chesterfield City Hall
690 Chesterfield Parkway West
Chesterfield, Missouri 63017
Attention: City Administrator

- (b) To the Escrow Agent at:

BOKF, N.A.
100 South Fourth Street, Suite 550
St. Louis, Missouri 63102
Attention: Corporate Trust Department

(c) To the Trustee at:

Wells Fargo Bank, National Association
1445 Ross Avenue, 43rd Floor
MAC T9216-430
Dallas, Texas 75202-2711
Attention: Corporate Trust Services

Section 18. Indemnification.

(a) Except as provided in **Section 14** of this Agreement, and only to the extent permitted by law, the City hereby assumes liability for and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Agent and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against the same by the City or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Fund established hereunder, the acceptance of the cash and securities deposited therein, the purchase of the Escrowed Securities, the retention of the Escrowed Securities or the proceeds thereof and any payment, transfer or other application of cash or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided however, that the City shall not be required to indemnify the Escrow Agent against its own negligence or willful misconduct. In no event shall the City be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement.

(b) Except as provided in **Section 11** of this Agreement, the Escrow Agent and its respective successors, assigns, agents, directors, officers, employees and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the money deposited therein, the purchase of the Escrowed Securities, the retention of the Escrowed Securities or the proceeds thereof or any payment, transfer or other application of the money or Escrowed Securities held by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel who may or may not be counsel to the City and in reliance upon the opinions of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the City.

Section 19. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 20. Successors and Assigns. All of the covenants, promises and agreements in this Agreement contained by or on behalf of the City or the Escrow Agent shall be binding upon and inure to the benefit of their respective successors and assigns whether so expressed or not.

Section 21. Electronic Storage. The transaction described herein may be conducted and related documents may be received, sent or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

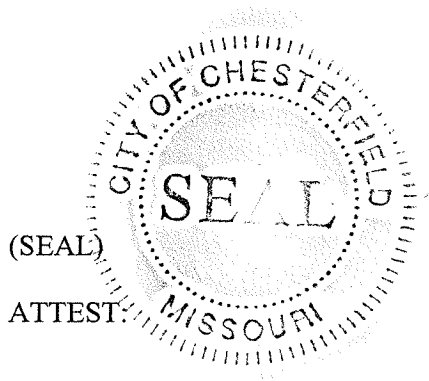
Section 22. Governing Law. This Agreement shall be governed by the applicable law of the State of Missouri.

Section 23. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers or elected officials as of the date first above written.


CITY OF CHESTERFIELD, MISSOURI



By: Bob Nation
Name: Bob Nation
Title: Mayor

By: Vickie McGownd
Name: Vickie McGownd
Title: City Clerk

BOKF, N.A., as Escrow Agent

By: 
Title: Senior Vice President

[Escrow Trust Agreement]

**SCHEDULE 1
TO ESCROW TRUST AGREEMENT**

DESCRIPTION OF THE REFUNDED CERTIFICATES

<u>Payment Date (December 1)</u>	<u>Refunded Certificate Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
2021	\$ 385,000	3.000%	16645P GQ8
2022	410,000	3.000	16645P GR6
2023	430,000	3.000	16645P GS4
2024	435,000	3.000	16645P GT2
2025	455,000	3.000	16645P GU9
2026	465,000	3.000	16645P GV7
2027	475,000	3.250	16645P GW5
2028	495,000	3.250	16645P GX3
2029	890,000	3.250	16645P GY1
2031	1,645,000	3.000	16645P HA2

CERTIFICATE PAYMENT SCHEDULE FOR THE REFUNDED CERTIFICATES

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 1, 2021	---	\$93,600.00	\$ 93,600.00
December 1, 2021	\$6,085,000	93,600.00	6,178,600.00

**SCHEDULE 2
TO ESCROW TRUST AGREEMENT**

SCHEDULE OF ESCROWED SECURITIES

ESCROW DESCRIPTIONS

City of Chesterfield, Missouri
Certificates of Participation, Series 2020-AB
-FINAL-

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Oct 29, 2020:						
SLGS	Certificate	06/01/2021	06/01/2021	89,169	0.110%	0.110%
SLGS	Note	12/01/2021	12/01/2020	6,174,895	0.120%	0.120%
				6,264,064		

SLGS Summary

SLGS Rates File	08OCT20
Total Certificates of Indebtedness	89,169.00
Total Notes	6,174,895.00
Total original SLGS	6,264,064.00

NOTICE OF SALE

CITY OF CHESTERFIELD, MISSOURI

\$5,880,000*
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI,
LESSEE)
SERIES 2020A

\$5,200,000*
TAXABLE REFUNDING
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI,
LESSEE)
SERIES 2020B

Bids. Electronic bids for the purchase of \$5,880,000* aggregate principal amount of the above-referenced Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020A (the “**Series 2020A Certificates**”) and \$5,200,000* aggregate principal amount of the above-referenced Taxable Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2020B (the “**Series 2020B Certificates**”) and, together with the Series 2020A Certificates, the “**Series 2020 Certificates**”) of the City of Chesterfield, Missouri (the “**City**”), herein described will be received **until 10:30 A.M. Central Time**, on

THURSDAY, OCTOBER 8, 2020 (the “**Sale Date**”)

The Series 2020A Certificates and the Series 2020B Certificates will be sold separately. A bidder may submit a bid for the purchase of either one of the series of the Series 2020 Certificates or may submit a bid for both series of Series 2020 Certificates; however, no bidder is required to submit a bid for both series of Series 2020 Certificates.

All proposals must be submitted electronically through PARITY® as further described herein. No oral or auction bids will be considered. All bids will be read and evaluated at that time and place, and the award of each series of Series 2020 Certificates, if any, to the successful bidder of each series (each, a “**Successful Bidder**”) will be made on the Sale Date.

Pre-Bid Revisions. The City reserves the right to issue a Supplemental Notice of Sale not later than 24 hours prior to the Sale Date through PARITY® and MuniHub (“**Supplemental Notice**”). If issued, the Supplemental Notice may modify such terms of this Notice of Sale as the City determines, including the date and time of the sale. Any such modifications will supersede the terms as set forth herein.

Terms of the Series 2020 Certificates. The Series 2020 Certificates will be executed and delivered in the denomination of \$5,000 or any integral multiple thereof. Principal Portions (defined herein) of Basic Rent (defined herein) represented by the Series 2020 Certificates will be payable on each December 1 in the years, subject to adjustment as provided herein, as follows:

* Preliminary, subject to change. See “Adjustment of Issue Size” herein.

SERIES 2020A

<u>Maturity</u> <u>December 1*</u>	<u>Principal</u> <u>Portion*</u>
2026	\$1,410,000
2027	1,450,000
2028	1,495,000
2029	1,525,000

SERIES 2020B

<u>Maturity</u> <u>December 1*</u>	<u>Principal</u> <u>Portion*</u>
2021	\$ 190,000
2022	580,000
2023	1,540,000
2024	1,470,000
2025	1,420,000

The Interest Portion (defined herein) of Basic Rent represented by the Series 2020 Certificates will bear interest from the initial date of delivery of the Series 2020 Certificates at rates to be determined when the Series 2020 Certificates are sold as hereinafter provided, which Interest Portion of Basic Rent represented by the Series 2020 Certificates will be payable semiannually on June 1 and December 1 in each year, beginning on June 1, 2021.

Adjustment of Issue Size. The City reserves the right to increase or decrease the total principal amount of either series of Series 2020 Certificates and increase or decrease the principal amount of any maturity, depending on the purchase price and interest rates bid and the offering prices specified by the Successful Bidder for each series. Such adjustments to the principal amounts may be made by the City in order to properly size the issuance of the Series 2020 Certificates to ensure the City has sufficient funds, together with other available funds of the City, to finance the Series 2020 Project (defined herein) and prepay the Series 2014 Certificates (defined herein), to be paid for with proceeds of the Series 2020 Certificates. The Successful Bidder of a series of Series 2020 Certificates may not withdraw its bid or change the interest rates bid as a result of any changes made to the total principal amount of the Series 2020 Certificates or principal of any maturity thereof as described herein, provided that the total principal amount of each series of Series 2020 Certificates will not be increased or decreased by more than 20%, and that the principal amount of any maturity will not be increased or decreased by more than 20% without the consent of the Successful Bidder thereof. If there is a change in the final total principal amount of the Series 2020 Certificates or a change in the schedule of principal payments thereof as described above, the City will notify both Successful Bidders by means of telephone or electronic mail no later than 11:30 A.M., Central Time on the Sale Date. In the event that the maturity amounts of either series of Series 2020 Certificates are adjusted, the purchase price thereof will be adjusted to ensure that the percentage net compensation (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the particular series of Series 2020 Certificates to the public and the price to be paid to the City by (ii) the principal amount of such series of Series 2020 Certificates) remains constant.

Authority, Purpose and Security. The Series 2020A Certificates are being issued pursuant to the constitution and laws of the State of Missouri for the purpose providing funds, together with other available funds of the City, to (i) pay a portion of the costs of acquiring and improving certain vacant land (the “**Series 2020 Project**”), (ii) prepay the principal of the Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2014 (the “**Series 2014 Certificates**”) maturing on December 1, 2020 and interest owing on all Series 2014 Certificates on December 1, 2020 and (iii) pay certain costs in connection with the execution and delivery of the Series 2020A Certificates. The Series 2020B Certificates are being issued pursuant to the constitution and laws of the State of Missouri for the purpose providing funds, together with other available funds of the City, to (i) advance prepay the Series 2014 Certificates maturing in the years 2021 and thereafter plus any accrued interest to the prepayment date thereon to the date of prepayment and (ii) pay certain costs in connection with the execution and delivery of the Series 2020B Certificates. The Series 2020 Certificates will be executed and delivered by Wells Fargo Bank, N.A., a national banking association organized and existing under the laws of the United States of America (the “**Trustee**”), pursuant to a Declaration of Trust dated as of December 1, 2008, as supplemented by the First Supplemental Declaration of Trust dated as of September 1, 2009, the Second Supplemental Declaration of Trust dated as of September 1, 2014, the Third Supplemental

* Preliminary, subject to change. See “Adjustment of Issue Size” herein.

Declaration of Trust dated as of April 1, 2016 and the Fourth Supplemental Declaration of Trust to be dated as of October 1, 2020 (as supplemented, the **“Declaration of Trust”**), granted by the Trustee. The Series 2020 Certificates represent the proportionate interests of the owners thereof (the **“Owners”** or **“Registered Owners”**) in basic rent payments (the **“Basic Rent Payments”**) to be made by the City pursuant to an annually-renewable Lease Purchase Agreement dated as of December 1, 2008, as supplemented by the First Supplemental Lease Purchase Agreement dated as of September 1, 2009, the Second Supplemental Lease Purchase Agreement dated as of September 1, 2014, the Third Supplemental Lease Purchase Agreement dated as of April 1, 2016 and the Fourth Supplemental Lease Purchase Agreement to be dated as of October 1, 2020 (as supplemented, the **“Lease”**), entered into between the Trustee, as lessor, and the City, as lessee.

Pursuant to a Base Lease dated as of December 1, 2008 (the **“Base Lease”**), between the City, as lessor, and the Trustee, as lessee, the City is leasing to the Trustee for a term of approximately 27 years (expiring December 1, 2048) certain real property owned by the City upon which the City’s approximately 13,300 square foot Parks Administration and Maintenance Facility (the **“Facility”**), which is a one-story building that houses the City’s parks administrative and maintenance staff located at the Chesterfield Valley Athletic Complex, and the real property on which the Facility is situated. The Leased Property is approximately 32 acres and includes (a) the Facility, (b) a 700-car parking lot, (c) four baseball/softball fields and (d) a building used for concessions and restrooms (together with all existing improvements, facilities, and buildings located thereon, the **“Leased Property”**). Pursuant to the Lease, the Trustee is leasing back to the City its interest in the Leased Property, with the option to purchase the Trustee’s interest in the Leased Property. The Fourth Supplemental Lease Purchase Agreement provides, among other things, for an initial term commencing on the date of the execution and delivery of the Series 2020 Certificates and expiring and terminating on the last day of the City’s current Fiscal Year (December 31, 2020) (the **“Original Term”**), subject to annual renewal, at the option of the City, for one-year renewal terms coextensive with the City’s Fiscal Year (beginning January 1 and ending December 31) (each a **“Renewal Term”**), except that the final renewal term shall expire on December 1, 2029*. Under the Lease, the City has agreed to pay Basic Rent Payments, consisting of a principal portion (the **“Principal Portion”**) and an interest portion (the **“Interest Portion”**), but only if and to the extent that the City Council annually appropriates sufficient money to pay the Basic Rent coming due during each succeeding Renewal Term.

Neither the Series 2020 Certificates nor the Basic Rent Payments are obligations of the Trustee, and the Trustee has no liability or obligation under or with respect to the Series 2020 Certificates or the Basic Rent Payments.

Under the Declaration of Trust, the Trustee will hold all of its estate, right, title and interest in the Lease and the Base Lease for the benefit of the Owners of the Certificates (defined herein). The Declaration of Trust provides for the future delivery of additional certificates (**“Additional Certificates,”** and, together with the Refunding Certificates of Participation (City of Chesterfield, Missouri, Lessee), Series 2016 and the Series 2020 Certificates, the **“Certificates”**) which, if delivered, will rank on a parity with the Series 2020 Certificates, the Series 2016 Certificates and any other Certificates then Outstanding under the Declaration of Trust.

The City’s obligation to make Basic Rent Payments and the other obligations of the City under the Lease are subject to and dependent upon annual appropriations being made by the City for that purpose. The Certificates, the Basic Rent Payments and other amounts due under the Lease do not constitute an obligation of the City in any Fiscal Year subsequent to a Fiscal Year as to which the City has appropriated funds to pay Basic Rent Payments and other amounts reasonably anticipated to come due under the Lease. If the City fails to budget, appropriate or otherwise provide for sufficient funds to pay Basic Rent Payments and reasonably anticipated other amounts to come due pursuant to the Lease during the immediately following Fiscal Year, the Lease will terminate at the end of the then current Fiscal Year. Upon termination of the Lease, the Certificates will be payable solely from moneys, if any, held by the Trustee under the Declaration of Trust, and any amounts resulting from a sale or sublease of Trustee’s

* Preliminary; subject to change.

leasehold interest in the Leased Property. The obligation of the City to pay Basic Rent does not constitute a debt of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the City, and does not constitute a pledge of the general tax revenues, funds, properties or moneys of the City beyond any then current Fiscal Year during which the Lease is in effect. The City is not obligated to levy any taxes in order to raise revenues to make Basic Rent Payments.

Place of Payment. The Interest Portion of Basic Rent distributable to the Registered Owner of each Series 2020 Certificate is payable (1) by check or draft mailed by the Trustee to the address of such Registered Owner shown on the registration books for the Series 2020 Certificates as of the close of business on the on the fifteenth day of the month next preceding each Basic Rent Payment Date (the **“Record Date”**), or (2) by electronic transfer to such Registered Owner upon written notice given to the Trustee by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the name of the bank (which shall be in the United States), the bank’s ABA routing number and the account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee may be applicable. The Principal Portion of Basic Rent distributable to the Registered Owner of each Series 2020 Certificate is payable upon presentation and surrender thereof at the payment office of the Trustee, or at such other office as is designated by the Trustee.

While the Series 2020 Certificates remain in book-entry form, payments to Beneficial Owners (as defined in the Preliminary Official Statement) are governed by the rules of DTC (defined herein) as described in the section **“BOOK-ENTRY ONLY SYSTEM”** in the Preliminary Official Statement. In the event that DTC ceases to act as securities depository for the Series 2020 Certificates, payment may be made as described above.

Book-Entry Only System and Blue Sky. The Series 2020 Certificates will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (**“DTC”**), to which payments of the Principal Portion of and interest on the Series 2020 Certificates will be made. Individual purchases of Series 2020 Certificates will be made in book-entry form only. Purchasers will not receive certificates representing their interest in Series 2020 Certificates purchased. It shall be the obligation of the Successful Bidder to furnish to DTC an underwriter’s questionnaire. It shall be the obligation of the Successful Bidder to qualify the Series 2020 Certificates, if such qualification is necessary, in the jurisdictions in which it intends to reoffer the Series 2020 Certificates.

Prepayment of Series 2020 Certificates Prior to Maturity.

Optional Prepayment of Series 2020A Certificates. At the option of the City, the Series 2020A Certificates that evidence Principal Portions of Basic Rent payable to Owners on December 1, 2028 and thereafter shall be subject to optional prepayment, as a whole or in part, on December 1, 2027, or any date thereafter, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented by the Series 2020A Certificates being prepaid, plus the Interest Portion of Basic Rent accrued to the Prepayment Date, from amounts paid by the City upon the exercise of its option to purchase the Trustee’s interest in the Leased Property or to partially prepay Basic Rent Payments pursuant to the terms of the Lease.

Optional Prepayment of Series 2020B Certificates. The Series 2020B Certificates are not subject to optional prepayment prior to their stated payment dates, except as provided under the heading **“Extraordinary Optional Prepayment”** below.

Extraordinary Optional Prepayment. The Series 2020 Certificates will be subject to optional prepayment prior to their respective stated maturities, as a whole, but not in part, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented thereby plus the Interest Portion of Basic Rent accrued to the Prepayment Date, in the event of substantial damage to or destruction or condemnation (other than by the City or any entity controlled by or otherwise affiliated with the City) of, or loss of title to, substantially all of the

Leased Property, or as a result of changes in the constitution of the State of Missouri or legislative or administrative action by the State of Missouri or the United States, the Base Lease or the Lease becomes unenforceable, and the City purchases the Trustee's interest in the Leased Property pursuant to the Lease.

Election to Specify Term Certificates. A bidder may elect to have all or a portion of either series of Series 2020 Certificates scheduled to mature consecutively issued as one or more term certificates scheduled to mature in the latest of said consecutive years and subject to mandatory prepayment requirements consistent with the schedule of serial maturities set forth above, and subject to the bidder making such an election by including such information in the electronic bid submitted via PARITY®. Not less than all the Series 2020 Certificates of a single maturity within a series may be converted to a term certificate.

Submission of Bids. Electronic bids must be submitted via PARITY® in accordance with its Rules of Participation and this Notice of Sale. If provisions of this Notice of Sale conflict with those of PARITY®, this Notice of Sale shall control. Bids for either or both series of the Series 2020 Certificates must be received before **10:30 A.M. Central Time on the Sale Date.** Neither the City nor Piper Sandler & Co., St. Louis, Missouri, as the City's financial advisor (the "**Financial Advisor**"), shall be responsible for any failure, misdirection, delay or error in the means of transmission selected by the bidder.

PARITY®. All proposals must be submitted electronically through PARITY®, and no other proposals will be considered. Information about the electronic bidding services of PARITY® may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5000 and from the following web site: www.newissuehome.i-deal.com. The City shall not be responsible for proper operation of, or have any liability for, any delays, interruptions, or damages caused by the use of the PARITY® system. The City is using the PARITY® system as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Series 2020 Certificates. The use of the PARITY® system shall be at the bidder's risk and expense, and the City and its agents shall have no liability with respect thereto. The bids must be received as provided herein and by the time specified. The City is not bound by any advice or determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale and the bid specifications. An electronic bid made through the facilities of PARITY® shall be deemed an irrevocable offer to purchase the applicable series of Series 2020 Certificates on the terms provided in this Notice of Sale, and such bid shall be binding upon the bidder as if made by a signed and sealed bid delivered to the City or its Financial Advisor.

Conditions of Bids – Series 2020A Certificates. Proposals will be received on the Series 2020A Certificates bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Series 2020A Certificates of the same maturity year; (b) no supplemental interest payments will be authorized; (c) each interest rate specified shall be a multiple of 1/8 or 1/20 of 1%, with no zero coupons allowed; (d) the Series 2020A Certificates shall be sold for a price not less than 98.00% of the total principal amount thereof; and (e) the interest rate on each maturity shall not exceed 4.00%. Each bid shall specify the total interest cost (expressed in dollars) during the term of the Series 2020A Certificates on the basis of such bid, the discount, if any, the premium, if any, offered by the bidder, the net interest cost (expressed in dollars) on the basis of such bid, and an estimate of the TIC (as hereinafter defined) on the basis of such bid. Each bidder agrees that, if it is awarded the Series 2020A Certificates, it will provide the certification described under the caption "**Establishment of Issue Price**" in this Notice of Sale.

Conditions of Bids – Series 2020B Certificates. Proposals will be received on the Series 2020B Certificates bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Series 2020B Certificates of the same maturity year; (b) no supplemental interest payments will be authorized; (c) each interest rate specified shall be a multiple of 1/8 or 1/20 of 1%, with no zero coupons allowed; (d) the Series 2020B Certificates shall be sold for a price not less than 97.00% of the total principal amount thereof; and (e) the interest rate on each maturity shall not exceed 4.00%. Each bid shall specify the total interest cost (expressed in dollars) during the term of the Series 2020B Certificates on the basis of such bid, the discount, if any, the premium, if any, offered by the bidder, the net

interest cost (expressed in dollars) on the basis of such bid, and an estimate of the TIC (as hereinafter defined) on the basis of such bid.

Basis of Award. Each series of Series 2020 Certificates will be awarded to the bidder whose bid will result in the lowest “true interest cost” (“**TIC**”), determined as follows: the TIC is the discount rate (expressed as a per-annum percentage rate) that, when used in computing the present value of all payments of principal and interest to be paid on the applicable series of Series 2020 Certificates, from the scheduled payment dates back to the dated date of the applicable series of Series 2020 Certificates, produces an amount equal to the price bid, including premium or discount, if any, but excluding any interest accrued to the date of delivery. Payments of principal and interest on each series of Series 2020 Certificates shall be based on the principal amounts set forth in this Notice of Sale and the interest rates specified by each bidder. Present value shall be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. No bidder shall be awarded a series of Series 2020 Certificates unless its bid shall be in compliance with the other terms and conditions of this Notice of Sale. In the event that two or more bidders offer bids at the same lowest TIC for a particular series, the City shall determine which bid, if any, shall be accepted, and its determination shall be final. In the event the TIC specified in the bid does not correspond to the interest rates specified, the interest rates specified will govern and the TIC will be adjusted accordingly. The City reserves the right to waive irregularities and to reject any or all bids.

Establishment of Issue Price with respect to Series 2020A Certificates. The Successful Bidder of the Series 2020A Certificates (the “**Series 2020A Successful Bidder**”) shall assist the City in establishing the issue price of the Series 2020A Certificates and shall execute and deliver to the City on the Closing Date an “issue price” or similar certificate setting forth the reasonably expected Initial Offering Price (hereinafter defined) to the Public or the sales price or prices of the Series 2020A Certificates, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A**, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Series 2020A Successful Bidder, the City and Gilmore & Bell, P.C., St. Louis, Missouri, as Special Tax Counsel to the City. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Series 2020A Certificates may be taken on behalf of the City by the City’s Financial Advisor identified herein and any notice or report to be provided to the City may be provided to the City’s Financial Advisor.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2020A Certificates) will apply to the initial sale of the Series 2020A Certificates (the “**Competitive Sale Requirements**”) because:

- (i) the City shall disseminate this Notice of Sale to potential Underwriters (defined herein) in a manner that is reasonably designed to reach potential Underwriters;
- (ii) all bidders shall have an equal opportunity to bid;
- (iii) the City may receive bids from at least three Underwriters of municipal securities who have established industry reputations for underwriting new issuances of municipal securities; and
- (iv) the City anticipates awarding the sale of the Series 2020A Certificates to the bidder who submits a firm offer to purchase the Series 2020A Certificates at the lowest TIC, as set forth in this Notice of Sale.

Any bid submitted for the purchase of Series 2020A Certificates pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Series 2020A Certificates, as specified in the bid.

In the event that the Competitive Sale Requirements are not satisfied, the City shall so advise the Series 2020A Successful Bidder. The City may determine to treat (i) the price at which the first 10% of a maturity of

the Series 2020A Certificates (the “**10% Test**”) is sold to the Public (defined herein) as the issue price of that maturity and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any maturity of the Series 2020A Certificates as the issue price of that maturity (the “**Hold-The-Offering-Price Rule**”), in each case applied on a maturity-by-maturity basis. The Series 2020A Successful Bidder shall advise the City if any maturity of the Series 2020A Certificates satisfies the 10% Test as of the date and time of the award of the Series 2020A Certificates. The City shall promptly advise the Series 2020A Successful Bidder, at or before the time of award of the Series 2020A Certificates, which maturities of the Series 2020A Certificates shall be subject to the 10% Test or shall be subject to the Hold-The-Offering-Price Rule. Bids will not be subject to cancellation in the event that the City determines to apply the Hold-The-Offering-Price Rule to any maturity of the Series 2020A Certificates. Bidders should prepare their bids on the assumption that some or all of the maturities of the Series 2020A Certificates will be subject to the Hold-The-Offering-Price Rule in order to establish the issue price of the Series 2020A Certificates.

By submitting a bid, the Series 2020A Successful Bidder shall (i) confirm that the Underwriters have offered or will offer the Series 2020A Certificates to the Public on or before the date of award at the offering price or prices (the “**Initial Offering Price**”), or at the corresponding yield or yields, set forth in the bid submitted by the Series 2020A Successful Bidder and (ii) agree, on behalf of the Underwriters participating in the purchase of the Series 2020A Certificates, that the Underwriters will neither offer nor sell unsold Series 2020A Certificates of any maturity to which the Hold-The-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the Sale Date; or
- (ii) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2020A Certificates to the Public at a price that is no higher than the Initial Offering Price to the Public.

The Series 2020A Successful Bidder shall promptly advise the City when the Underwriters have sold 10% of that maturity of the Series 2020A Certificates to the Public at a price that is no higher than the Initial Offering Price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

If the Competitive Sale Requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Series 2020A Certificates, the Series 2020A Successful Bidder agrees to promptly report to the City the prices at which the unsold Series 2020A Certificates of that maturity have been sold to the Public. At or promptly after the award of the Series 2020A Certificates, the Series 2020A Successful Bidder shall report to the City the price at which it has sold to the Public the Series 2020A Certificates of each maturity sufficient to satisfy the 10% Test. If as of the award of the Series 2020A Certificates the 10% Test has not been satisfied as to any maturity of the Series 2020A Certificates, the Series 2020A Successful Bidder agrees to promptly report to the City the prices at which it subsequently sells Series 2020A Certificates of that maturity to the Public until the 10% Test is satisfied. In either case, if Series 2020A Certificates constituting the first 10% of a certain maturity are sold at different prices, the Series 2020A Successful Bidder shall report to the City the prices at which Series 2020A Certificates of such maturity are sold until the Series 2020A Successful Bidder sells 10% of the Series 2020A Certificates of such maturity at a single price. The Series 2020A Successful Bidder’s reporting obligation shall continue as set forth above, whether or not the Closing Date has occurred.

The City acknowledges that, in making the representation set forth above, the Series 2020A Successful Bidder will rely on (i) the agreement of each Underwriter to comply with the Hold-The-Offering-Price Rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2020A Certificates to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-The-Offering-Price Rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2020A

Certificates to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-The-Offering-Price Rule, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-The-Offering-Price Rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement regarding the Hold-The-Offering-Price Rule as applicable to the Series 2020A Certificates.

By submitting a bid for Series 2020A Certificates, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2020A Certificates to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Series 2020A Certificates of each maturity allotted to it until it is notified by the Series 2020A Successful Bidder that either the 10% Test has been satisfied as to the Series 2020A Certificates of that maturity or all Series 2020A Certificates of that maturity have been sold to the Public and (B) comply with the Hold-The-Offering-Price Rule, if applicable, in each case if and for so long as directed by the Series 2020A Successful Bidder and as set forth in the related pricing wires, and (ii) any agreement among Underwriters relating to the initial sale of the Series 2020A Certificates to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2020A Certificates to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Series 2020A Certificates of each maturity allotted to it until it is notified by the Series 2020A Successful Bidder or such Underwriter that either the 10% Test has been satisfied as to the Series 2020A Certificates of that maturity or all Series 2020A Certificates of that maturity have been sold to the Public and (B) comply with the Hold-The-Offering-Price Rule, if applicable, in each case if and for so long as directed by the Series 2020A Successful Bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Series 2020A Certificates to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) **“Public”** means any person other than an Underwriter or a Related Party,
- (ii) **“Underwriter”** means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020A Certificates to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2020A Certificates to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2020A Certificates to the Public), and
- (iii) a purchaser of any of the Series 2020A Certificates is a **“Related Party”** to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a

partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Issue Price Provision relating to all Series 2020 Certificates: The Successful Bidder of each series of Series 2020 Certificates shall provide the Initial Offering Prices to the City and its Financial Advisor no later than 11:00 A.M., Central Time, on the Sale Date.

Good Faith Deposit. The Successful Bidder of the Series 2020A Certificates is required to submit a good faith deposit in the amount of \$100,000 and the Successful Bidder of the Series 2020B Certificates is required to submit a good faith deposit in the amount of \$100,000 (each, a “**Deposit**”), to the City in the form of an electronic transfer of federal reserve funds, immediately available for use by the City, as instructed by the City or its Financial Advisor, no later than 2:00 P.M., Central Time, on the day the proposals are received. If a Deposit is not received by such time, the City may terminate its proposed award of the applicable series of Series 2020 Certificates to such Successful Bidder, and the City may contact the bidder with the next lowest TIC and offer said bidder the opportunity to become the Successful Bidder for said series of Series 2020 Certificates. The Deposit of the Successful Bidder shall constitute a good faith deposit and shall be retained by the City to insure performance of the requirements of the sale by the Successful Bidder. In the event the Successful Bidder shall fail to comply with the terms of its bid, the Deposit will be forfeited as full and complete liquidated damages. The Deposit will be applied to the purchase price of the applicable series of Series 2020 Certificates or shall be returned to the Successful Bidder, but no interest shall be allowed thereon. If a bid is accepted but the City fails to deliver the applicable series of Series 2020 Certificates to the Successful Bidder in accordance with the terms and conditions of this Notice of Sale, the applicable Deposit shall be returned to the applicable Successful Bidder.

Rating. Moody’s Investors Service, Inc. (“**Moody’s**”), has assigned the Series 2020 Certificates a rating of “**Aa1**”, which reflects its evaluation of the investment quality of the Series 2020 Certificates. Any explanation as to the significance of the rating may be obtained only from Moody’s. The rating is not a recommendation to buy, sell, or hold the Series 2020 Certificates, and such rating may be subject to revision or withdrawal at any time by Moody’s. Any downward revision or withdrawal of the rating may adversely affect the market price of the Series 2020 Certificates.

CUSIP Numbers. CUSIP identification numbers will be assigned and printed on the Series 2020 Certificates, but neither the failure to print such number on any Series 2020 Certificate nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2020 Certificates in accordance with the terms of this Notice. All expenses in relation to the assignment and printing of CUSIP numbers on the Series 2020 Certificates will be paid by the City.

Delivery and Payment. The City will pay for preparation of the Series 2020 Certificates and will deliver the Series 2020 Certificates properly prepared, executed and registered without cost on or about **October 29, 2020** (the “**Closing Date**”), to the Trustee (as “**FAST Agent**” for DTC) for the accounts of the Successful Bidders. Each Successful Bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Series 2020 Certificates and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Series 2020 Certificates affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Series 2020 Certificates shall be made in federal reserve funds, immediately available for use by the City. The City will deliver one Series 2020 Certificate of each maturity of each series registered in the nominee name of DTC.

Preliminary Official Statement and Official Statement. The City has prepared a Preliminary Official Statement dated September 25, 2020, “deemed final” by the City except for the omission of certain information as provided by Rule 15c2-12 promulgated by the Securities and Exchange Commission (“Rule 15c2-12”), electronic copies of which may be obtained from the Financial Advisor as provided herein. Upon the sale of the Series 2020 Certificates, the City will adopt the final Official Statement and will furnish each Successful Bidder

with an electronic copy of the final Official Statement within seven business days of the acceptance of such Successful Bidder's proposal in order to comply with Rule 15c2-12(b)(4) of the Securities and Exchange Commission and Rule G-32 of the Municipal Securities Rulemaking Board (collectively, the "**Rules**"). The City's acceptance of the Successful Bidder's proposal for the purchase of the applicable series of Series 2020 Certificates shall constitute a contract between the City and such Successful Bidder for purposes of said Rules.

Continuing Disclosure. The City has agreed to provide certain annual financial information and notices of certain enumerated material events relating to the Series 2020 Certificates to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system ("**EMMA**"), in accordance with Rule 15c2-12. For further information, reference is made to the "**FORM OF CONTINUING DISCLOSURE UNDERTAKING**" in *Appendix D* to the Preliminary Official Statement.

The City's prior compliance with its continuing disclosure obligations is described in the Preliminary Official Statement under the caption "**INTRODUCTION – Continuing Disclosure Information.**"

Legal Opinion. The Series 2020 Certificates will be sold subject to the approving legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, as Special Tax Counsel to the City, which opinion will be furnished and paid for by the City, will be printed on the Series 2020 Certificates, if the Series 2020 Certificates are printed, and will be delivered to each Successful Bidder when the Series 2020 Certificates are delivered. The opinion for the Series 2020A Certificates will also include the opinion of Special Tax Counsel relating to the exclusion of the Interest Portion of Basic Rent represented by the Series 2020A Certificates from gross income for federal and Missouri income tax purposes. Reference is made to the Preliminary Official Statement for further discussion of federal and Missouri income tax matters relating to the interest on the Series 2020A Certificates. The form of opinion of Special Tax Counsel is attached as *Appendix E* to the Preliminary Official Statement.

Additional Information. Additional information regarding the Series 2020 Certificates may be obtained from the Financial Advisor, Piper Sandler & Co., 8235 Forsyth Blvd., Suite 600, St. Louis, Missouri 63105, Attention: Chris Collier, Office: (314) 726-7535, Email: chris.collier@psc.com or Todd Goffoy, Office: (314) 726-7532, Email: todd.goffoy@psc.com

DATED: September 25, 2020.

CITY OF CHESTERFIELD, MISSOURI

By: Bob Nation
Title: Mayor

EXHIBIT A

UNDERWRITER'S RECEIPT AND CLOSING CERTIFICATE

\$ _____
CERTIFICATES OF PARTICIPATION
(CITY OF CHESTERFIELD, MISSOURI, LESSEE)
SERIES 2020A

The undersigned, on behalf of [*Underwriter*] (the “**Original Purchaser**”), as the underwriter and original purchaser of the above-described certificates (the “**Series 2020A Certificates**”), being delivered on the date of this Underwriter's Receipt and Closing Certificate (the “**Closing Certificate**”) by Wells Fargo Bank, N.A., as trustee (the “**Trustee**”), representing undivided, proportionate interests in Basic Rent to be paid by the City of Chesterfield, Missouri (the “**City**”) pursuant to a Lease Purchase Agreement dated as of December 1, 2008, as amended, between the Trustee and the City, certifies and represents as follows:

1. Receipt for Series 2020A Certificates. The Original Purchaser acknowledges receipt on the date hereof of all of the Series 2020A Certificates, consisting of fully registered Series 2020A Certificates in authorized denominations in a form acceptable to the Original Purchaser.

2. Issue Price.

(a) *Public Offering.* The Original Purchaser offered all of the Series 2020A Certificates to the Public (as defined below) in a *bona fide* initial offering.

(b) *Initial Offering Prices.* As of the sale date of the Series 2020A Certificates (_____, 20__), the reasonably expected initial offering prices of the Series 2020A Certificates to the Public by the Original Purchaser are the prices listed in **Attachment A** hereto (the “**Expected Offering Prices**”). The Expected Offering Prices are the prices for the Maturities of the Series 2020A Certificates used by the Original Purchaser in formulating its bid to purchase the Series 2020A Certificates.

ALTERNATIVE LANGUAGE IF COMPETITIVE SALES REQUIREMENTS ARE NOT MET:

*** (a) *Public Offering.* The Original Purchaser has offered all the Series 2020A Certificates to the Public in a *bona fide* initial offering to the Public at the offering prices listed on **Attachment A** (the “Initial Offering Prices”). Included in **Attachment A** is a copy of the pricing wire or similar communication used to document the initial offering of the Series 2020A Certificates to the Public at the Initial Offering Prices.

(b) *Sale Prices.* As of the date of this Closing Certificate, for each Maturity, the price or prices at which the first 10% of such Maturity was sold to the Public is the respective price or prices listed in **Attachment B** and all of the Series 2020A Certificates comprising the first 10% of sales for each Maturity were sold at the same price [**, except for the _____ Maturit[y][ies]. With respect to the _____ Maturit[y][ies], (i) less than 10% of such Maturit[y][ies] have been sold to the Public, and (ii) promptly following the date that the first 10% of such Maturit[y][ies] is sold to the Public, the Original Purchaser will execute a supplemental certificate in substantially the same form as this Closing Certificate, including, a schedule substantially similar to **Attachment B** to this Closing Certificate showing the price or prices at which the first 10% of [**each**] such Maturity was sold to the Public. **]***]

(c) *Defined Terms.*

(i) The term “**Maturity**” means Series 2020A Certificates with the same credit and payment terms. Series 2020A Certificates with different maturity dates, or Series 2020A Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

(ii) The term “**Public**” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “**related party**” is defined in U.S. Treasury Regulation § 1.150-1(b) which generally provides that the term related party means any two or more persons who have a greater than 50 percent common ownership, directly or indirectly.

(iii) The term “**Underwriter**” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020A Certificates to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this paragraph to participate in the initial sale of the Series 2020A Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2020A Certificates to the Public).

The representations set forth in this Closing Certificate are limited to factual matters only. Nothing in this Closing Certificate represents the Original Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the certifications contained herein will be relied upon by the City in executing and delivering its tax compliance agreement and with respect to compliance with the federal income tax rules affecting the Series 2020A Certificates, and by Gilmore & Bell, P.C., as Special Tax Counsel to the City, in rendering its opinion relating to the exclusion from federal gross income of the interest on the Series 2020A Certificates and other federal income tax advice that it may give to the City from time to time relating to the Series 2020A Certificates.

At the request of the City, the Original Purchaser will provide information explaining the factual basis for this Closing Certificate. This agreement to provide such information will continue to apply after the issue date of the Series 2020A Certificates if (1) the City requests the information in connection with an audit or inquiry by the Internal Revenue Service or the Securities and Exchange Commission, (2) the information is related to any determination of the issue price for the Series 2020A Certificates, or (3) the information is required to be retained by the City pursuant to future regulation or similar guidance from the Internal Revenue Service, the Securities and Exchange Commission or other federal or state regulatory authority.

DATED: _____, 20____.

[*UNDERWRITER*]

By: _____
Title: _____

Attachment A

Expected Offering Prices

[Attach Initial Offering Prices Used in Formulating Bid]

SCHEDULE IF COMPETATIVE SALES REQUIREMENTS ARE NOT MET

Attachment A

Initial Offering Price Documentation

[Attach Pricing Wire or Other Offering Price Documentation]

Attachment B

Sale Price Documentation

[Attach Actual Sales Data Certification or Documentation]