

RESOLUTION AUTHORIZING THE ISSUANCE OF A SERIES OF INFRASTRUCTURE FACILITIES LEASEHOLD REFUNDING REVENUE BONDS FOR THE BENEFIT OF THE CITY OF INDEPENDENCE, MISSOURI, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000 AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

WHEREAS, the Missouri Development Finance Board (the “Board”) is authorized and empowered under the Missouri Development Finance Board Act, Sections 100.250 to 100.297, inclusive of the Revised Statutes of Missouri, as amended (the “Act”) to issue its revenue bonds for the purpose of providing funds to purchase, construct, extend and improve “projects” (as defined in the Act), including “infrastructure facilities” as defined in subdivision (9) of Section 100.255 of the Act, to refund any such bonds, and to acquire and dispose of property by lease; and

WHEREAS, by Resolution dated September 30, 2008 (the “Resolution of Intent”), the Board approved the portion of the Project related to the extension and improvement of the City of Independence, Missouri’s (the “City”) electric utility (as amended as described in the following recitals, the “Project”) and declared the official intent of the Board to finance the costs of that portion of the Project from the proceeds of one or more series of bonds of the Board in an amount not to exceed \$117,560,000; and

WHEREAS, the Resolution of Intent was subsequently amended to increase the total amount of bonds expected to be issued for the Project to \$241,560,000, and to add the acquisition by the City of a portion of the Dogwood Electric Plant and the refunding of certain prior bonds issued by the City related to its electric utility (the “Electric System”) to the Project; and

WHEREAS, the Resolution of Intent was subsequently further amended to increase the total amount of bonds expected to be issued for the Project to \$296,560,000, and to add additional costs related to the extension and improvement of the City’s Electric System to the Project; and

WHEREAS, the Board has previously issued the following five series of bonds pursuant to the Resolution of Intent:

1. \$31,415,000 Infrastructure Facilities Revenue Bonds (City of Independence, Missouri – Electric System Projects), Series 2009D,
2. \$33,645,000 Infrastructure Facilities Leasehold Revenue Bonds (City of Independence, Missouri – Electric System Projects), Series 2010B (the “Series 2010B Bonds”),
3. \$55,185,000 Infrastructure Facilities Revenue Bonds (City of Independence, Missouri, Annual Appropriation Electric System Revenue Bonds – Dogwood Project) Series 2012A
4. \$52,525,000 Infrastructure Facilities Leasehold Improvement and Refunding Revenue Bonds (City of Independence, Missouri – Electric System Projects), Series 2012F (the “Series 2012F Bonds”), and
5. \$47,180,000 Infrastructure Facilities Leasehold Revenue Bonds (City of Independence, Missouri – Electric System Projects), Series 2016D; and

WHEREAS, due to the current interest rate environment, there is an opportunity to refund all of the Series 2010B Bonds currently outstanding in the principal amount of \$10,615,000 (the “Refunded Bonds”) in order to achieve interest cost savings; and

WHEREAS, at the request of the City, the Board desires to issue its Infrastructure Facilities Leasehold Refunding Revenue Bonds (City of Independence, Missouri – Electric System Projects), Series 2020A, for the benefit of the City in an aggregate principal amount not to exceed \$12,000,000 (as more fully described herein, the “Series 2020A Bonds”) pursuant to the herein defined Indenture by and between the Board and the bond trustee named therein, for the purpose of making a loan to the City (the “Loan”), pursuant to the herein described Lease Purchase Agreement by and between the Board and the City, to (a) refund the Refunded Bonds, (b) fund a debt service reserve fund related to the Series 2020A Bonds (if necessary), and (c) pay costs associated with issuing the Series 2020A Bonds; and

WHEREAS, similar portions of the Project were funded with both the Series 2010B Bonds and the Series 2012F Bonds, and therefore the Board and the City desire to issue the Series 2020A Bonds as a series of “Additional Bonds” as authorized by that certain Bond Trust Indenture dated as of December 1, 2012 (the “Original Indenture”) between the Board and UMB Bank, N.A., as trustee (the “Trustee”), as successor trustee to Commerce Bank, N.A., providing for the issuance thereunder of the Series 2012F Bonds; and

WHEREAS, in connection with the issuance of the Series 2012F Bonds, the Board and the City entered into that certain Base Lease dated as of December 1, 2012 (the “Original Base Lease”) between the Board and the City under which the City leased to the Board the Leased Property (as defined in the Original Indenture); and

WHEREAS, also in connection with the issuance of the Series 2012F Bonds, the Board and the City entered into that certain Lease Purchase Agreement dated as of December 1, 2012 (the “Original Lease Purchase Agreement”) between the Board and the City under which the Board leased the Leased Property back to the City in consideration of lease payments made by the City which will be sufficient to pay the principal of, redemption premium, if any, purchase price and interest on the Series 2012F Bonds; and

WHEREAS, the Board is authorized under the Act and the Original Indenture to issue its revenue bonds for the purposes aforesaid and the Board has determined that the public interest will be best served and that the purposes of the Act can be more advantageously obtained by the Board’s issuance of the Series 2020A Bonds in order to loan funds to the City under the Original Lease Purchase Agreement, as amended and supplemented, as a means of accomplishing the foregoing; and

WHEREAS, the Board further finds and determines that it is necessary and desirable in connection with the issuance of the Series 2020A Bonds that the Board execute and deliver certain documents and that the Board take certain other actions as herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE MISSOURI DEVELOPMENT FINANCE BOARD, AS FOLLOWS:

Section 1. Findings and Determinations. The Board hereby ratifies, confirms and makes the following findings and determinations with respect to the City and the Project, based upon representations made to the Board:

(a) The City has properly requested the Board’s assistance in refinancing (through the refunding of the Refunded Bonds) the costs of the Project.

(b) The issuance of the Series 2020A Bonds for the purpose of providing funds to refinance the costs of the Project is in the public interest and in furtherance of the purposes of the Act.

(c) The Loan made pursuant to the Lease Purchase Agreement is adequately secured by security satisfactory to the Board.

Section 2. Authorization of the Series 2020A Bonds. In order to obtain funds to loan to the City to be used for the purposes aforesaid, the Board is hereby authorized to issue its Infrastructure Facilities Leasehold Refunding Revenue Bonds (City of Independence, Missouri – Electric System Improvements), Series 2020A, in an aggregate principal amount of not to exceed \$12,000, pursuant to the Indenture, for the purpose of making the Loan to the City, pursuant to the Lease Purchase Agreement, to (a) refund the Refunded Bonds, (b) fund a debt service reserve fund related to the Series 2020A Bonds (if necessary), and (c) pay costs related to the issuance of the Series 2020A Bonds. The true interest cost on the Series 2020A Bonds shall not exceed 3.5% per annum and the final maturity date of the Series 2020A Bonds shall not be later than June 1, 2035. The Series 2020A Bonds shall bear interest at such rates, shall mature on such dates, and shall have such redemption provisions, if any, and such other terms to be set forth in the Indenture. The final terms of the Series 2020A Bonds shall be as determined by the Final Terms Committee in the manner described in **Section 7** and as specified in the Indenture upon the execution thereof, and the signatures of the officers of the Board executing the Indenture shall constitute conclusive evidence of their approval and the Board's approval thereof. The refunding of the Refunded Bonds shall result in present value debt savings of at least 3.0% of the principal amount of the Refunded Bonds.

Section 3. Series 2020A Bonds as Limited Obligations. The Series 2020A Bonds shall be limited obligations of the Board payable solely from the sources and in the manner as provided in the Indenture, and shall be secured by a pledge and assignment of and a grant of a security interest in the Trust Estate (as defined in the Indenture) to the Trustee and in favor of the holders of the Series 2020A Bonds, as provided in the Indenture. The Series 2020A Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State of Missouri (the "State") or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the herein described Base Lease, the Lease Purchase Agreement and the Indenture. The issuance of the Series 2020A Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The State shall not in any event be liable for the payment of the principal of, redemption premium, if any, or interest on the Series 2020A Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Board. No breach by the Board of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any charge upon its general credit or against its taxing power.

Section 4. Authorization and Approval of Documents. The following documents are hereby approved in substantially the forms presented to and reviewed by the Board at this meeting (copies of which documents shall be filed in the records of the Board), and the Board is hereby authorized to execute and deliver each of such documents to which the Board is a party (the "Board Documents") with such changes therein as shall be approved by the officers of the Board executing such documents, such officers' signatures thereon being conclusive evidence of their approval and the Board's approval thereof:

(a) First Supplemental Bond Trust Indenture (the "First Supplemental Indenture"), supplementing the Original Indenture (collectively, the "Indenture") between the Board and the Trustee, providing for the issuance thereunder of the Series 2020A Bonds and setting forth the terms and provisions applicable to the Series 2020A Bonds, including a pledge and assignment

by the Board of the Trust Estate to the Trustee for the benefit and security of the owners of the Series 2020A Bonds upon the terms and conditions as set forth in the Indenture.

(b) First Supplemental Base Lease (the “First Supplemental Base Lease”) supplementing the Original Base Lease (collectively, the “Base Lease”) between the Board and the City under which the City will lease to the Board the Leased Property (as defined in the Indenture).

(c) First Supplemental Lease Purchase Agreement (the “First Supplemental Lease Purchase Agreement”) supplementing the Original Lease Purchase Agreement (collectively, the “Lease Purchase Agreement”) between the Board and the City under which the Board will lease the Leased Property back to the City in consideration of lease payments made by the City which will be sufficient to pay the principal of, redemption premium, if any, purchase price and interest on the Series 2012F Bonds and the Series 2020A Bonds.

(d) Tax Compliance Agreement (the “Tax Compliance Agreement”), among the Board, the City and the Trustee, entered into in order to set forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Series 2020A Bonds, to establish and maintain the exclusion of interest on the Series 2020A Bonds from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of Code § 148(f).

(e) Bond Purchase Agreement (the “Bond Purchase Agreement”) among the Board, the City and the original purchaser named therein (the “Original Purchaser”), entered into in connection with the sale of the Series 2020A Bonds by the Original Purchaser.

Section 5. Execution of Series 2020A Bonds and Documents. The Chair, Vice Chair or Executive Director of the Board is hereby authorized and directed to execute the Series 2020A Bonds by manual or facsimile signature and to deliver the Series 2020A Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Board in the manner provided in the Indenture. The Chair, Vice Chair or Executive Director of the Board is hereby authorized and directed to execute, deliver and/or endorse the Board Documents for and on behalf of and as the act and deed of the Board. The Secretary or Assistant Secretary of the Board is hereby authorized to attest to the Series 2020A Bonds by manual or facsimile signature, to the Board Documents and to such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 6. Refunding of Refunded Bonds. The officers, agents and employees of the Board are hereby authorized and directed to take such actions, and execute such other documents, certificates and instruments as may be necessary or desirable to refund the Refunded Bonds on the earliest practical date.

Section 7. Final Terms Committee. The Board does hereby establish a Final Terms Committee for the Series 2020A Bonds (the “Committee”) to consist of the Executive Director of the Board and the City Manager or other authorized representative of the City, and a representative of the City’s municipal advisor, which Committee, acting unanimously, is hereby authorized, for and on behalf of the Board, to establish for the Series 2020A Bonds (a) the aggregate principal amount thereof, which shall not exceed the limitation set forth in **Section 2** hereof, (b) the principal maturity dates thereof and the aggregate principal amount thereof maturing on such dates, with a final maturity for the Series 2020A Bonds not later than the date set forth in **Section 2** hereof, (c) the dates on which the Series 2020A Bonds are to be redeemed pursuant to the mandatory redemption provisions of the Indenture and the aggregate

principal amount thereof to be redeemed on such dates, (d) the dates on which the Series 2020A Bonds are subject to the optional redemption provisions of the Indenture and the redemption prices thereof, (e) the interest rates to be borne by the Series 2020A Bonds, with the true interest cost on the Series 2020A Bonds not to exceed the limitations set forth in **Section 2** hereof, and (f) the identity of the Original Purchaser, all to be established consistent with the following: On any date selected by the Committee, the Committee shall determine the lowest and best interest rates and the most appropriate maturities, redemption terms, final principal amount and purchase price (including any discount or premium) which, in the unanimous best judgment of the members of the Committee at that time, would produce as nearly as possible a par bid (with such discount or premium deemed best by the Committee) for the Series 2020A Bonds in the then bond market for the Series 2020A Bonds. The determination of the Committee shall be conclusively evidenced by the execution by all the members thereof of the Bond Purchase Agreement. All of said final terms shall be set forth in the Indenture as executed and delivered.

Section 8. Further Authority. The Board shall, and the officers, agents and employees of the Board are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments, including, without limitation, any security documents, arbitrage certificate, closing certificates and tax forms, as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the Board with respect to the Series 2020A Bonds and the Board Documents. If the Series 2020A Bonds are not issued within the 2020 calendar year, then the “Series 2020A Bonds” as described herein may be issued with the appropriate Series identifier for the calendar year in which the bonds are actually issued.

Section 9. Electronic Transactions. The transactions described herein may be conducted and documents may be stored by electronic means. All closing documents, certificates, and related instruments may be executed by electronic transmission. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents (or documents executed by electronic transmission) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 10. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Board.

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Adopted by Missouri Development Finance Board this 20th day of October, 2020.

MISSOURI DEVELOPMENT FINANCE BOARD

(SEAL)
ATTEST:

Chair

Assistant Secretary

MDFB Resolution
(Independence, MO Electric Project)

