
BASE LEASE

Grantor:	City of Sedalia, Missouri 200 South Osage Ave. Sedalia, Missouri 65301
Grantee:	BOKF, N.A. 2405 Grand Blvd., Suite 840 Kansas City, Missouri 64108 Attention: Corporate Trust Department
Real Property Legal Description:	See Schedule 1
Dated as of:	April 15, 2020

BASE LEASE

THIS BASE LEASE (the “**Base Lease**”) dated as of April 15, 2020, by and between **CITY OF SEDALIA, MISSOURI**, a third-class city and political subdivision duly organized and existing under the laws of the State of Missouri, as Site Lessor (the “**City**”), and the **BOKF, N.A.**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America with a corporate trust office located in Kansas City, Missouri, in its capacity as Trustee (together with its successors, the “**Trustee**”) under the Trust Indenture dated as of April 15, 2020 (the “**Indenture**”), between the City and the Trustee, as Site Lessee.

WITNESSETH:

WHEREAS, the City owns fee simple title to the real estate and any existing building and fixtures located thereon and any additional building and fixtures constructed thereon described on **Schedule 1** attached hereto (the “**Project Site**”), and desires to finance, refinance or be reimbursed for the projects financed with the Certificates constructed and installed or to be constructed and installed on the Project Site and other property of the City more specifically described in **Schedule 2** attached hereto (the “**Project**”); and

WHEREAS, in order to finance costs of certain improvements for the City, the City has previously issued its Certificates of Participation (Bank Qualified), Series 2012A (the “**Series 2012A Certificates**”) and

WHEREAS, the City desires to lease the Project Site to the Trustee upon the terms and conditions herein set forth in order to provide for the financing of the Project and for the refunding of the outstanding principal amount of the Series 2012A Certificates (the “**Refunded Certificates**”); and

WHEREAS, the City proposes (a) to enter into the Indenture, under which the Trustee will execute and deliver \$28,995,000 principal amount of City of Sedalia, Missouri Refunding and Improvement Certificates of Participation, Series 2020 (the “**Series 2020 Certificates**”), evidencing proportionate interests of the owners thereof in Rental Payments to be made by the City, as Lessee, pursuant to a Lease Agreement of even date herewith (the “**Lease**”), with the Trustee, as Lessor, to provide funds for the purposes described therein, and (b) to lease the Project Site from the Trustee pursuant to the Lease;

WHEREAS, it is expected that the City and the Trustee will amend the Indenture in connection with the execution and delivery of Additional Certificates (as hereinafter defined; the Series 2020 Certificates and the Additional Certificates being collectively referred to as the “**Certificates**”) to provide additional funds for capital projects of the City;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the City and the Trustee do hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION

Section 1.1. Definitions of Words and Terms. In addition to words and terms defined herein or the Lease, capitalized words and terms as used in this Base Lease shall have the meanings given to such words and terms in the Indenture (which definitions are hereby incorporated by reference).

Section 1.2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed such terms by accounting principles generally accepted in the United States of America as from time to time in effect. The table of contents hereto and the headings and captions herein are not a part of this document. Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations of the City. The City represents, warrants and covenants to the Trustee as follows:

(a) The City is a third-class city and political subdivision duly organized and existing under the laws of the State of Missouri.

(b) The City has full power and authority to enter into this Base Lease and the transactions contemplated by this Base Lease, the Lease and the Indenture and to carry out its obligations hereunder and thereunder, and by proper action has duly authorized the execution and delivery of this Base Lease, the Indenture and the Lease by its duly authorized officers.

(c) The execution and delivery of this Base Lease, the Indenture and the Lease, the consummation of the transactions contemplated hereby and thereby, and the performance of or compliance with the terms and conditions of this Base Lease, the Indenture and the Lease by the City will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the City or any of its property of any court or governmental body, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City under the terms of any instrument or agreement to which the City is a party.

(d) The City has good and marketable fee simple title to, or rights to use the Project Site pursuant to easements for the Project Site at the time of execution and delivery of the Series 2020 Certificates free and clear of any liens or encumbrances, except for Permitted Encumbrances, and such real estate will thereby be exempt from property and any other taxes levied by the State of Missouri or any political subdivision thereof or by the City.

(e) The lease of the Project Site by the City to the Trustee, as provided in this Base Lease, will enhance and expand the use of public facilities owned by the City and as a result thereof will serve all of the aforesaid purposes and is therefore necessary, desirable and in the public interest.

(f) The Project Site will comply in all material respects with all presently applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations.

ARTICLE III

LEASE OF THE PROJECT SITE

Section 3.1. Lease of Project Site. The City hereby demises and leases the Project Site to the Trustee, and the Trustee hereby leases the Project Site from the City, subject to Permitted Encumbrances, on the terms and conditions herein set forth. The lease of the Project Site hereunder only includes a leasehold interest in the underlying real property, buildings and fixtures located on Project Site and does not include any personal property or equipment located on the Project Site or elsewhere, whether or not financed with the Certificates.

Section 3.2. Base Lease Term. The term of this Base Lease shall commence as of the date of the delivery hereof and shall end on March 31, 2080, unless such term is sooner terminated as hereinafter provided. Upon the payment in full of the Certificates and all amounts due and payable to the Insurer, all of the Trustee's right, title and interest in the Project Site under this Base Lease shall revert back to the City without the requirement of any action by the City or the Trustee.

Section 3.3. Quiet Enjoyment.

(a) Subject to the Lease, the Trustee at all times during the term of this Base Lease shall peaceably and quietly have and enjoy the Project Site, subject to Permitted Encumbrances. The Trustee shall use the Project Site solely for the purpose of financing the costs of acquiring, constructing, improving, furnishing and equipping the Project for the City and financing the costs of refunding the Refunded Certificates pursuant to the Lease; provided, that in the event of default by the City under the Lease, the Trustee may exercise the remedies provided in the Lease and this Base Lease.

(b) In the event that title to, or the temporary use of, all or a portion of the Project Site is challenged or threatened by means of competent legal or equitable action, the City covenants that it shall cooperate with the Trustee and shall take all reasonable actions, including where appropriate the lawful exercise of the City's power of eminent domain, in order to quiet title to the Project Site in the City.

Section 3.4. No Merger. Subject to **Section 5.1** hereof, no union of the interests of the City and the Trustee herein shall result in a merger of this Base Lease and the Lease or of this Base Lease and the fee title to the Project Site.

Section 3.5. Assignments, Subleases and Mortgage.

(a) Simultaneously with the delivery of this Base Lease, the Trustee is subleasing the Project Site to the City pursuant to the Lease, but subject to the Indenture and the reservation of certain rights under this Base Lease.

(b) The Trustee may not mortgage or otherwise assign its rights under this Base Lease or sublet the Project Site without the written consent of the City except (a) the sublease and lease of the Project Site pursuant to the Lease, (b) the assignment pursuant to the Indenture of its rights under this Base Lease and the Lease, (c) if the Lease is terminated for any reason and this Base Lease is not otherwise terminated as provided herein, or (d) if an Event of Default or an Event of Nonappropriation under the Lease has occurred. No such assignment, lease or sublease is permitted without the prior written consent of the Insurer, and neither the City nor the Trustee may release, sell, dispose or substitute any of the Project Site without the prior written consent of the Insurer.

(c) Except with respect to Permitted Encumbrances and as otherwise provided herein, in the Lease or in the Indenture and with the written consent of the Insurer, neither the Trustee nor the City shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Project Site. Whenever and as often as any mechanics' or other lien is filed against the Project Site, or any part thereof, the City shall discharge the same of record within 60 days after the date of filing. Notice is hereby given that the Trustee shall not be liable for any labor or materials furnished to the City or to anyone claiming by, through or under the City upon credit, and that no mechanics' or other lien shall attach to or affect the reversionary or other estate of the Trustee in and to the Project Site, or any part thereof.

Section 3.6. Eminent Domain. In the event the whole or any part of the Project Site is taken by eminent domain proceedings, the interest of the Trustee shall be recognized. The proceeds of said condemnation shall be applied as provided in **Article VIII** of the Lease. The Trustee and the City have reached an agreement on the terms of the acquisition of the Project Site at City's option, and to the use of the Project and the Project Site, all as set forth in the Lease. Any acquisition of the Project Site or rights to their use by the City (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Rental Payments and the applicable Option Purchase Price as set forth in the Lease. If the City allows the Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the Maximum Lease Term or failure to cure an Event of Default under the Lease), that action shall constitute an irrevocable determination by the City that the Project Site is not required by it for any public purpose for the term of this Base Lease.

Section 3.7. Title Insurance. The City shall concurrently with the execution of this Base Lease obtain title insurance on the Project Site in the form of an extended ALTA owner's policy. All encumbrances, and endorsements and restrictions to the policies must be acceptable to the Purchaser and the Insurer. The policies may not permit the title insurer to purchase any Certificates in lieu of providing payment under the policy unless, upon purchase, such Certificates are canceled, or to settle claims with any person other than the Trustee, acting with the consent of the Purchaser. The Net Proceeds of such title insurance policy shall be applied in accordance with the provisions of the Indenture and the Lease.

ARTICLE IV

RENTAL PROVISIONS

Section 4.1. Rent and Other Considerations. As and for rental hereunder and in consideration for the leasing of the Project Site to the Trustee hereunder, the Trustee shall:

(a) Cause the Series 2020 Certificates and any Additional Certificates to be delivered to the purchasers thereof having such terms as set forth in the Indenture; and

(b) Cause the proceeds of the sale of the Series 2020 Certificates and any Additional Certificates to be deposited as provided in the Indenture.

Section 4.2. Disbursement from Project Fund. The City will authorize and direct the Trustee to disburse moneys in the Project Fund for the payment, or for reimbursement to the City for payment, of the Project Costs upon the terms and conditions specified in the Indenture and in the Lease.

Section 4.3. Additional Certificates. The Trustee may deliver Additional Certificates for the purposes and upon the terms and conditions provided in the Indenture. If the City is not in default hereunder, the Trustee agrees, on request of the City, from time to time, to use its best efforts to deliver the

amount of Additional Certificates specified by the City (within the limits and under the conditions specified herein and in the Indenture), provided that (a) the terms, purchase price and disposition of proceeds of the sale of such Additional Certificates have been approved in writing by the City; (b) the Trustee and the City shall have entered into an amendment to the Lease, if necessary, and this Base Lease, if necessary, to provide for the lease of any additional improvements and extensions to the property of the City and the payment by the City of Rental Payments necessary to pay the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Additional Certificates; and (c) the City shall have otherwise complied with the provisions of the Indenture with respect to the issuance of such Additional Certificates.

ARTICLE V

TERMINATION

Section 5.1. Termination. This Base Lease shall terminate upon the completion of the Base Lease term specified in **Section 3.2** hereof; provided, however, in the event (i) the City pays all Rental Payments and Additional Payments required by the Lease during the Maximum Lease Term, or exercises the option to purchase the remaining Base Lease term of the Trustee hereunder and pays the then applicable Purchase Price as provided in the Lease, and (ii) the Indenture has been discharged in accordance with its terms, then this Base Lease shall be considered assigned to the City and terminated through merger of the leasehold interest with the fee interest if the City is the owner of the fee interest and elects to terminate the leasehold interest so acquired from the Trustee. The Trustee agrees, upon such assignment and termination of the Base Lease term, to quit and surrender the Project Site as they then exist to the City free and clear of encumbrances, except Permitted Encumbrances.

Section 5.2. Default by the City. If an Event of Default or an Event of Nonappropriation under the Lease occurs for any reason, or if the City terminates the Lease and fails to purchase the Trustee's interest in the Project Site as provided in the Lease, the Trustee, or its assignee, shall have the right to possession of the Project Site for the remainder of the Base Lease term and shall have the right to sublease the same or sell its interest in this Base Lease upon whatever terms and conditions it deems prudent. In the event the Trustee takes possession of the Project Site, the Trustee shall obtain, but solely to the extent of funds available to it for such use under the Indenture, the same insurance coverage with respect to the Project Site as the City is required to obtain under the Lease for the remainder of the Base Lease term and will furnish the City with evidence thereof. In the event that the Trustee shall receive a payment for the sale of its interest or total rental payments for subleasing that are, after the payment of the Trustee's expenses in connection therewith including fees and expenses of the Trustee, in excess of the purchase price applicable at the time of termination or default plus interest thereon at the interest rate per annum borne by the Certificates (which must be an amount sufficient to pay the Principal Component, premium, if any, and Interest Component with respect to the Certificates, or to provide for the payment thereof as provided in **Article XIII** of the Indenture, with amounts so received to be credited first to such Interest Component and then to Principal Component), then such excess shall be paid to the City by the Trustee, its assigns or its sublessee.

Section 5.3. Default by the Trustee. Notwithstanding any default by the Trustee hereunder, the City shall not have the right to exclude the Trustee from the Project Site or to take possession thereof (except pursuant to the Lease) or to terminate this Base Lease prior to the termination of the Base Lease term; except that if, upon exercise of the option to purchase the Trustee's interest in the Project Site under the Lease granted to the City in the Lease and after the payment of the purchase price specified therein and the other sums payable under the Lease, the Trustee fails to convey its interest therein to the City pursuant to said option, then the City shall have the right to terminate this Base Lease, such termination to be effective

30 days after delivery of written notice of such termination to the Trustee. However, in the event of any default by the Trustee hereunder, the City may maintain an action for damages or, if permitted in equity, for specific performance. In no event shall the Trustee be liable for consequential or punitive damages.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Amendments, Changes and Modifications. This Base Lease may not be effectively amended, changed, modified, altered or terminated, except as provided in the Indenture and with the written consent of the Insurer.

Section 6.2. Notices. Any notice, request, complaint, demand or other communication required by this Base Lease to be given to or filed with the City or the Trustee shall be in writing and shall be given or filed in the manner and at the addresses specified in the Indenture.

Section 6.3. Waiver of Personal Liability. All liabilities under this Base Lease on the part of the Trustee are corporate liabilities of the Trustee, and, to the extent permitted by law, the City hereby releases each and every incorporator, member, director and officer of the Trustee of and from any personal or individual liability under this Base Lease. No incorporator, member, director or officer of the Trustee shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by the Trustee hereunder.

Section 6.4. Insurer as Third Party Beneficiary. The Insurer is explicitly recognized as being a third party beneficiary hereunder and may enforce any right, remedy or claim conferred, given or granted hereunder.

Section 6.5. Binding Effect. This Base Lease shall inure to the benefit of and shall be binding upon the City, the Trustee and their respective successors and assigns.

Section 6.6. Severability. In the event any provision of this Base Lease shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 6.7. Execution in Counterparts. This Base Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

Section 6.8. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 6.9. Electronic Storage of Documents. The Trustee and the City agree that the transaction 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 or 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.

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IN WITNESS WHEREOF, the parties hereto have caused this Base Lease to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

CITY OF SEDALIA, MISSOURI, as Site Lessor

(SEAL)

By: _____
Name: John Kehde
Title: Mayor

ATTEST:

Name: Arlene Silvey
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
COUNTY OF _____)

On this ____ day of _____ 2020, before me, the undersigned, a Notary Public, appeared John Kehde, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the **CITY OF SEDALIA, MISSOURI**, a third-class city and political subdivision duly organized and existing under 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 City Council, 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 official seal, the day and year last above written.

Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

BOKF, N.A.,
as Site Lessee

(SEAL)

By: _____
Name:
Title:

ATTEST:

Name:
Title:

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
COUNTY OF _____)

On this ____ day of _____, 2020, before me, the undersigned, a Notary Public, appeared _____, who being before me duly sworn did say that [s]he is a _____ of **BOKF, N.A.**, a national banking association, and that said officer being authorized so to do executed the foregoing instrument for the purposes therein contained by signing on behalf of the bank as such officer.

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

Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

**SCHEDULE 1 TO BASE LEASE
THE PROJECT SITE**

**SCHEDULE 2
TO BASE LEASE**

THE PROJECT

The Project includes the construction of an approximately 92,000 square foot Community Center housing gymnasiums, a competitive style pool with diving well, a separate leisure style pool, meeting rooms, convention space, a full commercial kitchen, a catering kitchen, concession stand, senior center, fitness area, elevated walking track, party rooms, office space and a studio for yoga, aerobic and dance.