

**\$5,695,000**  
**CITY OF SEDALIA, MISSOURI**  
**CERTIFICATES OF PARTICIPATION**  
**SERIES 2017B**

**Dated as of September \_\_, 2017**

**CERTIFICATE PURCHASE AGREEMENT**

Mayor and City Council  
Sedalia, Missouri

Ladies and Gentlemen:

On the basis of the representations, and covenants and upon the terms and conditions contained in this Certificate Purchase Agreement, Branch Banking and Trust Company (the “Purchaser”), offers to purchase from the City of Sedalia, Missouri (the “City”), the above-referenced series of certificates of participation (the “Certificates”), to be delivered pursuant to a Trust Indenture (the “Indenture”) dated as of September 1, 2017, between the City and BOKF, N.A., as trustee (the “Trustee”). The Trustee has pledged and assigned its rights and interests under an annually renewable Lease Purchase Agreement dated as of September 1, 2017 (the “Lease Agreement”), between the Trustee and the City and a Base Lease dated as of September 1, 2017 (the “Base Lease”), between the Trustee and the City, as security for the Certificates under the Indenture. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Lease Agreement and the Indenture.

**SECTION 1. REPRESENTATIONS AND AGREEMENTS**

(a) By the City’s acceptance hereof, the City hereby represents to the Purchaser that:

(1) The City is a third-class city and political subdivision duly organized and validly existing under the laws of the State of Missouri. The City, by proper action of its City Council, has been authorized to enter into the Lease Agreement, the Base Lease, the Indenture, this Certificate Purchase Agreement, the Tax Compliance Agreement and any and all such other agreements and documents required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated hereby (collectively the “City Documents”). The City Documents will constitute valid and binding obligations of the City, enforceable against the City in accordance with their terms;

(2) To the best of the knowledge and belief of the City, the City has complied with all provisions of the Constitution and the laws of the State of Missouri, and has full power and authority to consummate all transactions contemplated by the Certificates, the City Documents and any and all other agreements relating thereto, and the City has obtained or will obtain all requisite approvals and consents necessary for the financing, acquisition, construction and equipping of the Project;

(3) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the City, threatened

against or affecting the City (or, to its knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would materially adversely affect (1) the transactions contemplated by the City Documents, (2) the validity of the Certificates, the City Documents or any agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the City Documents, or (3) the financial condition of the City;

(4) Any certificate signed by an authorized representative of the City and delivered to the Purchaser shall be deemed a representation and warranty by the City to the Purchaser as to the statements made therein;

(5) The execution and delivery of the City Documents and the other agreements contemplated hereby, and compliance with the provisions thereof, will not conflict with or constitute on the part of the City a violation, a breach of or a default under any agreement, indenture, mortgage, lease or other instrument to which it is subject or by which it is or may be bound or, to the knowledge of the City, any existing law, court or administrative regulation, decree or order;

(6) The City will deliver or cause to be delivered all opinions, certificates and other documents, as provided herein, covering, among other things, the due authorization, execution and delivery by the City of the City Documents;

(7) No event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute an event of default under and as defined in the City Documents;

(8) The financial statements of the City for the fiscal years ended March 31, 2016, except as noted therein, present fairly and accurately the financial condition of the City as of the dates indicated and the results of its operations for the periods specified; and

(9) The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the City is an issuer whose arbitrage certifications may not be relied upon.

(b) The Purchaser represents as follows:

(1) The Purchaser is a state banking corporation organized, validly existing and in good standing under the laws of the State of North Carolina;

(2) The execution, delivery and performance of this Certificate Purchase Agreement by the Purchaser has been duly authorized by all necessary action of the Purchaser and does not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, any law, court or administrative regulation, decree or order applicable to or binding upon the Purchaser, or, to the best of its knowledge, any agreement, indenture, mortgage, lease or instrument to which the Purchaser is a party or by which it is bound;

(3) When executed and delivered by the Purchaser, this Certificate Purchase Agreement is a legal, valid and binding obligation, enforceable against the Purchaser in accordance with its terms, subject, as to enforcement, to any applicable bankruptcy,

reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally and further subject to the availability of equitable remedies; and

(4) Any certificate signed by an authorized officer or agent of the Purchaser and delivered to the City shall be deemed a representation and warranty by the Purchaser to such party as to the statements made therein.

## **SECTION 2. PURCHASE, SALE AND DELIVERY OF THE CERTIFICATES**

On the basis of the representations and covenants contained herein and in the other agreements referred to herein, and subject to the terms and conditions herein set forth and in the City Documents, the Purchaser agrees to purchase from the City, and the City agrees to sell to the Purchaser, the Certificates on the terms and conditions set forth herein. The purchase price for the Certificates shall be the amount of \$5,695,000 (the "Closing Price"), which shall be paid by the Purchaser on the Closing Date (hereinafter defined).

The Certificates shall be delivered to the Purchaser by the City and the Trustee on the Closing Date upon payment of the Closing Price for the Certificates. As used herein, the term "Closing Date" shall mean September 14, 2017, or such other date as shall be mutually agreed upon by the City and the Purchaser. Payment for the Certificates shall be made by federal wire transfer or certified or official bank check or draft in immediately available federal funds payable to the order of the Trustee for the account of the City, at 9:00 a.m., local time, on the Closing Date. Upon such payment, the Certificates shall be delivered and released as instructed by the Purchaser and in accordance with the terms of the Indenture.

The Certificates shall be delivered under and secured as provided in the Indenture, the Base Lease and the Lease Agreement and shall have the maturities, interest rates and shall be subject to redemption as set forth in the Indenture. The delivery of the Certificates shall be made in definitive form as fully registered Certificates in the amount of \$5,695,000; provided, that the Principal Amount outstanding at any time shall be that amount recorded in the records of the Trustee kept pursuant to the Indenture and the Lease Agreement and further provided that Interest Component shall be payable with respect to the Certificates only on the outstanding Principal Amount of the Certificates, as more fully provided in the Indenture.

The Purchaser agrees to indemnify and hold harmless the City and the Trustee, and any member, officer, official or employee of the City or of the Trustee and any person controlling the Trustee within the meaning of Section 15 of the Securities Act of 1933, as amended (collectively, the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever to the extent caused by any violation by such Purchaser of, or failure by such Purchaser to comply with, any federal or state securities laws in connection with the Certificates; provided, however, the indemnification contained in this paragraph shall not extend to such Indemnified Party if such loss, claim, damage, liability or expense is (a) the result of the Indemnified Party's negligence or willful misconduct, or (b) the Indemnified Party has not acted in compliance with the City Documents.

In case any action shall be brought against one or more of the Indemnified Parties based upon the foregoing indemnification and in respect of which indemnity may be sought against a Purchaser, the Indemnified Parties shall promptly notify the Purchaser in writing and the Purchaser shall promptly assume the defense thereof, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless employment of such counsel has been specifically authorized by the Purchaser. The Purchaser shall

not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties, but if settled with the consent of the Purchaser or if there be a final judgment for the plaintiff in any such action against the Purchaser or any of the Indemnified Parties, with or without the consent of the Purchaser, then provided that the Purchaser was given prompt written notice and the ability to assume the defense thereof as required by this paragraph, the Purchaser agrees to indemnify and hold harmless the Indemnified Parties to the extent provided herein.

The City acknowledges that (a) the transaction contemplated by this Purchase Contract is an arm's length, commercial transaction between the City and the Purchaser in which the Purchaser is acting solely as a principal and are not acting as a municipal advisor, financial advisor or fiduciary to the City; (b) the Purchaser has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser has provided other services or are currently providing other services to the City on other matters). The City waives to the full extent permitted by applicable law any claims it may have against the Purchaser arising from an alleged breach of fiduciary duty in connection with the purchase and sale of the Certificates.

### **SECTION 3. CONDITIONS TO THE PURCHASER'S OBLIGATIONS**

The Purchaser's obligations hereunder shall be subject to the due performance by the City of the City's obligations and agreements to be performed hereunder on or prior to the Closing Date and to the accuracy of and compliance with the City's representations contained herein, as of the date hereof and as of the Closing Date, and are also subject to the following conditions:

(a) The Certificates and the City Documents shall have been duly authorized, executed and delivered in the form heretofore approved by the Purchaser with only such changes therein as shall be mutually agreed upon by the Purchaser and the City.

(b) On the Closing Date, the Purchaser shall receive:

(1) The opinion in form and substance satisfactory to the Purchaser, dated as of the Closing Date, of Gilmore & Bell, P.C., Special Counsel, relating to the valid authorization and delivery of the Certificates, the due authorization, execution and delivery of the City Documents, the exclusion of interest on the Certificates from gross income for federal and Missouri income tax purposes and certain other matters and that the Certificates constitute "qualified tax-exempt obligations;"

(2) Copies of the executed City Documents;

(3) The title policy required by the City Documents; and

(4) Such additional certificates and other documents as the Purchaser may reasonably request to evidence performance or compliance with the provisions hereof and the transactions contemplated hereby, all such certificates and other documents to be satisfactory in form and substance to the Purchaser.

#### **SECTION 4. THE PURCHASER'S RIGHT TO CANCEL**

The Purchaser shall have the right to cancel its obligations hereunder to purchase the Certificates by notifying the City in writing of its election to make such cancellation at any time prior to the Closing Date.

#### **SECTION 5. ADDITIONAL REPRESENTATIONS OF THE PURCHASER**

The Purchaser hereby makes the following additional representations:

(a) Purchaser has full power and authority to carry on its business as now conducted and make the representations and certifications contained herein.

(b) Purchaser is a lender that regularly extends credit by purchasing loans in the form of state and local government obligations such as the Certificates; has knowledge and experience in financial and business matters that make it capable of evaluating the City, the Certificates and the risks associated with the purchase of the Certificates; and has the ability to bear the economic risk of extending the credit evidenced by the Certificates. Purchaser is not acting as a broker, dealer, municipal securities underwriter, municipal advisor or fiduciary in connection with its purchase of the Certificates.

(c) Purchaser has conducted its own investigation of the financial condition of the City, the purpose for which the Certificates are being executed and delivered and of the security for the payment of the principal of and interest on the Certificates, and has obtained such information regarding the Certificates and the City and its operations, financial condition and financial prospects as the Purchaser deems necessary to make an informed investment decision with respect to the purchase of the Certificates, including without limitation the risks associated with the renewal of the capital improvement sales tax that is expected to be used for the payment of the Certificates.

(d) Purchaser is purchasing the Certificates for its own account and without any present intention of distributing or selling any interest therein or portion thereof, provided that Purchaser retains the right at any time to dispose of the Certificates or any interest therein or portion thereof, but agrees that any such sale, transfer or distribution by the Purchaser shall be made in accordance with applicable law and the provisions of the Certificates and the City Documents.

(e) Purchaser acknowledges that the Certificates (i) have not been registered under the Securities Act of 1933, as amended, and has not been registered or otherwise qualified for sale under the securities laws of any state, (ii) will not be listed on any securities exchange and (iii) there is no established market for the Certificates and that none is likely to develop. Purchaser understands and acknowledges that (i) its purchase of the Certificates is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended and (ii) in connection with its purchase of the Certificates, the City has not prepared or caused to be prepared, any official statement, private placement memorandum or other offering document.

(f) Purchaser is acting solely for its own account and not as a fiduciary for the City or in the capacity of broker, dealer, placement agent, municipal securities underwriter, municipal advisor or fiduciary. It has not provided, and will not provide,

financial, legal (including securities law), tax, accounting or other advice to or on behalf of the City (including to any Municipal Advisor or any placement agent engaged by the City) with respect to the structuring, issuance, sale or delivery of the Certificates. Purchaser has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the City with respect to the transactions relating to the structuring, issuance, sale or delivery of the Certificates and the discussions, undertakings and procedures leading thereto. Each of the City, its Municipal Advisor and its placement agent has sought and shall seek and obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters and compliance with legal requirements applicable to such parties) with respect to the Certificates from its own financial, legal, tax and other advisors (and not from the undersigned or its affiliates) to the extent that the City, its Municipal Advisor or its placement agent desires, should or needs to obtain such advice. The undersigned expresses no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to the City's Municipal Advisor or placement agent, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to the City's Municipal Advisor or placement agent, with respect to any such matters. The transactions between the City and Purchaser are arm's length, commercial transactions in which Purchaser is acting and has acted solely as a principal and for its own interest and Purchaser has not made recommendations to the City with respect to the transactions relating to the Certificates.

#### **SECTION 6. REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY**

All of the representations and agreements by the parties hereto shall remain operative and in full force and effect, and shall survive delivery of the Certificates to the Purchaser.

#### **SECTION 7. PAYMENT OF EXPENSES**

Whether or not the Certificates are sold to the Purchaser (unless such sale be prevented at the Closing Time by the Purchaser's default), the Purchaser shall be under no obligation to pay any expenses incident to the performance of the obligations of the City hereunder. If the Certificates are purchased by the Purchaser, all expenses and costs to effect the authorization, preparation, delivery and sale of the Certificates shall be paid by the City out of the proceeds of the Certificates.

#### **SECTION 8. NOTICE**

Any notice or other communication to be given to the City under this Agreement may be given by mailing or delivering the same in writing to the City at the following address:

City of Sedalia, Missouri  
200 South Osage Avenue  
Sedalia, MO 65301  
Attention: City Administrator

Any notice or other communication to be given to the Purchaser under this Agreement may be given by delivering the same in writing to the following:

BB&T Governmental Finance  
5130 Parkway Plaza Blvd.  
Charlotte, NC 28217  
Attention: William B. DaSilva

## SECTION 9. MISCELLANEOUS

(a) **Successors.** This Certificate Purchase Agreement is made for the benefit of the City and the Purchaser (including the permitted successors or assigns of the Purchaser) and no other person including any purchaser of the Certificates shall acquire or have any rights hereunder or by virtue hereof.

(b) **Governing Law.** This Certificate Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

(c) **Effectiveness.** This Certificate Purchase Agreement shall become effective upon acceptance by the City.

(d) **Counterparts.** This Certificate Purchase Agreement may be executed in any number of counterparts, each of which so executed and delivered shall constitute an original and all together shall constitute but one and the same instrument.

(e) **Captions.** The captions or headings in this Certificate Purchase Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Certificate Purchase Agreement.

(f) **Electronic Transaction.** The transaction described herein may be conducted and this Certificate Purchase Agreement and related documents may be stored, delivered and received 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.

*[remainder of page intentionally left blank]*

**BRANCH BANKING AND TRUST COMPANY**

By \_\_\_\_\_

Name:

Title:



Accepted and agreed to by:

**CITY OF SEDALIA, MISSOURI**

By: \_\_\_\_\_  
Name: Stephen Galliher  
Title: Mayor

[SEAL]

ATTEST:

By: \_\_\_\_\_  
Name: Arlene Silvey, MPCC  
Title: City Clerk