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**BASE LEASE**

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| <b>Grantor:</b>                             | <b>City of Sedalia, Missouri<br/>200 South Osage Ave.<br/>Sedalia, Missouri 65301</b>                                       |
| <b>Grantee:</b>                             | <b>BOKF, N.A.<br/>2405 Grand Blvd., Suite 840<br/>Kansas City, Missouri 64108<br/>Attention: Corporate Trust Department</b> |
| <b>Real Property<br/>Legal Description:</b> | <b>See Schedule 1</b>   |
| <b>Dated as of:</b>                         | <b>May 15, 2019</b>   |

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## BASE LEASE

**THIS BASE LEASE** (the “**Base Lease**”) dated as of May 15, 2019, 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 May 15, 2019, 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 located 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 previously issued its Taxable Certificates of Participation (Build America Bonds), Series 2010B (the “**Series 2010B 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 2010B Certificates (the “**Refunded Certificates**”); and

**WHEREAS**, the City proposes (a) to enter into a Trust Indenture of even date herewith (the “**Indenture**”), between the City and the Trustee, under which the Trustee will execute and deliver \$29,445,000 principal amount of City of Sedalia, Missouri Refunding and Improvement Certificates of Participation, Series 2019 (the “**Series 2019 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 2019 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 2019 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, 2070, unless such term is sooner terminated as hereinafter provided.

**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 and refinancing the costs of acquiring, constructing, improving, furnishing and equipping the Project for the City and 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.

(c) Except with respect to Permitted Encumbrances and as otherwise provided herein, in the Lease or in the Indenture, 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. 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 2019 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 2019 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.

**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. 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 6.5. 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 6.6. 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 6.7. Applicable Law.** This Base Lease shall be governed by and construed in accordance with the laws of the State of Missouri.

**Section 6.8. 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 \_\_\_\_\_ 2019, 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 \_\_\_\_\_, 2019, before me, the undersigned, a Notary Public, appeared \_\_\_\_\_, who being before me duly sworn did say that [s]he is a Vice President 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**

The Lease to the Project Site only includes the leasehold interest granted under this Base Lease in the underlying real property described below and any buildings and fixtures located thereon.

The following real estate, situated in the State of Missouri, County of Pettis, and described as follows:

**TRACT 1:**

Beginning at the intersection of the South line of the Missouri Pacific Railroad Company with the East line of Section 31, Township 46 North, Range 21 West, thence South along said East line of said Section 31 to a point 215 feet, measure at right angles, from the South line of said right-of-way of the Missouri Pacific Railroad Company, thence Westerly parallel with the right-of-way of said Missouri Pacific Railroad Company to the center line of Brushy Creek, thence Northerly along the center line of said Brushy Creek to the South line of the right-of-way of said Missouri Pacific Railroad Company, thence Easterly along the South line of said right-of-way to the place of beginning; all in the Southeast quarter of Section 31, Township 46 North, Range 21 West, in Pettis County, Missouri.

**TRACT 2:**

Beginning at the intersection of the South line of the right-of-way of the Missouri Pacific Railroad Company, with the West line of Section 32, Township 46 North, Range 21 West, thence running Easterly along the South line of said right-of-way 354 feet, thence Southwesterly at right angles to said right-of-way 290 feet, thence West to a point 18 feet East of the West line of said Section 32, thence South parallel with said West line of said Section 32 to the public road at the South line of said Section, thence West along the North line of said public road to the West line of said Section 32, thence North along the West line of said Section 32 to the place of beginning; all in the Southwest quarter of Section 32, Township 46 North, Range 21 West, in Pettis County, Missouri.

**TRACT 3:**

Commencing 397.25 feet North of the Southeast corner of said Section 31, in Township 46 North, of Range 21 West of the fifth principal meridian, running thence North 30° West a distance of 600 feet to a point 918.96 feet North and 300 feet West of the Southeast corner of said Section 31, thence North parallel with the East line of said Section 31, 496.6 feet to the South line of the Missouri Pacific Railroad, thence in a Southeasterly direction along the South line of said Railroad, 165 feet, more or less, to the center of Brushy Creek, thence in a Southwesterly direction along the center line of said Brushy Creek to a point 215 feet from the South line of said Railroad said distance being measured at right angles to the South line of said Missouri Pacific Railroad, the center line of Brushy Creek being the West property line of a tract of land owned by the City of Sedalia, thence in a Southeasterly direction parallel with the South line of said Missouri Pacific Railroad 240 feet, more or less, said line being the South boundary line of said tract of land owned by the City of Sedalia, to the East line of said Section 31, thence South along the East line of said Section 31, 670 feet to the point of beginning, in the County of Pettis and State of Missouri.

**TRACT 4:**

Perpetual easement for a treated sewage lagoon to be used with and as an extension to the sewage disposal system of the City of Sedalia, Missouri, over the following described tract of land, to wit: Beginning at the Southwest corner of Section 32, Township 46 North, Range 21 West (in Main Street Road), thence North on the West line of said Section 32 to the South line of a tract owned by the City of Sedalia (site of the West sewage plant), thence East on the South line of said tract owned by the City of Sedalia to the East line of said tract, thence North on the East line of said tract to the South right-of-way line of the Missouri Pacific Railroad, thence East on said South right-of-way line to a point approximately 800 feet East of the West line of said Section 32, thence South to the South line of said Section 32 (in Main Street Road), thence West approximately 800 feet along the South line of said Section 32 (in Main Street Road) to the point of beginning.

## **SCHEDULE 2 TO BASE LEASE**

### **THE PROJECT**

The Project allows for the Central Wastewater Treatment Plant and Equalization Basin (CWWTP) to be upgraded, accommodating residential and commercial growth on the west side of the City. Upon completion of the Project the CWWTP will have sufficient capacity to manage approximately 3.8 million gallons of wastewater per day. The Main Street Lift Station, which is located adjacent to the gate of the CWWTP, will be upgraded with new pumps and backup power sufficient to meet the capacity needed during peak flow and loss of power periods.

In addition, the City has seen increased growth in the area of Menard's Plaza (located on the west side of the City) and increasing requests for service. The Menard's Lift Station is currently undersized and requires replacement. Upon completion of the Project, replacement of the Menard's Lift Station with a larger regional lift station to the north, will allow for increased flow already occurring in the area; for overall growth presently occurring and connection of additional rate payers adjacent to the new sewer line.

Further, the Project includes upgrades to the Thompson Meadows Lift Station will allow for increased flow from new businesses within the industrial park as well as new residential growth south of U.S. Highway 50 near West Main Street. Lastly, if funding is available, new sewer mains and lift stations are being constructed to handle identified areas of growth to the north and west. Alternative funding for these projects will be used to complete these added expansions as needed.

In addition, the Project includes improvements being refinanced by refunding the Refunded Certificates. Those improvements financed with the Refunded Certificates included multiple improvements to the City's wastewater system to reduce inflow and infiltration of stormwater into the sanitary sewer system. The City's sewage collection and transmission systems have experienced periodic sanitary sewer overflows and bypasses at pumping stations and from overflow basins at each of the City's three wastewater treatment facilities. As a result, the City entered into a consent order with the Missouri Department of Natural Resources to inspect and evaluate its sewer system and make necessary repairs, replacements and updates to prevent these overflows and bypasses. In addition to sewer line and manhole replacement, repair and rehabilitation, the City anticipates creating overflow "holding areas" which will permit wastewater and stormwater detention to prevent backups and bypasses without permitting discharge of untreated sewage. In addition, a portion of the proceeds were used to add equipment to perform a disinfectant process at one or more of the City's wastewater treatment plants.