
TRANSCRIPT OF PROCEEDINGS
AUTHORIZING THE EXECUTION AND DELIVERY
OF

\$2,430,000
CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION - SUPPORTED TAX INCREMENT
AND SALES TAX REFUNDING REVENUE BONDS

SERIES 2014

(EAST US HIGHWAY 60 IMPROVEMENT AND RPA1 INFRASTRUCTURE
REDEVELOPMENT PROJECTS)

Dated June 26, 2014

Yates, Mauck Bohrer, Elliff & Fels, P.C.
2121 South Eastgate Avenue
Springfield, Missouri 65809
(417) 883-7411
Bond Counsel

\$2,430,000
CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION - SUPPORTED TAX INCREMENT
AND SALES TAX REFUNDING REVENUE BONDS

SERIES 2014

**(EAST US HIGHWAY 60 IMPROVEMENT AND RPAI INFRASTRUCTURE
REDEVELOPMENT PROJECTS)**

TRANSACTION PARTICIPANTS

"Bond Counsel"	Yates, Mauck, Bohrer, Elliff & Fels, P.C. Springfield, Missouri
"City"	City of Monett, Missouri Monett, Missouri
"TIF Commission"	Mark Nelson, Chairman Monett, Missouri
"Trustee"	UMB Bank, NA. St. Louis, Missouri
"Underwriter"	Crews & Associates Little Rock, Arkansas

\$2,430,000
CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION SUPPORTED TAX INCREMENT
AND SALES TAX REFUNDING REVENUE BONDS, SERIES 2014
(EAST US HIGHWAY 60 IMPROVEMENT AND RPA1 INFRASTRUCTURE
REDEVELOPMENT PROJECTS)
SERIES 2014

TIME AND PLACE OF CLOSING

A. The closing will be held at the offices of Yates, Mauck, Bohrer, Elliff & Fels, P.C., 2121 South Eastgate Avenue, Springfield, Missouri 65809 on June 26, 2014 commencing at 10:00 am. (the "**Closing Date**"), or at such other time and place as may be agreed upon.

B. All transactions at the closing will be deemed to have been completed simultaneously and no such transaction shall be deemed to have been completed and no documents not theretofore delivered shall be deemed to have been delivered on the Closing Date, unless and until all transactions are completed, all documents delivered, and payment is made for the Bonds. Except as otherwise indicated, all certificates, letters and documents are to be dated as of the Closing Date.

C. Prior to the Closing Date, the executed Bonds will be authenticated by the Trustee and delivered to The Depository Trust Company. All of the documents, instruments, certificates and opinions hereinafter set forth shall have been executed, filed, authenticated and delivered prior to the Closing Date.

D. Each of the parties at the Closing is to deliver, except as otherwise indicated herein, five (5) executed or certified copies of the various documents hereby required to be certified or executed. Copies of all of the documents hereinafter set forth will be made available subsequent to the Closing Date in the form of a bound transcript of proceedings to be prepared by Bond Counsel in the following quantities to the following participants to the transaction:

Participant	<u>Quantity</u>
Trustee	1
Bond Counsel	1
City	1
TIF Commission	1
Underwriter	<u>1</u>
Total	5

**PARTIES REQUIRED FOR EXECUTION OF DOCUMENTS
AT OR PRIOR TO CLOSING**

For the City:	Mayor or Mayor Pro Tem City Clerk or Deputy City Clerk Terms Committee Chairman and Member
For the Trustee:	Its Vice President or other authorized officer Cashier or other authorized officer
For the Underwriter:	Authorized signatory

The following documents, reports, letters and certificates, executed or conformed, as appropriate, are to be delivered at or before the time of delivery of and payment of the Bonds.

I. PRELIMINARY DOCUMENTS

Approval of TIF #2

1. Excerpts of minutes of meeting of City Council held August 31, 2004.
2. Ordinance No. 7465 of the City adopted August 31, 2004, creating a Tax Increment Financing Commission #2 of the City of Monett, Missouri.
3. Letters and Notices to Other Taxing Districts of right to appoint commissioners to serve on the TIF Commission.
4. Certified letter with Notice to Other Taxing Districts of Public Hearing held on January 31, 2005.
5. Certified letter with Notice of Public Hearing to Property Owners and Taxpayers.
6. Notice of Public Hearing with affidavits of publication.
7. Resolution of TIF Commission setting forth the determinations, findings and rulings made by the TIF Commission and recommendations of the TIF Commission to the City Council.
8. Request for Proposals for redevelopers within the RPA 1 Area; Proposal submitted by the Developer.
9. Excerpts of minutes of meeting of City Council held March 2, 2005.
10. Ordinance No. 7533 of the City adopted March 2, 2005, designating the redevelopment area, approving the redevelopment project and designating the Developer as the developer for the redevelopment area.

Approval of Refunding Bonds

11. Excerpts of Minutes of Meeting of City Council on April 21, 2014.
12. Approval of Refunding Ordinance No. 8285 adopted by the City Council on April 21, 2014.
13. Excerpts of Minutes of City Council meeting on May 30, 2014.
14. Ordinance No. 8297 adopted by the City Council on May 30, 2014 authorizing the issuance of sale of the Bonds, appointing Terms Committee; Approving form of Bond Purchase Agreement, Trust Indenture and Terms Committee Resolution.

II. PRINCIPAL OPERATIVE DOCUMENTS

15. Terms Committee Resolution adopted on June 26, 2014.
16. Trust Indenture.
17. Bond Purchase Agreement.
18. Tax Compliance Agreement.
19. Specimen Typewritten Series 2014 Bond.
20. UCC-1 Financing Statement.

III. DISCLOSURE DOCUMENTS

21. Preliminary Official Statement.
22. Official Statement.
23. Continuing Disclosure Agreement.
24. Rule 15c2-12 Certification of City.

IV. CLOSING ITEMS TO BE PROVIDED BY THE CITY

25. City's Closing Certificate.
26. IRS Form 8038-G — Series 2014 Bonds.
27. Receipt for Proceeds.
28. Certificate and Request to Authenticate Bonds.
29. Tax-Exempt Financing Compliance and Continuing Disclosure Procedure.
30. Certificates of Clerk.

V. CLOSING ITEMS TO BE PROVIDED BY THE TRUSTEE

31. Trustee's and Paying Agent's Closing Certificate.

VI. CLOSING ITEMS TO BE PROVIDED BY THE UNDERWRITER

32. Receipt for Bonds and Representations.
33. Closing Memorandum

VII. OPINIONS OF COUNSEL

- 34. Opinion of Bond Counsel.
- 35. Opinion of City's Counsel

VIII. MISCELLANEOUS

- 36. DTC Blanket Issuer Letter of Representations.

CERTIFICATION OF CITY DOCUMENTS

I hereby certify the attachments hereto are true copies of original minutes of the Monett City Council of Monett, Missouri dated as follows:

August 31, 2004

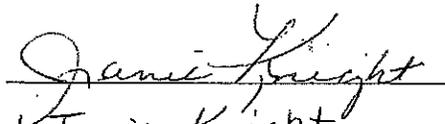
March 2, 2005

July 14, 2005

August 4, 2005

The original documents mentioned are found in the City Clerk's records at the City of Monett, Missouri

Dated this 8th day of August, 2005



Janie Knight
Clerk

AUGUST 31, 2004

The Monett City Council met in special session, Tuesday, August 31, 2004 at 9:30 a.m. in the City Hall council room. The following persons were present: Mayor-James Orr, Commissioner-Jerry Dierker, TIF Chairman-Mark Nelson, Fire Chief-Tom Jones, City Clerk-Janie, media representatives and interested citizens. Don Roberson, Commissioner was absent from the meeting.

Mayor Orr called the meeting to order. The first item of business to be presented was the consideration of several annexation petitions for property in Barry County. The following ordinances and petitions were presented and read by the clerk.

ORDINANCE/OWNER/ZONING

- 7453-Monett Speedway, Inc.-Randy Mooneyham-Industrial
- 7454-Arthur and Edith Maloney-Commercial
- 7455-George and Patricia Shaner-Commercial
- 7456-Bryce Oaks Golf Club LLC-George Shaner-Commercial
- 7457-Stanley Ellis-Gorman Ellis Trust-Commercial/Agriculture
- 7458-Donald and Betty Crossland-Commercial
- 7459-Richard and Fratie Weber-Commercial
- 7460-Edward Scott-Commercial
- 7461-Michael Pham-Commercial
- 7462-Sam and Ethel Burton-Agriculture
- 7463-Cornerstone Propane-Commercial
- 7464-Jack Henry and Associates, Inc.-Commercial

The annexation properties were all located east of the City with the exception of the Jack Henry Property. The east properties were located in the newly organized TIF2 project. Mr. Nelson TIF Chairman commented on the properties and the acreage of the new district summarizing it as 750 acres. Mr. Nelson reported a map of the district would be produced in the near future. Discussion completed, the Mayor called for a motion to accept the annexation petitions. Commissioner Dierker made the motion to accept and the Mayor seconded the motion. The following vote was taken: Orr-yes, Dierker-yes, and Roberson-absent. Motion having been made and seconded and the vote taken, all the ordinances pertaining to the approval of the annexations were approved by the Mayor and attested to by the City Clerk.

BILL 7465 TIF APPOINTEES

Bill 7465 was presented for consideration or approval for an ordinance appointing members to make up the Tax Increment Financing Commission of the City of Monett. Mr. Nelson of the Commission reported on the six citizens representing the City, and provided information on the appointed persons representing the Monett School District, and Barry and Lawrence Counties. The six residents and their terms were listed in the ordinance as Exhibit A as follows: Randy Johnson and Jane Sligar-two year terms,

John Jackson and Patti Holt-three year terms, and Mike Scabarozi and Mark Nelson-four year terms. The role of the TIF Commission after the TIF project completion was discussed. Mr. Nelson stated the committee was to act as a group to hear and entertain any request or applications made to the TIF by parties interested in major construction to be reimbursed through TIF dollars. A financial statement pertaining to the TIF actions was reported to by filed by the finance department of the City each year. Mayor Orr expressed his and the Council's appreciation to the Commission for their role and efforts while on the TIF board. Discussion being ended Mayor Orr made a motion to accept the appointed members of the TIF Commission. Commissioner Dierker seconded the motion, and the following vote was taken: Orr-yes, Dierker-yes, Roberson-absent. Motion having been made and seconded, and the vote taken, the ordinance was duly adopted and signed by the Mayor and attested to by the City Clerk.

BILL 7466 REZONING PETITION FOR JACK HENRY

Bill 7466 was presented for an ordinance to reclassify parcels of property owned by Jack Henry and Associates, Inc. The petition to rezone had been considered and approved by the Planning and Zoning Commission of the city. The process was merely a clean up of zoning issues from the past and reclassified all parcels involved as commercial. No discussion was held and Mayor Orr offered a motion to accept the rezoning petition. Commissioner Dierker seconded the motion and the following vote was taken: Orr-yes, Dierker-yes, Roberson-absent. Motion having been made and seconded, and the vote taken, the ordinance was duly adopted and signed by the Mayor and attested to by the City Clerk.

The recent heavy rains and stormwater conditions were discussed by those in attendance.

Having no further business, Mayor made a motion to adjourn, and Commissioner Dierker seconded the motion. The following vote was taken: Orr-yes, Dierker-yes, and Roberson-absent.



Janie Knight, City Clerk

CERTIFICATION OF CITY DOCUMENTS

I hereby certify the attachment hereto is a true copy of an original ordinance dated

Aug 31 2004 found in the Monett City records in the City Clerk's office at
Monett, Missouri.

Dated this 5th day of August 2005.

Janie Knight

Janie Knight City Clerk

BILL NO. 7465

ORDINANCE NO. 7465

AN ORDINANCE APPOINTING MEMBERS TO FILL CERTAIN VACANCIES ON THE TAX INCREMENT FINANCE COMMISSION OF THE CITY OF MONETT, MISSOURI.

WHEREAS, the City of Monett, Missouri (the "City"), a third class municipal corporation located in Barry County, Missouri, being duly created, organized and existing under the laws of the State of Missouri, is authorized pursuant to the provisions of Sections 99.800 through 99.865 RSMo., 2000, as amended (the "Act"), upon finding an area within the corporate limits of the City as a blighted area under the terms of the Act to undertake redevelopment to correct such condition; and

WHEREAS, the City is required, prior to undertaking any redevelopment under the provisions of the Act and prior to designating an area for redevelopment, to create a tax increment finance commission consisting of nine members (the "TIF Commission") to conduct public hearings and make recommendations to the City Council on the proposed designation of the area and the proposed plans for redevelopment prior to the adoption by the City of an ordinance approving the designation of a blighted area, approving a redevelopment plan or redevelopment project in accordance with the Act; and

WHEREAS, the City Council, pursuant to Ordinance No. A-6329 on July 24, 1996, created the TIF Commission for the City; and

WHEREAS, pursuant to the Act, the members of the TIF Commission who are appointed by the other taxing districts serve on the commission for terms which coincide with the length of time a redevelopment project and the redevelopment plan and upon final approval of the project, plan or designation of the area by the governing body of the City and thereafter the TIF Commission shall consist of the six members appointed by the municipality, except that members representing school boards and other taxing districts shall be appointed as provided in the Act prior to any amendments to any redevelopment plans, redevelopment projects or designation of a redevelopment or blighted area; and

WHEREAS, the City has been requested to provide assistance for another redevelopment area which has been proposed to be annexed into the corporate limits of the City; and

WHEREAS, the City Council desires that the TIF Commission appointed by Ordinance No. A-6329 also advise the City Council regarding consideration of establishing a redevelopment plan for the proposed redevelopment area; and

WHEREAS, the terms of certain members have expired and vacancies have occurred making it necessary for new members to be appointed to the TIF Commission and the City Council pursuant to the Act desires to appoint certain new members who will serve for the unexpired term of the members whom they are replacing for four year terms and the City Council has determined to provide notice as required by the state statutes to other taxing jurisdictions with overlapping tax jurisdictions in the proposed redevelopment area requesting they appoint members to the TIF Commission.

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

Section 1. Consent to Appointment of Members. The Mayor has submitted to the City Commission a list of 518 residents of the City selected by the Mayor for appointment as members of the TIF Commission of the City with the request that the City Commission consent to the appointment of such members. The list specifies the vacancies, the members' names, and the terms each member will serve. A copy of said list is attached hereto as Exhibit A and incorporated herein by reference. The City Commission instructs the TIF Commission with the new appointments to serve the City and provide advice to the City Commission in the development of the redevelopment area and the redevelopment plan.

Section 2. Appointment. The City Commission hereby concur in the selection of members designated on the attached Exhibit A and those individuals are hereby appointed as members of the TIF Commission of the City.

Section 3. Terms of Members. The 518 members of the TIF Commission appointed by the Mayor are designated to serve for terms equal to the terms of the TIF Commission who they are succeeding.

Section 4. Notice to Overlapping Tax Jurisdictions. The City Clerk, following the completion of the annexation of the proposed redevelopment area, is hereby directed to promptly submit written notice of the City's intention to designate a redevelopment area and to appoint four members by the following taxing entities:

1. Barry County, Missouri;
2. Lawrence County, Missouri;
3. Monett R-1 School District;
4. Monett Special Road District;
5. Barry-Lawrence County Board of the Developmentally Disabled;
6. Barry County Health Department;
7. Barry-Lawrence Regional Library; and
8. Barry-Lawrence Ambulance District.

The Monett R-1 School District shall appoint two members and the Barry County Commission and the other listed taxing districts shall appoint one member. The members so selected shall serve for the terms specified in Section 94.820.2 RSMo.

Section 5. Advertisement for Redeveloper. The City Commission requests the TIF Commission advertise for and recommend to the City Commission a redeveloper to execute the redevelopment projects required to accomplish the redevelopment.

Section 6. Severability. If any section or other part of this Ordinance shall for any reason be held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 7. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the laws of the State.

Section 8. Effective Date. This Ordinance shall take effect and be in full force and effect from and after its passage by the City Commission.

PASSED AND APPROVED this 31ST day of August, 2004

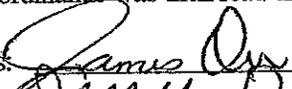
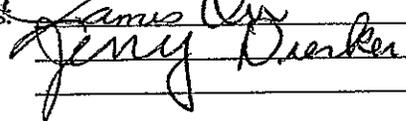

James Orr, Mayor

[SEAL]

ATTEST:


Janie Knight, City Clerk

The ordinance was then read the second time and put upon its final passage by the following vote.

Ayes: 


Noes: None

The ordinance was thereupon approved by the Mayor in open session.

EXHIBIT A

Mayor James Orr hereby requests consent of the City Council to his recommendation to appoint the following residents of the City to be members of the Tax Increment Finance Commission of the City of Monett.

Member and terms are as follows:

Randy Johnson	two years
Jane Sligar	two years
Patti Holt	three years
John Jackson	three years
Mike Scabarozi	four years
Mark Nelson	four years

City of Monett

THIRD CLASS CITY - COMMISSION FORM OF GOVERNMENT

James Orr, Mayor • Donald Roberson, Commissioner • Jerry Dierker, Commissioner
217 Fifth Street • P.O. Box 110 • Monett, Missouri 65708

City Clerk - (417) 235-3763
City Collector - (417) 235-3544
Council - (417) 235-3355
Fax - (417) 235-4608

December 14, 2004

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

President, Board of Education
Monett R-1 School District
800 East Scott
Monett, Missouri 65708

RE: Appointing Commissioners to the Tax Increment Finance Commission of the City of Monett, Missouri, for the Lowe's Home Center Project

Dear Mr. President:

The City of Monett, Missouri has adopted an Ordinance undertaking the consideration of an area of the City of Monett, Missouri for redevelopment using tax increment financing by the issuance of obligations to pay the costs of making public improvements within the City of Monett, Missouri. It is the present intention of the City Council to use the funds collected from the tax increment financing collected in the designated area to pay the principal of, premium, if any, and interest on any obligations to be issued and has recommended the formation of a Tax Increment Finance Commission. The Tax Increment Finance Commission will serve as the vehicle to be used by the City of Monett, Missouri, to make recommendations to the City of Monett, Missouri, to secure the issuance of such obligations.

Enclosed please find, for your consideration, a notice of the creation of a Tax Increment Finance Commission of the City of Monett, Missouri, which has appended thereto Exhibit 1, which is the Ordinance adopted by the City Council of the City of Monett, Missouri, creating the Tax Increment Finance Commission. This Notice will serve to advise you of the right of the Board of Education, as set forth in the Ordinance, to appoint two members to the Tax Increment Finance Commission. The two members may be selected in such manner as the Board of Education may choose. Please advise us of the designation of the individual to be a representative of the School District on the Tax Increment Finance Commission.

If you have any questions, please do not hesitate to give us a call and we will attempt to assist you to the extent possible.

Very truly yours,

Chairman of TIF Commission

Enclosure

Pride and Progress

City of Monett

THIRD CLASS CITY - COMMISSION FORM OF GOVERNMENT

James Orr, Mayor • Donald Roberson, Commissioner • Jerry Dierker, Commissioner
217 Fifth Street • P.O. Box 110 • Monett, Missouri 65708

City Clerk - (417) 235-3763
City Collector - (417) 235-3544
Council - (417) 235-3355
Fax - (417) 235-4608

December 14, 2004

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Barry County, Missouri
Lois Lowe, Treasurer
Barry County Courthouse
700 Main Street
Cassville, Missouri 65625

Lawrence County, Missouri
Sharon Kleine, Treasurer
P.O. Box 46
Mount Vernon, Missouri 65712-0046

Monett Special Road District
South Eisenhower & Burlington Northern Railroad
Monett, Missouri 65708

Barry-Lawrence County Board of the Developmentally Disabled
408 3
Monett, Missouri 65708

Barry County Health Department
1000 South Lincoln Road
Monett, Missouri 65708

Barry-Lawrence Regional Library
213 6th Street
Monett, Missouri 65708

Barry-Lawrence County Ambulance District
307 Dairy Street
Monett, Missouri 65708

RE: Appointing Commissioners to the Tax Increment Finance Commission of the City of Monett, Missouri, for the Lowe's Home Center Project

Ladies and Gentlemen:

The City of Monett, Missouri has adopted an Ordinance undertaking the consideration of an area of the City of Monett, Missouri for redevelopment using tax increment financing by the issuance of obligations to pay the costs of making public improvements within the City of Monett, Missouri. It is the present intention of the City Council to use the funds collected from the tax increment financing collected in the designated area to pay the principal of, premium, if any, and interest on any obligations to be issued

Pride and Progress

and has recommended the formation of a Tax Increment Finance Commission. The Tax Increment Finance Commission will serve as the vehicle to be used by the City of Monett, Missouri, to make recommendations to the City of Monett, Missouri, to secure the issuance of such obligations.

Enclosed please find, for your consideration, a notice of the creation of a Tax Increment Finance Commission of the City of Monett, Missouri, which has appended thereto Exhibit 1, which is the Ordinance adopted by the City Council of the City of Monett, Missouri, creating the Tax Increment Finance Commission. This Notice will serve to advise you of the right of Barry County, Missouri; Lawrence County, Missouri; Monett Special Road District; Barry-Lawrence County Board of the Developmentally Disabled; Barry County Health Department; Barry-Lawrence Regional Library and Barry-Lawrence Ambulance District, as set forth in the Ordinance, collectively, to appoint one member to the Tax Increment Finance Commission. The member may be selected in such manner as you may choose. Please advise us of the designation of the individual to be a representative of the taxing authorities on the Tax Increment Finance Commission.

No part of the TIF #2 Area is located within Lawrence County. Lawrence County is only receiving this letter as a courtesy since they have a member on the TIF Commission for TIF #1.

If you have any questions, please do not hesitate to give us a call, at the above number, and we will attempt to assist you to the extent possible.

Very truly yours,

Chairman of TIF Commission

Enclosure

NOTICE TO TAXING DISTRICTS

Notice is hereby given that the City of Monett, Missouri has formed a Tax Increment Finance Commission (the "**TIF Commission**") consisting of nine members and a member representing Lawrence County, Missouri but which does not overlap with the TIF #2 Redevelopment Area. A copy of the Ordinance creating the TIF Commission is attached hereto for your information. In accordance with the provisions of Section 99.820 of the Revised Statutes of Missouri, 2000, and the Ordinance, six of the members of the TIF Commission were appointed by the Mayor and confirmed by the City Council of the City of Monett, Missouri. The City of Monett, Missouri, has also filed with the TIF Commission a proposed designation of a TIF #2 Redevelopment Area, a proposed Redevelopment Plan and a description of the proposed Redevelopment Projects, with a request that the TIF Commission establish a date and time for a public hearing and provide notice in accordance with Section 99.825 and 99.830 RSMo. regarding the designation of the TIF #2 Redevelopment Area, the proposed Redevelopment Plan and the proposed Redevelopment Projects.

You are hereby notified of your right, in accordance with the Ordinance and Section 99.820 RSMo., to appoint the members to the TIF Commission. The appointment shall be made in accordance with Section 99.820 RSMo. and the Ordinance. Two of the three commission members may be appointed to the TIF Commission by the Board of Education of the Monett R-I School District in such manner as the Board of Education of the Monett R-I School District may determine. The other member may be appointed by the other taxing jurisdictions who receive this Notice, except for Lawrence County, Missouri which may appoint one who will not be entitled to vote on the recommendation, in such manner as such taxing districts may determine. Failure to appoint the members within thirty (30) days of the date hereof will result in the members appointed by the City being able to proceed to exercise all powers given to the TIF Commission under Section 99.820 et seq. without further notification to you.

The TIF #2 Redevelopment Area designated has proposed boundaries which lay entirely within the boundaries of the City of Monett, Missouri, and this Notice is being given to you, except for Lawrence County, as a Taxing District which has boundaries which overlap with the boundaries of the designated TIF #2 Redevelopment Area. Lawrence County, Missouri does not overlap with the TIF #2 Redevelopment Area.

BILL NO. 7465

ORDINANCE NO. 7465

AN ORDINANCE APPOINTING MEMBERS TO FILL CERTAIN VACANCIES ON THE TAX INCREMENT FINANCE COMMISSION OF THE CITY OF MONETT, MISSOURI.

WHEREAS, the City of Monett, Missouri (the "City"), a third class municipal corporation located in Barry County, Missouri, being duly created, organized and existing under the laws of the State of Missouri, is authorized pursuant to the provisions of Sections 99.800 through 99.865 RSMo., 2000, as amended (the "Act"), upon finding an area within the corporate limits of the City as a blighted area under the terms of the Act to undertake redevelopment to correct such condition; and

WHEREAS, the City is required, prior to undertaking any redevelopment under the provisions of the Act and prior to designating an area for redevelopment, to create a tax increment finance commission consisting of nine members (the "TIF Commission") to conduct public hearings and make recommendations to the City Council on the proposed designation of the area and the proposed plans for redevelopment prior to the adoption by the City of an ordinance approving the designation of a blighted area, approving a redevelopment plan or redevelopment project in accordance with the Act; and

WHEREAS, the City Council, pursuant to Ordinance No. A-6329 on July 24, 1996, created the TIF Commission for the City; and

WHEREAS, pursuant to the Act, the members of the TIF Commission who are appointed by the other taxing districts serve on the commission for terms which coincide with the length of time a redevelopment project and the redevelopment plan and upon final approval of the project, plan or designation of the area by the governing body of the City and thereafter the TIF Commission shall consist of the six members appointed by the municipality, except that members representing school boards and other taxing districts shall be appointed as provided in the Act prior to any amendments to any redevelopment plans, redevelopment projects or designation of a redevelopment or blighted area; and

WHEREAS, the City has been requested to provide assistance for another redevelopment area which has been proposed to be annexed into the corporate limits of the City; and

WHEREAS, the City Council desires that the TIF Commission appointed by Ordinance No. A-6329 also advise the City Council regarding consideration of establishing a redevelopment plan for the proposed redevelopment area; and

WHEREAS, the terms of certain members have expired and vacancies have occurred making it necessary for new members to be appointed to the TIF Commission and the City Council pursuant to the Act desires to appoint certain new members who will serve for the unexpired term of the members whom they are replacing for four year terms and the City Council has determined to provide notice as required by the state statutes to other taxing jurisdictions with overlapping tax jurisdictions in the proposed redevelopment area requesting they appoint members to the TIF Commission.

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

Section 1. Consent to Appointment of Members. The Mayor has submitted to the City Commission a list of 518 residents of the City selected by the Mayor for appointment as members of the TIF Commission of the City with the request that the City Commission consent to the appointment of such members. The list specifies the vacancies, the members' names, and the terms each member will serve. A copy of said list is attached hereto as Exhibit A and incorporated herein by reference. The City Commission instructs the TIF Commission with the new appointments to serve the City and provide advice to the City Commission in the development of the redevelopment area and the redevelopment plan.

Section 2. Appointment. The City Commission hereby concur in the selection of members designated on the attached Exhibit A and those individuals are hereby appointed as members of the TIF Commission of the City.

Section 3. Terms of Members. The 518 members of the TIF Commission appointed by the Mayor are designated to serve for terms equal to the terms of the TIF Commission who they are succeeding.

Section 4. Notice to Overlapping Tax Jurisdictions. The City Clerk, following the completion of the annexation of the proposed redevelopment area, is hereby directed to promptly submit written notice of the City's intention to designate a redevelopment area and to appoint four members by the following taxing entities:

1. Barry County, Missouri;
2. Lawrence County, Missouri;
3. Monett R-1 School District;
4. Monett Special Road District;
5. Barry-Lawrence County Board of the Developmentally Disabled;
6. Barry County Health Department;
7. Barry-Lawrence Regional Library; and
8. Barry-Lawrence Ambulance District.

The Monett R-I School District shall appoint two members and the Barry County Commission and the other listed taxing districts shall appoint one member. The members so selected shall serve for the terms specified in Section 94.820.2 RSMo.

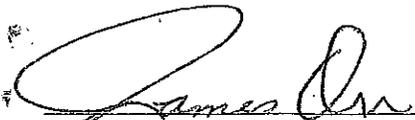
Section 5. Advertisement for Redeveloper. The City Commission requests the TIF Commission advertise for and recommend to the City Commission a redeveloper to execute the redevelopment projects required to accomplish the redevelopment.

Section 6. Severability. If any section or other part of this Ordinance shall for any reason be held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 7. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the laws of the State.

Section 8. Effective Date. This Ordinance shall take effect and be in full force and effect from and after its passage by the City Commission.

PASSED AND APPROVED this 31st day of August, 2004

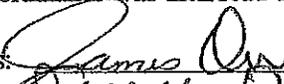
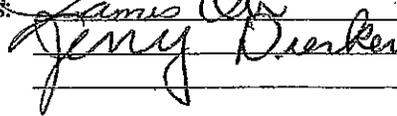

James Orr, Mayor

[SEAL]

ATTEST:


Jamie Knight, City Clerk

The ordinance was then read the second time and put upon its final passage by the following vote.

Ayes: 


Noes: None

The ordinance was thereupon approved by the Mayor in open session.

City of Monett

COPY

THIRD CLASS CITY - COMMISSION FORM OF GOVERNMENT

James Orr, Mayor • Donald Roberson, Commissioner • Jerry Dierker, Commissioner
217 Fifth Street • P.O. Box 110 • Monett, Missouri 65708

City Clerk - (417) 235-3763
City Collector - (417) 235-3544
Council - (417) 235-3355
Fax - (417) 235-4608

December 27, 2004

*Attached original
ordinance +
mailed.*

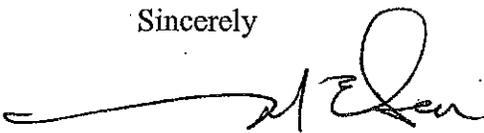
Lawrence County, Missouri
Sharon Kleine, Treasurer
PO Box 46
Mount Vernon, MO 65712-0046

Ladies and Gentlemen:

In addition to the previous letter dated December 14, 2004 regarding the "Public Notice of a Tax Incremental Financing District", we are also sending you a copy of the original City of Monett, July 24, 1996 ordinance concerning the TIF.

Should you have any questions or need further information, please do not hesitate to contact me.

Sincerely



Mark E. Nelson
Chairman of TIF Commission

Pride and Progress

City of Monett

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December 27, 2004

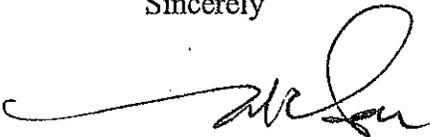
Monett Special Road District
South Eisenhower & Burlington Northern Railroad
Monett, MO 65708

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Pride and Progress

City of Monett

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December 27, 2004

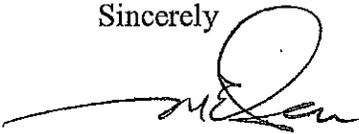
Barry-Lawrence County Board of the Developmentally Disabled
408 3rd Street
Monett, MO 65708

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City of Monett

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December 27, 2004

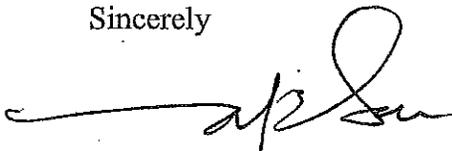
Barry County Health Department
1000 South Lincoln Road
Monett, MO 65708

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City of Monett

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Fax - (417) 235-4608

December 27, 2004

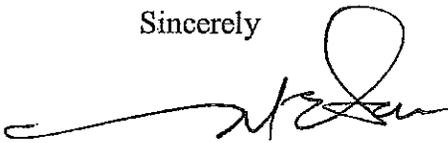
Barry-Lawrence Regional Library
213 6th Street
Monett, MO 65708

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Pride and Progress

City of Monett

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Fax - (417) 235-4608

December 27, 2004

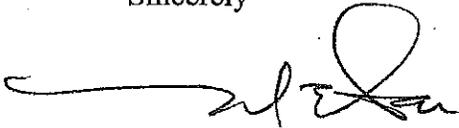
Barry-Lawrence County Ambulance District
307 Dairy Street
Monett, MO 65708

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Pride and Progress

City of Monett

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Fax - (417) 235-4608

December 27, 2004

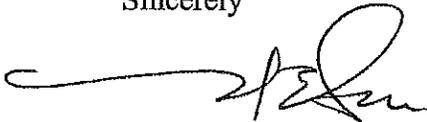
President, Board of Education
Monett R-1 School District
800 East Scott
Monett, MO 65708

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Chairman of TIF Commission

City of Monett

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December 27, 2004

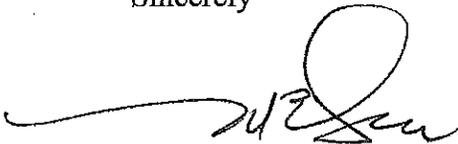
Barry County, Missouri
Lois Lowe, Treasurer
Barry County Courthouse
700 Main Street
Cassville, MO 65625

Ladies and Gentlemen:

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Sincerely



Mark E. Nelson
Chairman of TIF Commission

Pride and Progress

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Barry Lawrence County
Ambulance District
307 Dairy Street
MO 65708

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
Stephanie M. Mamon
 B. Received by (Printed Name) C. Date of Delivery
Stephanie M. Mamon 12-16-04
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only. No Insurance Coverage Provided)

OFFICIAL USE

7002 0860 0003 9210 8279
 service label)

August 2001

Domestic Return Receipt

102595-02-M-0835

Postage \$

Certified Fee

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$



Sent To Barry Lawrence County Ambulance District

Street, Apt. No., or PO Box No. 307 Dairy Street
 City, State, ZIP+4 Monett, MO 65708

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Barry-Lawrence
Regional Library
213 6th Street
Monett, Mo. 65708

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
Stephanie M. Mamon
 B. Received by (Printed Name) C. Date of Delivery
Stephanie M. Mamon 12-16-04
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only. No Insurance Coverage Provided)

OFFICIAL USE

7002 0860 0003 9210 8262
 service label)

August 2001

Domestic Return Receipt

102595-02-M-0835

Postage \$

Certified Fee

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$



Sent To Barry-Lawrence Regional Library

Street, Apt. No., or PO Box No. 213 6th St.
 City, State, ZIP+4 Monett, Mo. 65708

PS Form 3800, April 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Barry County, Missouri
 Lois Lowe, Treasurer
 Barry County Courthouse
 700 Main Street
 Cassville, Mo. 65625

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
Lois Lowe
 B. Received by (Printed Name) C. Date of Delivery
Lois Lowe 12/15/01
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

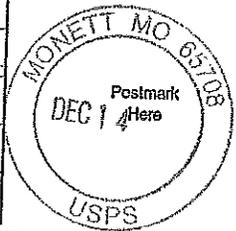
3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes

er service label) 7002 0860 0003 9210 8163
 1, August 2001 Domestic Return Receipt 102595-02-M

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	.\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To Barry County, Missouri
 Lois Lowe, Treasurer
 Street, Apt. No., or PO Box No. Barry County Courthouse
 700 Main Street
 City, State, ZIP+4 Cassville Mo 65625
 PS Form 3800, April 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

President, Board of Education
 Monett R-1 School District
 900 East Scott
 Monett, Missouri 65708

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee
Patty Reach
 B. Received by (Printed Name) C. Date of Delivery
 PATTY REACH 12-15-01
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

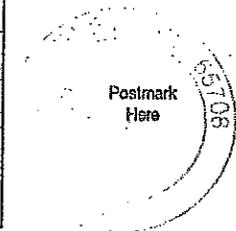
3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes

er service label) 7002 0860 0003 9210 8125
 just 2001 Domestic Return Receipt 102595-02-M-0835

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	.\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To President, Board of Education
 Street, Apt. No., or PO Box No. Monett R-1 School District
 900 East Scott
 City, State, ZIP+4 Monett, MO 65708
 PS Form 3800, April 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Monett Special Road Distri
 S. Eisenhower + Burlington
 Northern Railroad
 Monett, MO 65708

COMPLETE THIS SECTION ON DELIVERY

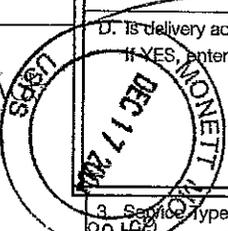
A. Signature
 X *Loeta Aufdenberg* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

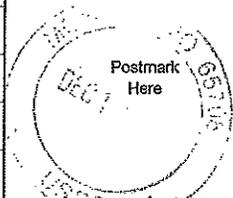
4. Restricted Delivery? (Extra Fee) Yes



U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To *Monett Special Road District*
 Street, Apt. No., or PO Box No. *S. Eisenhower + Burlington Northern Railroad*
 City, State, ZIP+4 *Monett, MO 65708*

101 Domestic Return Receipt 102595-02-M-0835

7002 0860 0003 9210 8170

PS Form 3800, April 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Barry-Lawrence County
 Board of the Developmentally
 Disabled

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *B.E. Harp* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
B.E. HARPER *12/17/04*

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

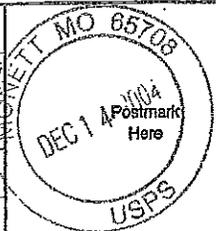
Mo 65708

P.O. Box 322
 Cassville MO 65625

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To *Barry-Lawrence County Board of the Developmentally Disabled*
 Street, Apt. No., or PO Box No. *408 3rd*
 City, State, ZIP+4 *Monett, MO 65708*

August 2001 Domestic Return Receipt 102595-02-M-0835

Service label) 7002-0860-0003-9210-8224

PS Form 3800, April 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Lawrence Co Tress
Sharon Kleine
PO Box 46
Mt Vernon MO 65712

2. Article Number 7002 0860 0003 9210 8154
(Transfer from service label)

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-154

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Sharon Kleine Agent
 Addressee

B. Received by (Printed Name) Sharon Kleine C. Date of Delivery 12-15-04

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

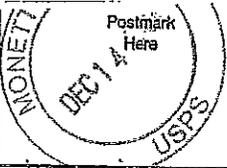
3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To Lawrence County Missouri
Sharon Kleine, Treasurer

Street, Apt. No., or PO Box No. PO Box 46

City, State, ZIP+4 Mount Vernon, MO 65712-0046

PS Form 3800, April 2002 See Reverse for Instructions



Date: 09/23/2005

The following is in response to your 09/23/2005 request for delivery information on your Certified item number 7002 0860 0003 9210 8217. The delivery record shows that this item was delivered on 12/20/2004 at 10:49 AM in MONETT, MO 65708. The scanned image of the recipient information is provided below.

Signature of Recipient: MADELL E. NEWELL

Address of Recipient: PO Box 222 Mount Vernon Mo

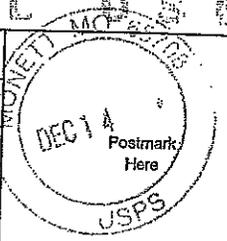
Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely
 United States Postal Service

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To Barry County Health Dept.

Street, Apt. No., or PO Box No. 1000 South Lincoln Road

City, State, ZIP+4 Mount Vernon, MO 65708

PS Form 3800, April 2002 See Reverse for Instructions

City of Monett

THIRD CLASS CITY - COMMISSION FORM OF GOVERNMENT

James Orr, Mayor • Donald Roberson, Commissioner • Jerry Dierker, Commissioner
217 Fifth Street • P.O. Box 110 • Monett, Missouri 65708

City Clerk - (417) 235-3763
City Collector - (417) 235-3544
Council - (417) 235-3355
Fax - (417) 235-4608

December 14, 2004

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

President, Board of Education
Monett R-1 School District
800 East Scott
Monett, Missouri 65708

Barry County, Missouri
Lois Lowe, Treasurer
Barry County Courthouse
700 Main Street
Cassville, Missouri 65625

Lawrence County, Missouri
Sharon Kleine, Treasurer
P.O. Box 46
Mount Vernon, Missouri 65712-0046

Monett Special Road District
South Eisenhower & Burlington Northern Railroad
Monett, Missouri 65708

Barry-Lawrence County Board of the Developmentally Disabled
408 3
Monett, Missouri 65708

Barry County Health Department
1000 South Lincoln Road
Monett, Missouri 65708

Barry-Lawrence Regional Library
213 6th Street
Monett, Missouri 65708

Barry-Lawrence County Ambulance District
307 Dairy Street
Monett, Missouri 65708

**RE: Notice of Public Hearing by the Tax Increment Finance Commission of the City of
Monett, Missouri**

Enclosed please find a copy of the Notice of Public Hearing to be held by the Tax Increment Finance Commission of the City of Monett, Missouri, on January 31, 2005. This Notice will serve to

Pride and Progress

advise you, pursuant to Section 99.825 RSMo., of the date, time, place and agenda of said public hearing and to invite you to submit written comments, prior to said hearing, to the TIF Commission on the designation of the TIF #2 Area, the proposed Plan and the proposed Project.

No part of the TIF #2 Area is located within Lawrence County. Lawrence County is only receiving this letter as a courtesy since they have a member on the TIF Commission for TIF #1.

If you have any questions, please do not hesitate to give us a call, at the above number, and we will attempt to assist you to the extent possible.

Very truly yours,

Chairman of TIF Commission

Enclosure

**NOTICE OF PUBLIC HEARING
BY THE TAX INCREMENT FINANCE COMMISSION
OF THE CITY OF MONETT, MISSOURI**

NOTICE IS HEREBY GIVEN by the Tax Increment Finance Commission of the City of Monett, Missouri (the "**TIF Commission**"), pursuant to the provisions of Section 99.825 of the Revised Statutes of Missouri, 2000, as amended, of its intention to hold a public hearing on the 31st day of January, 2005, at 7:00 p.m. in the City Council Chambers in the City Hall of the City of Monett, Missouri (the "**City**"), on the Designated Economic Development Area of the City by annexing thereto a blighted area within the territorial limits of the City (the "**Blighted Area**" or the "**Area**"), described as generally bounded on the north by the Burlington Northern Railroad tracks, the west by Bridal Lane, and the east and south by the proposed extension of the Monett municipal boundary.

The City is proposing to develop a redevelopment plan for the Blighted Area (the "**Redevelopment Plan**" or "**Plan**"), thereby providing a means to accelerate the making of improvements within the Blighted Area by providing for the issuance of tax increment financing obligations (the "**Obligations**") in an amount not to exceed \$6,180,000; the proceeds of the issuance and sale of which obligations is proposed to be used by the City for the payment of a portion of the costs of constructing, improving and extending streets, curbs, rights of way, sewers, water lines, storm water detention, and street lighting (the "**Redevelopment Project**" or "**Project**") within the Blighted Area. The TIF Commission intends to hear and consider all protests and objections at the public hearing to be conducted on that date. The public hearing may be adjourned by the TIF Commission on that date and may be continued to another date without further notice from the TIF Commission other than a motion on the record of the TIF Commission made by a member of the TIF Commission on that date to adjourn the public hearing to another date and time.

All interested persons, including taxing jurisdictions located partially or wholly within the boundaries of the Blighted Area are invited to file with the TIF Commission, at any time prior to the commencement of the public hearing, written comments, including any objections to the designation by the City of the above Blighted Area, to develop a Redevelopment Plan; to issue the obligations; to pay a portion of the cost of the Redevelopment Project from the proceeds of the Obligations or any other issue embodied in this Notice of Public Hearing. All interested persons, including taxing jurisdictions which have boundaries which overlap the boundaries of the Blighted Area designated above, will be heard orally on the date of the hearing, in respect to any or all of these proposals of the City.

A copy of the proposed Redevelopment Plan is on file with the City Clerk of the City of Monett, Missouri, and may be viewed by any interested party between the hours of 9:00 a.m. and 4:00 p.m., each weekday, Monday through Friday.

Copies of the form of the Redevelopment Plan and other documents relating to the proposed Redevelopment Plan can be obtained from the City upon payment to the City of the costs of reproduction thereof.

Dated at Monett, Missouri, this 14th day of December, 2004.

By Direction of the TIF Commission

BILL NO. 7465

ORDINANCE NO. 7465

AN ORDINANCE APPOINTING MEMBERS TO FILL CERTAIN VACANCIES ON THE TAX INCREMENT FINANCE COMMISSION OF THE CITY OF MONETT, MISSOURI.

WHEREAS, the City of Monett, Missouri (the "City"), a third class municipal corporation located in Barry County, Missouri, being duly created, organized and existing under the laws of the State of Missouri, is authorized pursuant to the provisions of Sections 99.800 through 99.865 RSMo., 2000, as amended (the "Act"), upon finding an area within the corporate limits of the City as a blighted area under the terms of the Act to undertake redevelopment to correct such condition; and

WHEREAS, the City is required, prior to undertaking any redevelopment under the provisions of the Act and prior to designating an area for redevelopment, to create a tax increment finance commission consisting of nine members (the "TIF Commission") to conduct public hearings and make recommendations to the City Council on the proposed designation of the area and the proposed plans for redevelopment prior to the adoption by the City of an ordinance approving the designation of a blighted area, approving a redevelopment plan or redevelopment project in accordance with the Act; and

WHEREAS, the City Council, pursuant to Ordinance No. A-6329 on July 24, 1996, created the TIF Commission for the City; and

WHEREAS, pursuant to the Act, the members of the TIF Commission who are appointed by the other taxing districts serve on the commission for terms which coincide with the length of time a redevelopment project and the redevelopment plan and upon final approval of the project, plan or designation of the area by the governing body of the City and thereafter the TIF Commission shall consist of the six members appointed by the municipality, except that members representing school boards and other taxing districts shall be appointed as provided in the Act prior to any amendments to any redevelopment plans, redevelopment projects or designation of a redevelopment or blighted area; and

WHEREAS, the City has been requested to provide assistance for another redevelopment area which has been proposed to be annexed into the corporate limits of the City; and

WHEREAS, the City Council desires that the TIF Commission appointed by Ordinance No. A-6329 also advise the City Council regarding consideration of establishing a redevelopment plan for the proposed redevelopment area; and

WHEREAS, the terms of certain members have expired and vacancies have occurred making it necessary for new members to be appointed to the TIF Commission and the City Council pursuant to the Act desires to appoint certain new members who will serve for the unexpired term of the members whom they are replacing for four year terms and the City Council has determined to provide notice as required by the state statutes to other taxing jurisdictions with overlapping tax jurisdictions in the proposed redevelopment area requesting they appoint members to the TIF Commission.

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

Section 1. Consent to Appointment of Members. The Mayor has submitted to the City Commission a list of 518 residents of the City selected by the Mayor for appointment as members of the TIF Commission of the City with the request that the City Commission consent to the appointment of such members. The list specifies the vacancies, the members' names, and the terms each member will serve. A copy of said list is attached hereto as Exhibit A and incorporated herein by reference. The City Commission instructs the TIF Commission with the new appointments to serve the City and provide advice to the City Commission in the development of the redevelopment area and the redevelopment plan.

Section 2. Appointment. The City Commission hereby concur in the selection of members designated on the attached Exhibit A and those individuals are hereby appointed as members of the TIF Commission of the City.

Section 3. Terms of Members. The 518 members of the TIF Commission appointed by the Mayor are designated to serve for terms equal to the terms of the TIF Commission who they are succeeding.

Section 4. Notice to Overlapping Tax Jurisdictions. The City Clerk, following the completion of the annexation of the proposed redevelopment area, is hereby directed to promptly submit written notice of the City's intention to designate a redevelopment area and to appoint four members by the following taxing entities:

1. Barry County, Missouri;
2. Lawrence County, Missouri;
3. Monett R-1 School District;
4. Monett Special Road District;
5. Barry-Lawrence County Board of the Developmentally Disabled;
6. Barry County Health Department;
7. Barry-Lawrence Regional Library; and
8. Barry-Lawrence Ambulance District.

The Monett R-1 School District shall appoint two members and the Barry County Commission and the other listed taxing districts shall appoint one member. The members so selected shall serve for the terms specified in Section 94.820.2 RSMo.

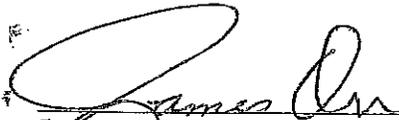
Section 5. Advertisement for Redeveloper. The City Commission requests the TIF Commission advertise for and recommend to the City Commission a redeveloper to execute the redevelopment projects required to accomplish the redevelopment.

Section 6. Severability. If any section or other part of this Ordinance shall for any reason be held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 7. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the laws of the State.

Section 8. Effective Date. This Ordinance shall take effect and be in full force and effect from and after its passage by the City Commission.

PASSED AND APPROVED this 31ST day of August, 2004

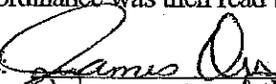
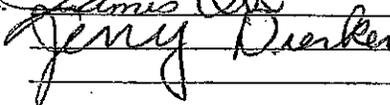

James Orr, Mayor

[SEAL]

ATTEST:


Jamie Knight, City Clerk

The ordinance was then read the second time and put upon its final passage by the following vote.

Ayes: 


Noes: None

The ordinance was thereupon approved by the Mayor in open session.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Barry-Lawrence County
Ambulance District
307 Dairy Street
Monett, MO 65708

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Signature] Agent Addressee

B. Received by (Printed Name)

[Signature] Yes No

G. Date of Delivery

12-16-04

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

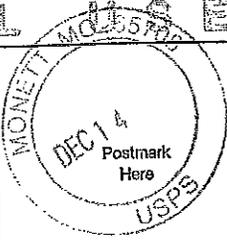
- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Label) 7002 08100 0003 9210 8255
st 2001 Domestic Return Receipt 102595-02-M-0835

Sent To
Barry-Lawrence County Ambulance District
Street, Apt. No., or PO Box No. 307 Dairy Street
City, State, ZIP+4 Monett MO 65708
PS Form 3800, April 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Barry-Lawrence Regional
Library
213 10th Street
Monett, MO 65708

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Signature] Agent Addressee

B. Received by (Printed Name)

U-REED Yes No

C. Date of Delivery

12-15-04

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

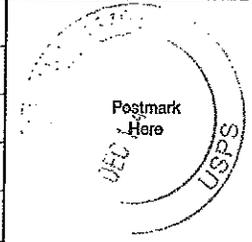
- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To
Barry-Lawrence Regional Library
Street, Apt. No., or PO Box No. 213 10th Street
City, State, ZIP+4 Monett, MO 65708
PS Form 3800, April 2002 See Reverse for Instructions

Label) 7002 08100 0003 9210 8231
August 2001 Domestic Return Receipt 102595-02-M-0835

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Barry County, Missouri
Lois Lowe, Treasurer
Barry County Courthouse
700 Main Street
MO 65625

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X *Lois Lowe*

B. Received by (Printed Name) *Lois Lowe* C. Date of Delivery *12/15/01*

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

ice label) 7002 0860 0003 9210 8132
 ugust 2001 Domestic Return Receipt 102595-02-M-0835

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here: *ETT MO 65625*

Sent to Barry County, Missouri
 Lois Lowe, Treasurer
 Barry County Courthouse
 700 Main Street
 Cassville, MO 65625

PS Form 3800, April 2002 See Reverse for Instruction

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

President, Board of Education
 Monett R-1 School District
 800 East Scott
 Monett, MO 65708

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X *Patty Beach*

B. Received by (Printed Name) C. Date of Delivery *12-15-01*

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

label) 7002 0860 0003 9210 8149
 st 2001 Domestic Return Receipt 102595-02-M-0835

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here: *MONETT MO 65708*

Sent to President, Board of Education
 Monett R-1 School District
 800 East Scott
 Monett MO 65708

PS Form 3800, April 2002 See Reverse for Instruction

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Monett Special Road District
South Eisenhower & Burlington
Northern Railroad

Monett, Mo.
65708

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Loeta Gelfand Brant Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



Postnet Label) 7002-0860-0003-9210-8200

August 2001

Domestic Return Receipt

102595-02-M-08

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To Monett Special Road District
South Eisenhower & Burlington
Northern Railroad

City, State, ZIP+4
Monett, Mo.

PS Form 3800, April 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Barny-Lawrence County Board
of the Developmentally
Disabled

408 3rd
Monett, Mo 65708

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *B.E. Harpin* Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

PO Box 322
Cassville MO 65625

Postnet Label) 7002 0860 0003 9210 8194

August 2001

Domestic Return Receipt

102595-02-M-0835

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To Barny-Lawrence County Board of the
Developmentally Disabled

City, State, ZIP+4
Monett, Mo 65708

PS Form 3800, April 2002 See Reverse for Instructions

~ ~ THE FOLLOWING IS AN EXAMPLE ~ ~

**THE REMAINDER ARE ON FILE WITH THE
TIF COMMISSION**

City of Monett

THIRD CLASS CITY - COMMISSION FORM OF GOVERNMENT
James Orr, Mayor • Donald Roberson, Commissioner • Jerry Dierker, Commissioner
217 Fifth Street • P.O. Box 110 • Monett, Missouri 65708

City Clerk - (417) 235-3763
City Collector - (417) 235-3544
Council - (417) 235-3355
Fax - (417) 235-4608

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

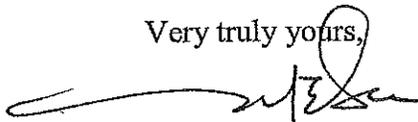
Don and Betty Crossland
320 North Belaire
Monett, MO 65708

**RE: Notice of Public Hearing by the Tax Increment Finance Commission
of the City of Monett, Missouri**

Dear Taxpayer:

You have been identified by the [Barry] [Lawrence] County Collector as the owner/taxpayer of commercial property within the city limits of the City of Monett. As such taxpayer, we are mailing you the enclosed notice of public hearing. This notice will serve to advise you, pursuant to Section 99.830 RSMo., of the date, time and place of the public hearing and to invite you to submit written comments, prior to the hearing, to the Secretary of the Tax Increment Finance Commission of the City of Monett, Missouri, c/o Office of the City Clerk, City of Monett, 217 5th Street, P.O. Box 110, Monett, Missouri 65708, on the designation of the Area, the proposed Plan and the proposed Project.

Very truly yours,



Enclosure

Chairman of TIF Commission

Pride and Progress

**NOTICE OF PUBLIC HEARING
BY THE TAX INCREMENT FINANCE COMMISSION
OF THE CITY OF MONETT, MISSOURI**

NOTICE IS HEREBY GIVEN by the Tax Increment Finance Commission of the City of Monett, Missouri (the "**TIF Commission**"), pursuant to the provisions of Section 99.825 of the Revised Statutes of Missouri, 2000, as amended, of its intention to hold a public hearing on the 31st day of January, 2005, at 7:00 p.m. in the City Council Chambers in the City Hall of the City of Monett, Missouri (the "**City**"), on the Designated Economic Development Area of the City by annexing thereto a blighted area within the territorial limits of the City (the "**Blighted Area**" or the "**Area**"), described as generally bounded on the north by the Burlington Northern Railroad tracks, the west by Bridal Lane, and the east and south by the proposed extension of the Monett municipal boundary.

The City is proposing to develop a redevelopment plan for the Blighted Area (the "**Redevelopment Plan**" or "**Plan**"), thereby providing a means to accelerate the making of improvements within the Blighted Area by providing for the issuance of tax increment financing obligations (the "**Obligations**") in an amount not to exceed \$6,180,000; the proceeds of the issuance and sale of which obligations is proposed to be used by the City for the payment of a portion of the costs of constructing, improving and extending streets, curbs, rights of way, sewers, water lines, storm water detention, and street lighting (the "**Redevelopment Project**" or "**Project**") within the Blighted Area. The TIF Commission intends to hear and consider all protests and objections at the public hearing to be conducted on that date. The public hearing may be adjourned by the TIF Commission on that date and may be continued to another date without further notice from the TIF Commission other than a motion on the record of the TIF Commission made by a member of the TIF Commission on that date to adjourn the public hearing to another date and time.

All interested persons, including taxing jurisdictions located partially or wholly within the boundaries of the Blighted Area are invited to file with the TIF Commission, at any time prior to the commencement of the public hearing, written comments, including any objections to the designation by the City of the above Blighted Area, to develop a Redevelopment Plan; to issue the obligations; to pay a portion of the cost of the Redevelopment Project from the proceeds of the Obligations or any other issue embodied in this Notice of Public Hearing. All interested persons, including taxing jurisdictions which have boundaries which overlap the boundaries of the Blighted Area designated above, will be heard orally on the date of the hearing, in respect to any or all of these proposals of the City.

A copy of the proposed Redevelopment Plan is on file with the City Clerk of the City of Monett, Missouri, and may be viewed by any interested party between the hours of 9:00 a.m. and 4:00 p.m., each weekday, Monday through Friday.

Copies of the form of the Redevelopment Plan and other documents relating to the proposed Redevelopment Plan can be obtained from the City upon payment to the City of the costs of reproduction thereof.

Dated at Monett, Missouri, this 14th day of December, 2004.

By Direction of the TIF Commission

TIF 2 PROPERTY OWNER LIST

Map No.	Property Owner's Name/Address	Map No.	Property Owner's Name/Address
08-2 Section 4 P-3	Gorman V. Ellis Trust c/o Stan Ellis 318 Chick Springs Road Greenville, SC 29609 Contact Person:	03-8 Section 33 P14.01	B & L Grisham Land & Cattle Co., L.L.C. P.O. Box 182 West Plains, MO 65775 Contact Person:
08-2 Sec 4 P-5 & 5.02	Don and Betty Crossland 320 North Belaire Monett, MO 65708 Contact Person:	03-8 Section 33 P-13	Monett Investors, L.L.C. 5051 S. National Springfield, MO 65810 Contact Person:
08-2 Section 4 P-5.01	Arthur and Edith Maloney P.O. Box 602 Monett, MO 65708 Contact Person:	03-8 Section 33 P-13.02	Ryder Truck Rental, Inc. P.O. Box 020816 3600 NW 82nd Avenue Miami, FL 33102-0816 Contact Person:
03-8 Section 33 P-14	Cornerstone Propane, L.P. P.O. Box 7000 Lebanon, MO 65536 Contact Person: Robin Scott	03-8 Section 33 P-6.02	C. Glenn Douthitt 337 N. Belaire Monett, MO 65708 Contact Person:
03-8 Section 33 P-13.04	Richard D. and Fratie G. Weber 1128 Pasadero Drive Escondido, CA 92029 Contact Person:	03-8 Section P-6.01	Tyson Foods, Inc. 2210 Oaklawn Springdale, AR 72764 Contact Person: Rusty Boucher
03-8 Section 33 P-13.03	Edward Scott 1758 Lorraine Place Escondido, CA 92029 Contact Person:	03-8 Section 33 P-7	Ralph & Mary Scott 1401 Dierker Drive Monett, MO 65708 Contact Person:
03-8 Section 33 P-12	Monett Speedway, Inc. Randy Mooneyham 4752 S. Farm Road 67 Republic, Missouri 65738 Contact Person: Randy Mooneyham	03-8 Section 33 P-7.01	City of Monett P.O. Box 110 Monett, MO 65708 Contact Person: Pete Rauch
03-9-32 P-4	James & Wilma Callan 360 Chapel Drive Monett, MO 65708 Contact Person:	03-9-32 P-1.02	State of Missouri Mo. Army National Guard 6819 N. Boundary Rd., Jeff City, MO 65101 Contact Person: Andy Distler
03-9-32 P-5	Sam & Ethel C. Burton P.O. Box 373 Rolla, MO 65402 Contact Person:		
03-08 Section 33 P-11	Bryce Oaks Golf Club, L.L.C. George Shaner P.O. Box 802 Monett, MO 65708 Contact Person: George Shaner		
03-08 Section 33 P-11.01	George E. and Patricia A. Shaner and Steven R. and Marlene T. Shaner P.O. Box 802 (George's address) Monett, MO 65708		
08-2 Section 4 P-3.01	Community National Bank P.O. Bo 229 Monett, MO 65708 Contact Person: Mark Nelson		
08-2 Section 4 P-6	Michael Pham 847 Wellington Avenue Monett, MO 65708 Contact Person: Michael		
08-2 Section 4 P-4	Antonio and Rachel Cardozo 111 Farm Road 1090 Monett, MO 65708 Contact Person:		
08-3-5 P-1	Cody Jones, Rt 1 Bx 110, Monett Betty Moss, Rt 2 Bx 181A, Monett Tammy Humphrey, ?? (Ma 'n Pa's Restaurant) Contact Person:		

CALL TOLL FREE 1-800-475-6002

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee <i>X Stanley J. Ellis</i></p> <p>B. Received by (Printed Name) <i>Stanley J. Ellis</i> C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="margin-left: 20px;"><i>Gorman V Ellis Trust c/o Stan Ellis 318 Chick Springs Rd Greenville SC 29609</i></p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label) <i>7004 1160 0006 1738 1737</i></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-0835

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
 - Certified Mail is *not* available for any class of international mail.
 - **NO INSURANCE COVERAGE IS PROVIDED** with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.

- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Gorman V Ellis Trust
 c/o Stan Ellis
 318 Chick Springs Road
 Greenville, SC 29609


 Community Ne
 901 E. Hig
 P.O. Box
 Monett, MO

7004 1160 0006 1738 1737

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

OFFICIAL USE
 GREENVILLE SC 29609

Postage	\$ 40.37	0755 01 85708 Postmark Here JAN 21 2005 01/21/2005 
Certified Fee	\$2.30	
Return Receipt Fee (Endorsement Required)	\$1.75	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 44.42	

Sent To *Gorman V Ellis Trust c/o Stan Ellis*

Street, Apt. No., or PO Box No. *318 Chick Springs Road*

City, State, ZIP+4 *Greenville SC 29609*

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>Don Crossland</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Don Crossland</i></p> <p>C. Date of Delivery <i>1-22-05</i></p>
<p>1. Article Addressed to:</p> <p><i>Don and Betty Crossland 320 N Belaire Monett Mo 65708</i></p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <i>7004 1160 0006 1138 1744</i></p>	<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-0835</p>

Certified Mail Provides:

- A mailing receipt.
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is not available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED WITH Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Don and Betty Crossland
320 North Belaire
Monett, MO 65708

Community Nat
901 E. High
P.O. Box:
Monett, MO

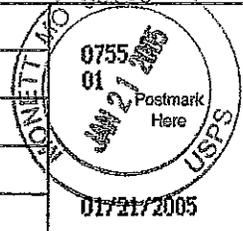


U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

MONETT MO 65708 OFFICIAL USE

Postage	\$ 40.37
Certified Fee	\$ 2.30
Return Receipt Fee (Endorsement Required)	\$ 1.75
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 44.42



Sent To: *Don - Betty Crossland*
Street, Apt. No., or PO Box No. *320 N Belaire*
City, State, ZIP+4 *Monett Mo 65708*

7004 1160 0006 1138 1744

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Arthur + Edith Maloney
 P.O. Box 602
 Monett Mo 65708

2. Article Number

(Transfer from service label)

7064 1160 0006 1138 1751

PS Form 3811, August 2001

Domestic Return Receipt

162594-02-M-0835

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Arthur Maloney* Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

1-26-05

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.

or an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.

- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

(Reverse) (PS Form 3800, June 2002)

Arthur and Edith Maloney
 PO Box 602
 Monett, MO 65708

Community
 901 E. I
 P.O.
 Monett,
 MO

* * * * *
CNB
 * * * * *

7004 1160 0006 1138 1751

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

MONETT MO 65708

Postage	\$ 40.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 44.42

MO 65708
 0755
 01
 Postmark Here
 JAN 21 2005
 01/21/2005

Sent To *Arthur + Edith Maloney*
 Street, Apt. No. or PO Box No. *PO Box 602*
 City, State, ZIP+4 *Monett Mo 65708*

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>Robin Scott</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Robin Scott</i></p> <p>C. Date of Delivery <i>1-25-05</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p><i>Comerstone Propane LP Robin Scott PO Box 7000 Lebanon Mo 65536</i></p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p> <p><i>7004 1160 0026 1138 1768</i></p>	<p>PS Form 3811, August 2001 Domestic Return Receipt 102585-02-M-0855</p>

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

PS Form 3800, June 2002 (Revised)

Comerstone Propane LP
Robin Scott
PO Box 7000
Lebanon, MO 65536

Community Natic
901 E. Highw
P.O. Box 2,
Monett, MO 6



U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 0.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 4.42

7004 1160 0006 1138 1768

0755MO 65708
Postmark Here
JAN 24 2005
01/21/2005 USPS

Sent To
Comerstone Propane LP
Street, Apt. No. or PO Box No. *Box 7000*
City, State, ZIP+4
Lebanon Mo 65536

PS Form 3800, June 2002 See Reverse for Instructions

5227 8E11 9000 0911 4002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Richard D and Fratie G Weber
1128 Pasadero Dr
Escondido CA 92029

2. Article Number

(Transfer from service label)

7004 1160 0006 1138 1775

PS Form 3811, August 2001

Domestic Return Receipt

102585-02-M-0835

COMPLETE THIS SECTION ON DELIVERY

A. Signature

F. Weber

Agent

Addressee

B. Received by (Printed Name)

F. Weber

C. Date of Delivery

D. Is delivery address different from Item 1?

Yes

If YES, enter delivery address below:

No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

(PS Form 3800, June 2002 (Reverse))

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- **NO INSURANCE COVERAGE IS PROVIDED** with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "*Restricted Delivery*".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Richard D and Fratie G Weber
1128 Pasadero Drive
Escondido, CA 92029

Community N
901 E. Hi
P.O. B.
Monett, MO



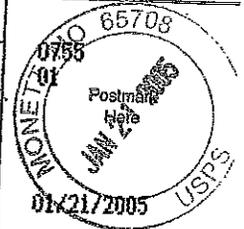
7004 1160 0006 1138 1775

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

ESCONDIDO CA 92029 **OFFICIAL USE**

Postage	\$ 40.37
Certified Fee	\$ 2.30
Return Receipt Fee (Endorsement Required)	\$ 1.75
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 44.42



Sent To

Richard D - Fratie G Weber
Street, Apt. No. or PO Box No. 1128 Pasadero Dr
City, State, ZIP+4 Escondido CA 92029

PS Form 3800, June 2002

2421 9ETT 9000 09TT 6002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Edward Scott
1758 Lorraine Place
Escondido CA 92029

2. Article Number

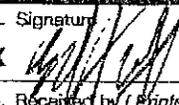
(Transfer from service label) 7004 1160 0006 1139 1782

PS Form 3811, August 2001

Domestic Return Receipt

102585-02-M-0835

DELIVERY

A. Signature  Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

PS Form 3800, June 2002 (Reverse)

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is not available for any class of International mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Edward Scott
1758 Lorraine Place
Escondido, CA 92029

Community Ne
901 E. Hig
P.O. Box
Monett, MO



7004 1160 0006 1139 1782

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com
OFFICIAL USE
ESCONDIDO CA 92029

Postage	\$ 40.37
Certified Fee	\$ 2.30
Return Receipt Fee (Endorsement Required)	\$ 1.75
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 44.42



Sent To Edward Scott
 Street, Apt. No.; or PO Box No. 1758 Lorraine Place
 City, State, ZIP+4 Escondido CA 92029

6627 9ETT 3000 09TT 4002

SENDER: COMPLETE THIS SECTION

ON DELIVERY

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature
x Linda Mooneyham Agent Addressee

B. Received by (Printed Name) *Linda Mooneyham* C. Date of Delivery *1-27-05*

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

1. Article Addressed to:
*Monett Speedway
 Randy Mooneyham
 4752 S Farm Rd 67
 Republic MO 65738*

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from service label) 7004 1160 0006 1138 1799

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-0836
 PS Form 3800, June 2002 (Reverse)

Certified Mail Provides:

- A mailing receipt
 - A unique identifier for your mailpiece
 - A record of delivery kept by the Postal Service for two years
- Important Reminders:**
- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
 - Certified Mail is *not* available for any class of international mail.
 - NO INSURANCE COVERAGE IS PROVIDED** with Certified Mail. For valuables, please consider Insured or Registered Mail.
 - For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
 - For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
 - If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.
 Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Monett Speedway Inc
 Randy Mooneyham
 4752 S Farm Road 67
 Republic, MO 65738

Community National
 901 E. Highway 6
 P.O. Box 229
 Monett, MO 65708



U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

REPUBLIC MO 65738

Postage	\$ 40.37
Certified Fee	\$ 2.30
Return Receipt Fee (Endorsement Required)	\$ 1.75
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 44.42

Postmark Here
 0755 5708
 JAN 27 2005
 USPS

Sent To
Monett Speedway, Randy Mooneyham
 Street, Apt. No., or PO Box No. *4752 S Farm Rd 67*
 City, State, ZIP+4 *Republic MO 65738*

PS Form 3800, June 2002 See Reverse for Instructions

7004 1160 0006 1138 1799

5084 8ETT 9000 08TT 4002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

James + Wilma Callan
360 Chappell Dr
Monett Mo 65708

2. Article Number

(Transfer from service label)

7004 1160 0006 1138 1905

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

James Callan

- Agent
- Addressee

B. Received by (Printed Name)

James Callan

C. Date of Delivery

1-22

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-0895

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

PS Form 3800, June 2002 (Reverse)

James & Wilma Callan
360 Chappell Drive
Monett, MO 65708

Community Natio:
901 E. Highw:
P.O. Box 22
Monett, MO 65708



7004 1160 0006 1138 1905

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

MONETT MO 65708 **OFFICIAL USE**

Postage	\$ 0.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 4.42



Sent To: James + Wilma Callan
 Street, Apt. No. or PO Box No.: 360 Chappell Dr.
 City, State, ZIP+4: Monett Mo 65708

PS Form 3800, June 2002

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X <i>Sam Burton</i></p> <p>B. Received by (Printed Name) <i>Sam Burton</i> C. Date of Delivery <i>01-25-05</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p><i>Sam - Ethel C Burton</i> <i>PO Box 373</i> <i>Rolla MO 65402</i></p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <i>7004 1160 0006 1138 1812</i></p>	

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-0935

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

(Reverse) PS Form 3800, June 2002

Important Reminders:

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- Certified Mail is not available for any class of International mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail.** For valuables, please consider Insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Sam & Ethel C Burton
PO Box 373
Rolla, MO 65402

Community National
901 E. Highway 6
P.O. Box 229
Monett, MO 65708



U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

ROLLA MO 65402 **OFFICIAL USE**

Postage	\$ 0.37	0755 01 Postmark Here 01/25/2005
Certified Fee	\$2.30	
Return Receipt Fee (Endorsement Required)	\$1.75	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 4.42	

Sent To: *Sam & Ethel C Burton*

Street, Apt. No., or PO Box No. *PO Box 373*

City, State, ZIP+4 *Rolla MO 65402*

PS Form 3800, June 2002 See Reverse for Instructions

7004 1160 0006 1138 1812

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bryce Oaks Golf Club LLC
 George Shaner
 P.O. Box 802
 Monett MO 65708

2. Article Number
 (Transfer from service label) 7004 1160 0006 1138 1829

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 x Marlene Shaner

B. Received by (Printed Name)
 Marlene Shaner

C. Date of Delivery
 JUN 21 2005

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below.

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

PS Form 3811, August 2001 Domestic Return Receipt 102585-02-1

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is not available for any class of International mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Bryce Oaks Golf Club LLC
 George Shaner
 PO Box 802
 Monett, MO 65708

Community Nation
 901 E. Highway
 P.O. Box 224
 Monett, MO 65



U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only. No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

MONETT MO 65708 OFFICIAL USE

Postage	\$ 0.37
Certified Fee	\$ 2.39
Return Receipt Fee (Endorsement Required)	\$ 1.75
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 4.42

Postmark Here:
 JUN 21 2005
 MONETT MO 65708

Sent To: Bryce Oaks Golf Club LLC
 Street, Apt. No. or PO Box No. PO Box 802 George Shaner
 City, State, ZIP+4 Monett MO 65708

PS Form 3800, June 2002 See Reverse for Instructions

7004 1160 0006 1138 1829

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 George - Patricia Shaner
 Steven - Marlene Shaner
 PO Box 802
 Monett MO 65703

2. Article Number
 (Transfer from service label) 7004 1160 0006 1138 1836

COMPLETE THIS SECTION ON DELIVERY

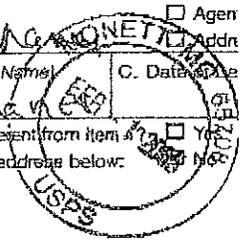
A. Signature
 X Marlene Shaner Agent

B. Received by (Printed Name) C. Date of Delivery
 Marlene Shaner

D. Is delivery address different from item A? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No



Certified Mail Provided

- A mailing receipt
 - A unique identifier for you
 - A record of delivery kept by the Postal Service for two years
- Important Reminders:**
- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
 - Certified Mail is not available for any class of International mail.
 - NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
 - For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
 - For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
 - If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.
- IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-1

George E and Patricia A Shaner
 Steven R and Marlene T Shaner
 PO Box 802
 Monett, MO 65708

Community National
 901 E. Highway
 P.O. Box 229
 Monett, MO 6570



9000 0000 1160 1160 4007

US Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com
OFFICIAL USE

Postage	\$ 0.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 4.42



Sent To
 George - Patricia Shaner Steven + Marlene
 Street, Apt. No.; or PO Box No. PO Box 802
 City, State, ZIP+4 Monett MO 65708

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Michael Pham
 847 Wellington Ave
 Monett Mo 65708

2. Article Number
 (Transfer from service label) 70041160 0006 1138 1843
 PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Mary Pham* Agent Addressee

B. Received by (Printed Name) *Mary Pham* C. Date of Delivery *1/22/05*

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Domestic Return Receipt

102595-02-M-0835

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Michael Pham
 847 Wellington Ave
 Monett, MO 65708

Community National Bank
 901 E. Highway 60
 P.O. Box 229
 Monett, MO 65708



U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only. No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 00.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 4.42



Sent To *Michael Pham*
 Street, Apt. No., or PO Box No. *847 Wellington Ave*
 City, State, ZIP+4 *Monett Mo 65708*

7004 1160 0006 1138 1843

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Antonio + Rachel Cardozo
 111 Farm Road 1090
 Monett Mo 65708

2. Article Number

(Transfer from service label)

7004 1160 0006 1138 1850

PS Form 3811, August 2001

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature *Antonio Cardozo* Agent
 Addressee

B. Received by (Printed Name)

Antonio Cardozo

C. Date of Delivery

1/22/05

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- Certified Mail
- Registered
- Insured Mail
- Express Mail
- Return Receipt for Merchandise
- C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

PS Form 3800, June 2002 (Reverse)

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of International mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Antonio and Rachel Cardozo
 111 Farm Road 1090
 Monett, MO 65708

102595-02-M-0835

Community National
 901 E. Highway
 P.O. Box 229
 Monett, MO 65708

CNB

7004 1160 0006 1138 1850

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 40.37
Certified Fee	\$ 2.30
Return Receipt Fee (Endorsement Required)	\$ 1.75
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 44.42



Sent To *Antonio and Rachel Cardozo*
 Street, Apt. No., or PO Box No. *111 Farm Road 1090*
 City, State, ZIP+4 *Monett Mo 65708*

PS Form 3800, June 2002

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Cody Jones
 Rt 1 Box 110
 Monett MO 65708

2. Article Number (Transfer from service label) 7004 1160 0006 1138 1867

PS Form 3811, August 2001

Domestic Return Receipt

102605-02-11-0835

COMPLETE THIS SECTION ON DELIVERY

A. Signature  Agent Addressee

B. Received by (Printed Name) Cody Jones C. Date of Delivery 1-25-05

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below.

RR 2 Box 201
 Monett MO 65708

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Certified Mail Provisions

- A mailing receipt
- A unique identifier for each article
- A record of delivery

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- **NO INSURANCE COVERAGE IS PROVIDED** with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.
 Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Cody Jones
 Rt 1 Box 110
 Monett, MO 65708

Community National Bank
 901 E. Highway 60
 P.O. Box 229
 Monett, MO 65708



7004 1160 0006 1138 1867

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com
MONETT MO 65708 OFFICIAL USE

Postage	\$ 00.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 04.42



Sent To Cody Jones
 Street, Apt. No., or PO Box No. Rt 1 Box 110
 City, State, ZIP+4 Monett MO 65708

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

State of MO
 Mo Army Natl Guard
 6819 N Boundary Rd
 Jeff City Mo 65101

2. Article Number

(transfer from service label) 7004 1160 0006

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Handwritten Signature]

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

1-22-05

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

Certified Mail

- A mailing receipt
- A unique identifier
- A record of delivery

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

Important Reminders

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

State of Missouri
 MO Army National Guard, And
 6819 N Boundary Rd
 Jefferson City, MO 65101

Community National B
 901 E. Highway 60
 P.O. Box 229
 Monett, MO 65708

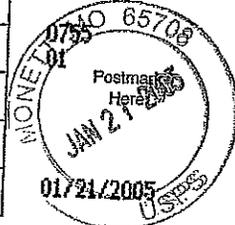


7004 1160 0006 1138 8330

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only. No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com
JEFFERSON CITY MO 65101
OFFICIAL USE

Postage	\$ 0.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 4.42



Sent To: *Ruth Ann Sato* State of MO
 Street, Apt. No. or PO Box No.: *1101 Darden Dr* Jefferson City, MO
 City, State, ZIP+4: *Monett Mo 65708* Jeff City, Mo

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

City of Monett
Pete Rauch
PO Box 110
Monett, MO 65708

2. Article Number

(Transfer from service label) 7004 1160 0006 1138 1683

PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Joe Bonnas

- Agent
- Addressee

B. Received by (Printed Name)

JOE BONNAS

C. Date of Delivery

1-24-05

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

Domestic Return Receipt

102595-02-M-154t

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

City of Monett
Pete Rauch
PO Box 110
Monett, MO 65708

Community National
901 E. Highway 6
P.O. Box 229
Monett, MO 65708



7004 1160 0006 1138 1683

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

MONETT MO 65708

Postage	\$ 0.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 4.42

MONETT MO 65708
0755
JAN 24 2005
Postmark Here
USPS
01/21/2005

Sent To City of Monett Pete Rauch
Street, Apt. No. or PO Box No. Po Box 110
City, State, ZIP+4 Monett

PS Form 3800, June 2002



Date: 09/23/2005

The following is in response to your 09/23/2005 request for delivery information on your Certified item number 7004 1160 0006 1138 8347. The delivery record shows that this item was delivered on 01/22/2005 at 12:33 PM in MONETT, MO 65708. The scanned image of the recipient information is provided below.

Signature of Recipient: [Signature]
Delivery Section
11401 Dierker

Address of Recipient: Ralph Scott

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely

United States Postal Service

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

PS Form 3800, June 2002 (Reverse)

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is not available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Ralph & Mary Scott
1401 Dierker Dr
Monett, MO 65708

Community National
901 E. Highway 6
P.O. Box 229
Monett, MO 65708



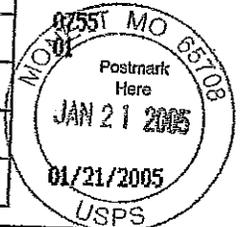
7004 1160 0006 1138 8347

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only - No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

MONETT MO 65708 OFFICIAL USE

Postage	\$ 0.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 4.42



Sent To: State of Mo - no rail Guard RALPH
Street, Apt. No., or PO Box No. 1401 Dierker Rd + MARY
City, State, ZIP+4 Monett Mo 65701 SCOTT

PS Form 3800, June 2002

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Tyson Foods Inc
2210 Oaklawn
Springdale AR 72764

2. Article Number

0

PS F

111

COMPLETE THIS SECTION ON DELIVERY

A. Signature *Tyson Foods Inc* Agent Addressee

B. Received by (Printed Name) _____ C. Date of Delivery *1-26-05*

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below: _____

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

102595 112-01-1540

Certified Mail Pro

- A mailing receipt
- A unique identifier to
- A record of delivery

Important Reminders:

- Certified Mail may OI
- Certified Mail is not a

NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.

For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.

For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".

If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Tyson Foods, Inc
Rusty Boucher
2210 Oaklawn
Springdale, AR 72764

Community National Bank
901 E. Highway 60
P.O. Box 229
Monett, MO 65708



7004 1160 0006 1136 8323

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com.

SPRINGDALE AR 72764 **OFFICIAL USE**

Postage	\$ 40.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 44.42



Sent To *Tyson Foods Inc*
 Street, Apt. No., or PO Box No. *2210 Oaklawn*
 City, State, ZIP+4 *Springdale AR 72764*

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <i>C. Glenn Douthitt</i></p> <p><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>
<p>1. Article Addressed to:</p> <p>C. Glenn Douthitt Twin Island Estates 112 N Cedar Blue Eye Mo 65611</p>	<p>B. Received by (Printed Name)</p> <p>C. Date of Delivery 1-2-03</p> <p>D. Is Delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>2. Article Number (transfer from service label) 7004 1160 0006 112N 2778</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> G.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

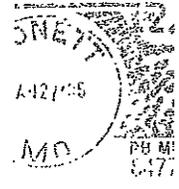
PS Form 3811, August 2001 Domestic Return Receipt 492545-01-01-1540

Certified Mail Providers:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

may ONLY be combined with First-Class Mail® or Priority Mail®. Coverage is PROVIDED with Certified Mail. For insured mail, please consider insured or Registered Mail. For a Return Receipt, a Return Receipt may be requested to provide proof of delivery. In Return Receipt service, please complete and attach a Return Receipt (Form 3811) to the article and add applicable postage to cover the Return Receipt. To receive a fee waiver for Return Receipt, a USPS® postmark on your Certified Mail receipt is required. Delivery may be restricted to the addressee or authorized agent. Advise the clerk or mark the mailpiece with the words "Restricted Delivery".

The Certified Mail receipt is desired, please present the article to the office for postmarking. If a postmark on the Certified Mail receipt is desired, detach and affix label with postage and mail. This receipt and present it when making an inquiry. Delivery information is not available on mail pieces and FPOs.



Community National
901 E. Highway 6
P.O. Box 229
Monett, MO 65708

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only - No Insurance Coverage Provided)

For delivery information, visit our web site at www.usps.com

OFFICIAL USE

Postage		Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.42	

Sent To *C Glenn Douthitt Twin Island Estates*

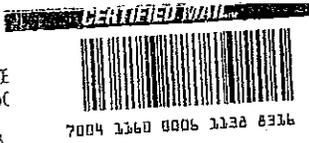
Street, Apt. No., or PO Box No. *112 N Cedar*

City, State, ZIP+4 *Blue Eye Mo 65611*

C Glenn Douthitt
Twin Island Estates
112 N Cedar
Blue Eye, MO 65611

9589 9589 9000 09TT 4002

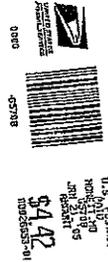
Community National F
 901 E. Highway 60
 P.O. Box 229
 Monett, MO 65708



- Insured As Advertised
- Return Receipt
- Signature Required
- Restricted Delivery
- Signature Confirmation
- Registered Mail
- Return Receipt for Merchandise
- Return Receipt for Signature
- Return Receipt for Signature and Merchandise
- Return Receipt for Signature and Merchandise and Restricted Delivery
- Return Receipt for Signature and Merchandise and Restricted Delivery and Signature Confirmation
- Return Receipt for Signature and Merchandise and Restricted Delivery and Signature Confirmation and Registered Mail

Glenn Douthitt
 337 N Belaire
 Monett, MO 65708

FAE



Date: 09/23/2005

The following is in response to your 09/23/2005 request for delivery information on your Certified item number 7004 1160 0006 1138 8316. The delivery record shows that this item was delivered on 01/25/2005 at 10:04 AM in MONETT, MO 65708. The scanned image of the recipient information is provided below.

Signature of Recipient: _____ Delivery Section

Deanna W. Douthitt

DEANNA W. DOUTHITT

Address of Recipient: PO Box 229

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely

United States Postal Service

C Glenn Douthitt
 337 N Belaire
 Monett, MO 65708

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- **NO INSURANCE COVERAGE IS PROVIDED** with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

PS Form 3800, June 2002 (Reverse)

Community National F
 901 E. Highway 60
 P.O. Box 229
 Monett, MO 65708

7004 1160 0006 1138 8316

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 0.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 4.42



Sent To C Glenn Douthitt
 Street, Apt. No., or PO Box No. 337 N Belaire
 City, State, ZIP+4 Monett MO 65708

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>E. D. [Signature]</i></p> <p>C. Date of Delivery <i>JAN 25 2005</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p><i>Ryder Truck Rental Inc</i> <i>PO Box 020816</i> <i>Miami FL 33102-0816</i></p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label) <i>2004116-0ADL 1138 8309</i></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
PS Form 3811, August 2001	Domestic Return Receipt 402595-02-M-1540

Certified Mail Provides:

- A mailing receipt.
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

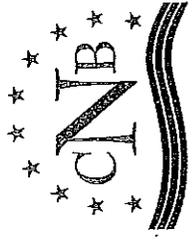
- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of International mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail.** For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
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If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APQs and FPOs.

Ryder Truck Rental, Inc
PO Box 020816
Miami, FL 33102

Community National I
901 E. Highway 60
P.O. Box 229
Monett, MO 65708



7004 1160 0006 1138 8309

USPS Postal Service	
CERTIFIED MAIL RECEIPT	
<i>(Domestic Mail Only - No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 0.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 4.42
<p>Sent To <i>Ryder Truck Rental Inc</i></p> <p>Street, Apt. No. or PO Box No. <i>PO Box 020816</i></p> <p>City, State, ZIP+4 <i>Miami FL 33102</i></p>	
<p>Postmark Here: <i>JAN 21 2005</i></p> <p>0755 65708</p> <p>01/21/2005</p>	
PS Form 3800, June 2002	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <i>Connie Cooney</i></p> <p>B. Received by (Printed Name) <i>Connie Cooney</i></p> <p>C. Date of Delivery <i>8-24-05</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p><i>Monett Investors LLC 5051 S National Springfield Mo 65810</i></p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merch</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label)</p> <p><i>70041160 0006 1138 1904</i></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

Certified Mail Provides:

- A mailing receipt
 - A unique identifier for your mailpiece
 - A record of delivery kept by the Postal Service for two years
- Important Reminders:**
- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
 - Certified Mail is *not* available for any class of international mail.
 - NO INSURANCE COVERAGE IS PROVIDED** with Certified Mail. For valuables, please consider Insured or Registered Mail.
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 - For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
 - If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.
Internet access to delivery information is not available on mail addressed to APOs and FPOs.

PS Form 3811, August 2001 Domestic Return Receipt 102535-02

Monett Investors, LLC
5051 S National
Springfield, MO 65810

Community National
901 E. Highway 6
P.O. Box 229
Monett, MO 65708



7004 1160 0006 1138 1904

U.S. Postal Service		CERTIFIED MAIL® RECEIPT	
<i>(Domestic Mail Only, No Insurance Coverage Provided)</i>			
For delivery information visit our website at www.usps.com			
SPRINGFIELD MO 65810		OFFICIAL USE	
Postage	\$ 40.37		
Certified Fee	\$2.30		
Return Receipt Fee (Endorsement Required)	\$1.75		
Restricted Delivery Fee (Endorsement Required)	\$0.00		
Total Postage & Fees	\$ 44.42		
Sent To <i>Monett Investors LLC</i>			
Street, Apt. No., or PO Box No. <i>5051 S National</i>			
City, State, ZIP+4 <i>Springfield Mo 65810</i>			

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature x Cheryl Butler <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: B & L Grisham Land & Cattle LLC PO Box 182 West Plains, MO 65775		E. Received by (Printed Name) Cheryl Butler	
2. Article Number (Transfer from service label) 7004 116 000 1139 1849		C. Date of Delivery 2/21/05	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> G.O.D.		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
PS Form 3811, August 2001 Domestic Return Receipt			

Certified

- A mail
- A unique
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is not available for any class of international mail.
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IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

B & L Grisham Land & Cattle Co
 PO Box 182
 West Plains, MO 65775

Community National F
 901 E. Highway 60
 P.O. Box 229
 West Plains, MO 65708

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only. No Insurance Coverage Provided)	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE WEST PLAINS MO 65775	
Postage \$ 40.37 Certified Fee \$ 2.30 Return Receipt Fee (Endorsement Required) \$ 1.75 Restricted Delivery Fee (Endorsement Required) \$ 0.00 Total Postage & Fees \$ 44.42	07535708 Postmark Here FEB 21 2005 WEST PLAINS MO 65775 USPS
Sent To: B & L Grisham Land & Cattle LLC Street, Apt. No., or PO Box No. PO Box 182 City, State, ZIP+4 West Plains mo 65775	
PS Form 3800, June 2002 See Reverse for Instructions	

7887 8277 9000 0977 6002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Tammy Humphrey
 905 Farm Road 2050
 Monett MO 65708

2. Article Number
 (Transfer from service label) 7004 1160 0066 1138 1881

PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Agent
 Addressee
 B. Received by (Printed Name) Steve Hummer
 C. Date of Delivery 1/21/05
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

Domestic Return Receipt

102595-02-M-1540

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

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- Certified Mail is not available for any class of international mail.
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IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

Tammy Humphrey
 905 Farm Road 2050
 Monett, MO 65708

Community National
 901 E. Highway 6
 P.O. Box 229
 Monett, MO 65708



7004 1160 0066 1138 1881

USPS Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only - No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com
MONETT MO 65708 OFFICIAL USE

Postage	\$ 40.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 44.42



Sent To Tammy Humphrey
 Street, Apt. NO. 905 Farm Road 2050
 or PO Box No. Monett MO 65708
 City, State, ZIP+4

PS Form 3800, June 2002

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee <i>Betty Moss</i></p> <p>B. Received by (Printed Name) <i>Melvin Moss</i></p> <p>C. Date of Delivery <i>1/24/05</i></p>
<p>1. Article Addressed to:</p> <p><i>Betty Moss Rt 2 Box 181A Monett Mo 65708</i></p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <i>7004 1160 0006 1139 1874</i></p>	

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-0835

Certified

- A mailing receipt
- A unique identifier for your mailpiece
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Important Reminders:

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Betty Moss
Rt 2 Box 181A
Monett, MO 65708

Community Nation
901 E. Highway
P.O. Box 229
Monett, MO 65708

7004 1160 0006 1139 1874

CNB

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
<i>(Domestic Mail Only. No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 0.37
Certified Fee	\$2.30
Return Receipt Fee (Endorsement Required)	\$1.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 4.42
Sent To <i>Betty Moss</i>	
Street, Apt. No., or PO Box No. <i>Rt 2 Box 181A</i>	
City, State, ZIP+4 <i>Monett Mo 65708</i>	
PS Form 3800, June 2002 See Reverse for Instructions	



**NOTICE OF PUBLIC HEARING
BY THE TAX INCREMENT FINANCE COMMISSION
OF THE CITY OF MONETT, MISSOURI**

NOTICE IS HEREBY GIVEN by the Tax Increment Finance Commission of the City of Monett, Missouri (the "**TIF Commission**"), pursuant to the provisions of Section 99.825 of the Revised Statutes of Missouri, 2000, as amended, of its intention to hold a public hearing on the 31st day of January, 2005, at 7:00 p.m. in the City Council Chambers in the City Hall of the City of Monett, Missouri (the "**City**"), on the Designated Economic Development Area of the City by annexing thereto a blighted area within the territorial limits of the City (the "**Blighted Area**" or the "**Area**"), described as generally bounded on the north by the Burlington Northern Railroad tracks, the west by Bridal Lane, and the east and south by the proposed extension of the Monett municipal boundary.

The City is proposing to develop a redevelopment plan for the Blighted Area (the "**Redevelopment Plan**" or "**Plan**"), thereby providing a means to accelerate the making of improvements within the Blighted Area by providing for the issuance of tax increment financing obligations (the "**Obligations**") in an amount not to exceed \$6,180,000; the proceeds of the issuance and sale of which obligations is proposed to be used by the City for the payment of a portion of the costs of constructing, improving and extending streets, curbs, rights of way, sewers, water lines, storm water detention, and street lighting (the "**Redevelopment Project**" or "**Project**") within the Blighted Area. The TIF Commission intends to hear and consider all protests and objections at the public hearing to be conducted on that date. The public hearing may be adjourned by the TIF Commission on that date and may be continued to another date without further notice from the TIF Commission other than a motion on the record of the TIF Commission made by a member of the TIF Commission on that date to adjourn the public hearing to another date and time.

All interested persons, including taxing jurisdictions located partially or wholly within the boundaries of the Blighted Area are invited to file with the TIF Commission, at any time prior to the commencement of the public hearing, written comments, including any objections to the designation by the City of the above Blighted Area, to develop a Redevelopment Plan; to issue the obligations; to pay a portion of the cost of the Redevelopment Project from the proceeds of the Obligations or any other issue embodied in this Notice of Public Hearing. All interested persons, including taxing jurisdictions which have boundaries which overlap the boundaries of the Blighted Area designated above, will be heard orally on the date of the hearing, in respect to any or all of these proposals of the City.

A copy of the proposed Redevelopment Plan is on file with the City Clerk of the City of Monett, Missouri, and may be viewed by any interested party between the hours of 9:00 a.m. and 4:00 p.m., each weekday, Monday through Friday.

Copies of the form of the Redevelopment Plan and other documents relating to the proposed Redevelopment Plan can be obtained from the City upon payment to the City of the costs of reproduction thereof.

Dated at Monett, Missouri, this 14th day of December, 2004.

By Direction of the TIF Commission

AFFIDAVIT OF PUBLICATION

State of Missouri
County of Barry

The Monett Times

CITY OF MONETT
CITY HALL
217 FIFTH ST
MONETT MO 65708

REFERENCE: 101780
219591 Hearing - TIF Comm

I, Michael L. Stubbs, being duly sworn according to law, state that I am the publisher of the Monett times, a daily newspaper of general circulation in the county of Barry, where located; which has been admitted to the post office a second-class matter in the city of Monett, MO., the city of publication; which newspaper has been published regularly and consecutively for a period of three years and has a list of bona fide subscribers voluntarily engaged as such who have paid or agreed to pay a stated price for a subscription for a definite period of times, and that such newspaper has complied with the provisions of Section 14,968 Revised Statutes of Missouri, 1939. The affixed notice appeared in said newspaper on the following consecutive weeks (issues).

Commission of the City of Monett, Section 99.825 of the Revised Statutes on the 31st day of January, 2005, City of Monett, Missouri (the City), and thereunto a blighted area within the described as generally bounded on the Lane, and the east and south by the

plan for the Blighted Area (the accelerate the making of improvements increment financing obligations (the of the issuance and sale of which portion of the costs of constructing lines, storm water detention, and in the Blighted Area. The TIF of the public hearing to be conducted mission on that date and may be mission other than a motion on the mission on that date to adjourn the

ed partially or wholly within the mission, at any time prior to the ay objections to the designation by n; to issue the obligations; to pay a the Obligations or any other issue cluding taxing jurisdictions which igned above, will be heard orally e City.

PUBLISHED ON: 01/03

TOTAL COST: 139.60 AD SPACE: 24.750 INCH
FILED ON: 01/03/05

(Signed) *Michael L. Stubbs* Publisher

Subscribed and sworn to before me this 3rd day of Feb, 2005

Melodie Myers Notary Public

MELODIE MYERS
Notary Public State of Missouri
County of Barry
My Commission Expires 2/23/08

commonly make
COMMISSION
OURI
23

AFFIDAVIT OF PUBLICATION

State of Missouri
County of Barry

The Monett Times

CITY OF MONETT
CITY HALL
217 FIFTH ST
MONETT MO 65708

REFERENCE: 101780
220022 Redevelopment Hearin

I, Michael L. Stubbs, being duly sworn according to law, state that I am the publisher of the Monett times, a daily newspaper of general circulation in the county of Barry, where located; which has been admitted to the post office a second-class matter in the city of Monett, MO., the city of publication; which newspaper has been published regularly and consecutively for a period of three years and has a list of bona fide subscribers voluntarily engaged as such who have paid or agreed to pay a stated price for a subscription for a definite period of times, and that such newspaper has complied with the provisions of Section 14,968 Revised Statutes of Missouri, 1939. The affixed notice appeared in said newspaper on the following consecutive weeks (issues).

PUBLISHED ON: 01/21

TOTAL COST: 139.60 AD SPACE: 24.750 INCH
FILED ON: 01/21/05

(Signed) *Michael L. Stubbs* Publisher

Subscribed and sworn to before me this 3rd day of Feb, 2005

Melodie Myers Notary Public

MELODIE MYERS
Notary Public State of Missouri
County of Barry
My Commission Expires 2/23/08

BY THE
O
NOTICE IS HEREBY C
Missouri (the TIF Commissio
of Missouri, 2000, as amended,
at 7:00 p.m. in the City Council
on the Designated Economic De
territorial limits of the City (the
north by the Burlington Northern
proposed extension of the Monett

The City is proposin
Redevelopment Plan or **Plan**
within the Blighted Area by p
Obligations) in an amount no
obligations is proposed to be us
improving and extending streets
street lighting (the **Redevelopi**
Commission intends to hear and
on that date. The public hearin
continued to another date witho
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**NOTICE OF PUBLIC HEARING
BY THE TAX INCREMENT FINANCE COMMISSION
OF THE CITY OF MONETT, MISSOURI**

NOTICE IS HEREBY GIVEN by the Tax Increment Finance Commission of the City of Monett, Missouri (the **TIF Commission**), pursuant to the provisions of Section 99.825 of the Revised Statutes of Missouri, 2000, as amended, of its intention to hold a public hearing on the 31st day of January, 2005, at 7:00 p.m. in the City Council Chambers in the City Hall of the City of Monett, Missouri (the **City**), on the Designated Economic Development Area of the City by annexing thereto a blighted area within the territorial limits of the City (the **Blighted Area** or the **Area**), described as generally bounded on the north by the Burlington Northern Railroad tracks, the west by Bridal Lane, and the east and south by the proposed extension of the Monett municipal boundary.

The City is proposing to develop a redevelopment plan for the Blighted Area (the **Redevelopment Plan** or **Plan**), thereby providing a means to accelerate the making of improvements within the Blighted Area by providing for the issuance of tax increment financing obligations (the **Obligations**) in an amount not to exceed \$6,180,000; the proceeds of the issuance and sale of which obligations is proposed to be used by the City for the payment of a portion of the costs of constructing, improving and extending streets, curbs, rights of way, sewers, water lines, storm water detention and street lighting (the **Redevelopment Project** or **Project**) within the Blighted Area. The TIF Commission intends to hear and consider all protests and objections at the public hearing to be conducted on that date. The public hearing may be adjourned by the TIF Commission on that date and may be continued to another date without further notice from the TIF Commission other than a motion on the record of the TIF Commission made by a member of the TIF Commission on that date to adjourn the public hearing to another date and time.

All interested persons, including taxing jurisdictions located partially or wholly within the boundaries of the Blighted Area are invited to file with the TIF Commission, at any time prior to the commencement of the public hearing, written comments, including any objections to the designation by the City of the above Blighted Area, to develop a Redevelopment Plan; to issue the obligations; to pay a portion of the cost of the Redevelopment Project from the proceeds of the Obligations or any other issue embodied in this Notice of Public Hearing. All interested persons, including taxing jurisdictions which have boundaries which overlap the boundaries of the Blighted Area designated above, will be heard orally on the date of the hearing, in respect to any or all of these proposals of the City.

A copy of the proposed Redevelopment Plan is on file with the City Clerk of the City of Monett, Missouri, and may be viewed by any interested party between the hours of 9:00 a.m. and 4:00 p.m., each weekday, Monday through Friday.

Copies of the form of the Redevelopment Plan and other documents relating to the proposed Redevelopment Plan can be obtained from the City upon payment to the City of the costs of reproduction thereof.

Dated at Monett, Missouri, this 14th day of December, 2004.

By Direction of the TIF Commission

Notary Public

A RESOLUTION

RECOMMENDING TO THE CITY COUNCIL OF THE CITY OF MONETT, MISSOURI, THE ADOPTION OF THE TIF #2 REDEVELOPMENT AREA TAX INCREMENT FINANCING REDEVELOPMENT PLAN (THE "REDEVELOPMENT PLAN") AND RECOMMENDING THE DESIGNATION OF A REDEVELOPER FOR THE RPA 1 PROJECT INCLUDED IN THE REDEVELOPMENT PLAN.

WHEREAS, the City of Monett Tax Increment Finance Commission (the "**TIF Commission**"), pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 et seq. of the Revised Statutes of Missouri, as amended (the "**Act**"), following the presentation and consideration of the evidence presented and ruling on all objections made following the conclusion of a public hearing held on January 31, 2005 (the "**Public Hearing**") and after notice duly given in accordance with the Act on the adoption of the proposed Redevelopment Plan, hereby recommends that the City Council of the City of Monett, Missouri (the "**City**") adopt the proposed Redevelopment Plan for the City in an area described in the proposed Redevelopment Plan determined to be a blighted area and as set forth in Exhibit A, attached hereto and incorporated herein by reference (the "**Redevelopment Area**"); and

WHEREAS, the proposed Redevelopment Plan provides for redevelopment in the Redevelopment Area by the construction of a 138,916 square foot redevelopment project in Monett, Missouri to be used for the operation of a business conducting retail sales, in the portion of the Redevelopment Area designated on Exhibit A as "**RPA 1**," together with the installation, repair, construction, reconstruction and relocation of certain streets and utilities; and

WHEREAS, Lowe's Home Centers, Inc. supported the adoption of the proposed Redevelopment Plan by its Affidavit regarding the proposed Redevelopment Plan and filed its written commitment to provide private financing for the commercial development in RPA 1 in excess of the tax increment finance ("**TIF**") assistance described in the written commitment; and

WHEREAS, proposals have been received from redevelopers to implement the projects included in the proposed Redevelopment Plan for RPA 1; and

WHEREAS, the TIF Commission has reviewed the proposals that were received; and

WHEREAS, the TIF Commission was provided with testimony and evidence at the Public Hearing regarding the proposals to implement the projects; and

WHEREAS, based on its review of the testimony and evidence presented to it, the TIF Commission desires to make a recommendation to the City Council of the City regarding designation of a redeveloper for the projects in RPA 1 included in the proposed Redevelopment Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF MONETT TAX INCREMENT FINANCE COMMISSION, as follows:

Section 1. The TIF Commission hereby recommends to the City Council, based upon evidence produced at the Public Hearing, that the City Council consider making the following findings of fact in adopting an ordinance approving the proposed Redevelopment Plan:

A. Blighted Area

The Redevelopment Area meets the requirements for designation as a "blighted area" by virtue of unsanitary or unsafe conditions, deterioration of site improvements, defective or inadequate street layout, and improper subdivision or obsolete platting. These factors have made the Redevelopment Area a menace to public safety and welfare and have made the Redevelopment Area an economic liability in its present condition and use.

B. Lack of Growth and Development

The proposed Redevelopment Area has experienced a lack of growth and development. Little private investment has been made there in the recent past and there is obvious and evident deterioration and vacancy. Further, the presence and distribution of the blighting factors noted above have negatively influenced the private sector's desire and ability to redevelop the Redevelopment Area.

Clearly "but for" the implementation of tax increment financing, the proposed Redevelopment Plan will not proceed. The Redevelopment Area has not been subject to growth and development through investments by private enterprise and would not reasonably be anticipated to be developed without the adoption of the proposed Redevelopment Plan.

C. Conformance with the Comprehensive Plan

The City's Comprehensive Plan, *City of Monett, Comprehensive Plan*, outlines development activities throughout the City. That Comprehensive Plan discusses commercial and industrial land uses for the Redevelopment Area as well as expansion (and upgrading) of infrastructure in the eastern portion of the community. The proposed Redevelopment Plan's general development activities, land uses and infrastructure improvements, and their general locations, are in conformance with the City's Comprehensive Plan.

D. Estimated Dates of Completion and Use of Eminent Domain

The estimated dates of completion of any individual project and the payment of the costs of the proposed Redevelopment Plan, or retirement of obligations, if any, to finance the costs of the proposed Redevelopment Plan will not exceed a period more than twenty-three (23) years from the date of adoption of the ordinance approving a particular project. No ordinance should be adopted approving a project later than ten (10) years from the adoption of the ordinance approving the proposed Redevelopment Plan. In addition, there should be no acquisition by eminent domain of any property for a project later than five (5) years from the adoption of the ordinance approving such project. The City anticipates that any project which will be developed in the Redevelopment Area will be completed, and any obligations issued pertaining to such a project, can be retired within twenty-three (23) years of adoption of the ordinances establishing such project.

E. Relocation Assistance

On November 29, 2004, the City Council of the City passed Ordinance No. 7496 approving a relocation plan for the Redevelopment Area.

F. Cost-Benefit Analysis

Given the numerous blighting factors sited in Section VI of the proposed Redevelopment Plan, the TIF Commission believes that it is highly unlikely that any project envisioned for the Redevelopment Area (or any appreciable redevelopment activity) will be undertaken without tax increment financing assistance.

It is reasonable to assume that neither taxable real estate values nor personal property values within the Redevelopment Area (and the taxes generated by these values) will increase through private investment, nor will sales taxes grow unless this tax increment financing program is put in place; and as such there will be little, if any taxes "lost" to any political subdivision if the proposed Redevelopment Plan is adopted. But for the implementation of the tax increment financing program as shown in the proposed Redevelopment Plan, there will be little if any increases in the tax revenues collected by the political subdivisions affected by the proposed Redevelopment Plan.

A cost-benefit analysis has been provided for RPA 1, as Appendix D to the proposed Redevelopment Plan. A cost-benefit analysis for each other redevelopment project area will be prepared prior to the adoption of tax increment financing within each such redevelopment project area.

The impact of redevelopment in the Redevelopment Area on the respective taxing districts will not be noticeable. Should any project within the Redevelopment Area result in any taxing district incurring a capital cost resulting from such project, such capital costs may be paid for from TIF revenues as noted in the Act.

G. Initial Development or Redevelopment of Any Gambling Establishment

The proposed Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment.

Section 2. The TIF Commission hereby recommends to the City Council of the City the adoption of an ordinance in the form required by the Act to:

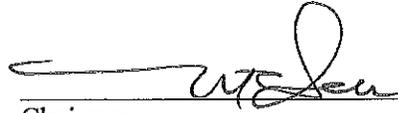
- (A) Adopt the proposed Redevelopment Plan;
- (B) Designate the Redevelopment Area described in the proposed Redevelopment Plan as a "blighted area" pursuant to the Act;
- (C) Implement the projects described in RPA 1 of the proposed Redevelopment Plan in accordance with the proposed Redevelopment Plan; and
- (D) Utilize the incremental increase in economic activity taxes (EATs) and payments in lieu of taxes (PILOTs) as a source to repay obligations issued to pay a portion of the costs of public infrastructure improvements necessary in RPA 1.

Section 3. The TIF Commission hereby recommends to the City Council of the City in the ordinance approving the proposed Redevelopment Plan that the City designate Lowe's Home Center, Inc. as the redeveloper for the projects included in the RPA 1 under the proposed Redevelopment Plan.

Section 4. If any section or other part of this Resolution shall for any reason be held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Resolution.

Section 5. This Resolution shall take effect and be in full force and effect from and after its passage by the TIF Commission.

Passed at meeting: 2/12/05


Chairman

Attest:


Secretary

TIF #2 REDEVELOPMENT AREA

TAX INCREMENT FINANCING
REDEVELOPMENT PLAN

MONETT, MISSOURI

January, 2005

EDIR

Economic Development Resources
St. Louis, Missouri

EXHIBIT A

**TIF #2 TAX INCREMENT FINANCING REDEVELOPMENT PLAN
MONETT, MISSOURI**

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SECTION I

CONCEPT OF TAX INCREMENT FINANCING

In pursuing the redevelopment of a declining area, or to induce the development of an area that has been lacking in economic activity, the State of Missouri has provided various statutory tools a municipality may use in order to initiate private and public development and redevelopment. One such tool is "tax increment financing" or "TIF", as described in the Real Property Tax Increment Allocation Redevelopment Act (RSMo. Section 99.800 et seq., and hereinafter referred to as the "TIF Act" or the "Act"). This legislation provides for the establishment of a tax increment financing district referred to in the TIF Act as a "redevelopment area". In order to establish a redevelopment area, the portion of the community proposed for designation must meet certain criteria set forth in the TIF Act. These criteria are established in accordance with one of the three types of redevelopment areas that may be designated:

- Blighted area;
- Conservation area;
- Economic development area.

The purpose of establishing a redevelopment area is to create a mechanism to reduce or eliminate those conditions, the existence of which qualify the redevelopment area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax base of the taxing districts which extend into the redevelopment area. For an area to be designated as one of these types, a redevelopment plan must be prepared which identifies specific redevelopment project(s) within the redevelopment area. The redevelopment plan must outline the objectives that it intends to attain, how the redevelopment project(s) accomplishes those objectives, and provide a program by which the objectives of the redevelopment project(s) will be completed.

The concept of TIF is relatively straightforward. In general, "increment" (e.g. incremental increases in property tax and sales tax revenues) is produced in any year when there is an increase in these tax revenues within the redevelopment area over and above the amount of such taxes generated within the area in the year prior to the adoption of TIF. This increment is then used to pay for certain costs as permitted by the TIF Act for a period of time of up to 23 years. During this time, all taxing districts that levy real property and/or sales taxes within the redevelopment area continue to receive tax revenues based upon the property values and amount of sales taxes collected in the year prior to adoption of TIF. The personal property taxes that the districts receive from the redevelopment area are not subject to tax increment financing, nor is the revenue generated from the imposition of the "surcharge" on non-residential property.

The municipality seeking to create a redevelopment area must create a TIF Commission. This body is comprised of six individuals who are appointed by the chief elected officer of the City with the consent of the City Council, and three individuals who are appointed by the other taxing districts within the redevelopment area. Two of the three non-municipal appointments represent the school boards whose districts are included within the redevelopment area. The other member is appointed to represent all other taxing districts. The TIF Commission's role is to review and

TIF #2
TAX INCREMENT FINANCING REDEVELOPMENT PLAN
MONETT, MISSOURI

consider the redevelopment area and plan proposed, hold a public hearing, and make a recommendation to the governing body of the municipality regarding the establishment of the redevelopment area and the associated redevelopment plan and project(s).

There are several advantages in choosing TIF over other redevelopment programs. Foremost among these is the ability to raise revenue to be used to directly ameliorate or eradicate blighting conditions impacting the redevelopment area. Because the TIF Act authorizes the issuance of bonds and other obligations, the developer and the municipality may have funds available at the beginning of the development process when they are typically the most needed. Similarly, appropriate costs may be paid for on an annual basis, if and when the tax increment is created.

In the TIF process the municipality is vested with the control over where and how the increment will be used. The municipality is permitted to use the power of eminent domain to ensure that necessary property acquisition occurs and that public improvements are built.

The initial step in adopting TIF and establishing a redevelopment area is to analyze the area being contemplated for designation. This is necessary to determine whether the area can meet the criteria specified in the TIF Act for designation as a blighted, conservation, or an economic development area. Once the governing body of a municipality has determined that the area so qualifies, it may approve a redevelopment plan.

SECTION II

INTRODUCTION

BACKGROUND OF THE REDEVELOPMENT AREA

Location in the City

The proposed TIF #2 Redevelopment Area (the "Area") includes approximately 385 acres in the southeastern portion of the City generally bounded on the north by the Burlington Northern Railroad tracks, the west by Bridal Lane, and the east and south by the proposed extension of the Monett municipal boundary (Exhibit A, Boundary).

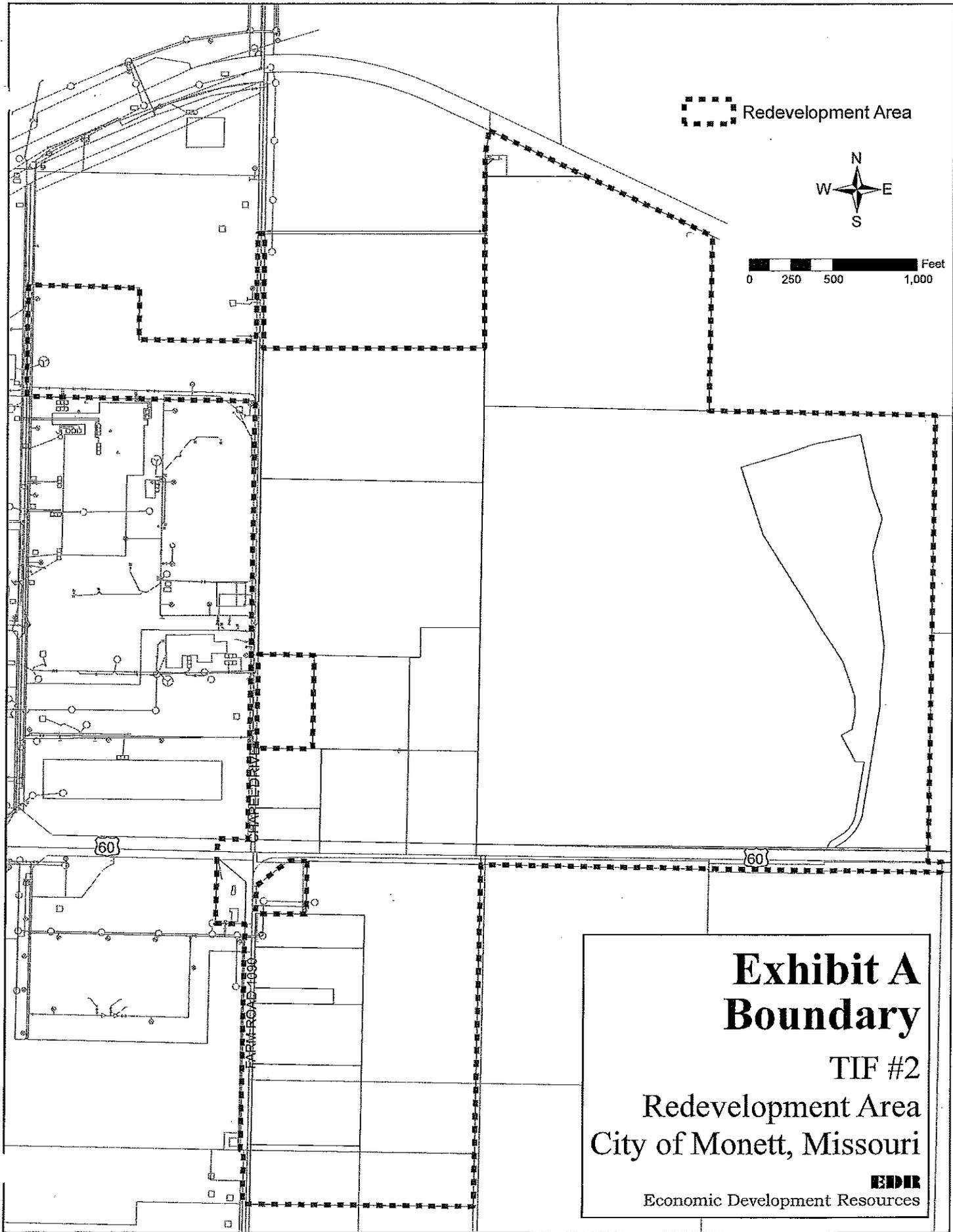
Description of the Area

The Area consists of 19 parcels. Six of the parcels are vacant/undeveloped, seven are residential, five are in commercial use, and one is public use (Exhibit B, Existing Land Use).

THE PURPOSE OF THE PLAN

The Area has been delineated to enable the City to assist in the planned, comprehensive development and redevelopment of certain areas within the community, particularly the eastern portion. The proposed activities and land uses within the Area follow the general actions and strategies for development and redevelopment shown in the City's Comprehensive Plan.

To best accomplish many of these actions and strategies, as well as other general objectives shown in the Comprehensive Plan for the entire community, and to best achieve the goals and policies of this Redevelopment Plan, the City has created the Area and divided it into 10 separate Redevelopment Project Areas (the "RPA(s)") (Exhibit C, RPAs). Each RPA has its own redevelopment program which is in keeping with the general actions and strategies shown in the Comprehensive Plan, and each impacts, and is impacted by, the activities within every other RPA. In order to best insure that the goals and objectives of this Redevelopment Plan are met, and to best insure that the redevelopment of this entire portion of the community is accomplished, the funds generated within one RPA may be used for the payment of redevelopment project costs within any other RPA.



Redevelopment Area



0 250 500 1,000 Feet

Exhibit A Boundary

TIF #2
Redevelopment Area
City of Monett, Missouri

EDR
Economic Development Resources

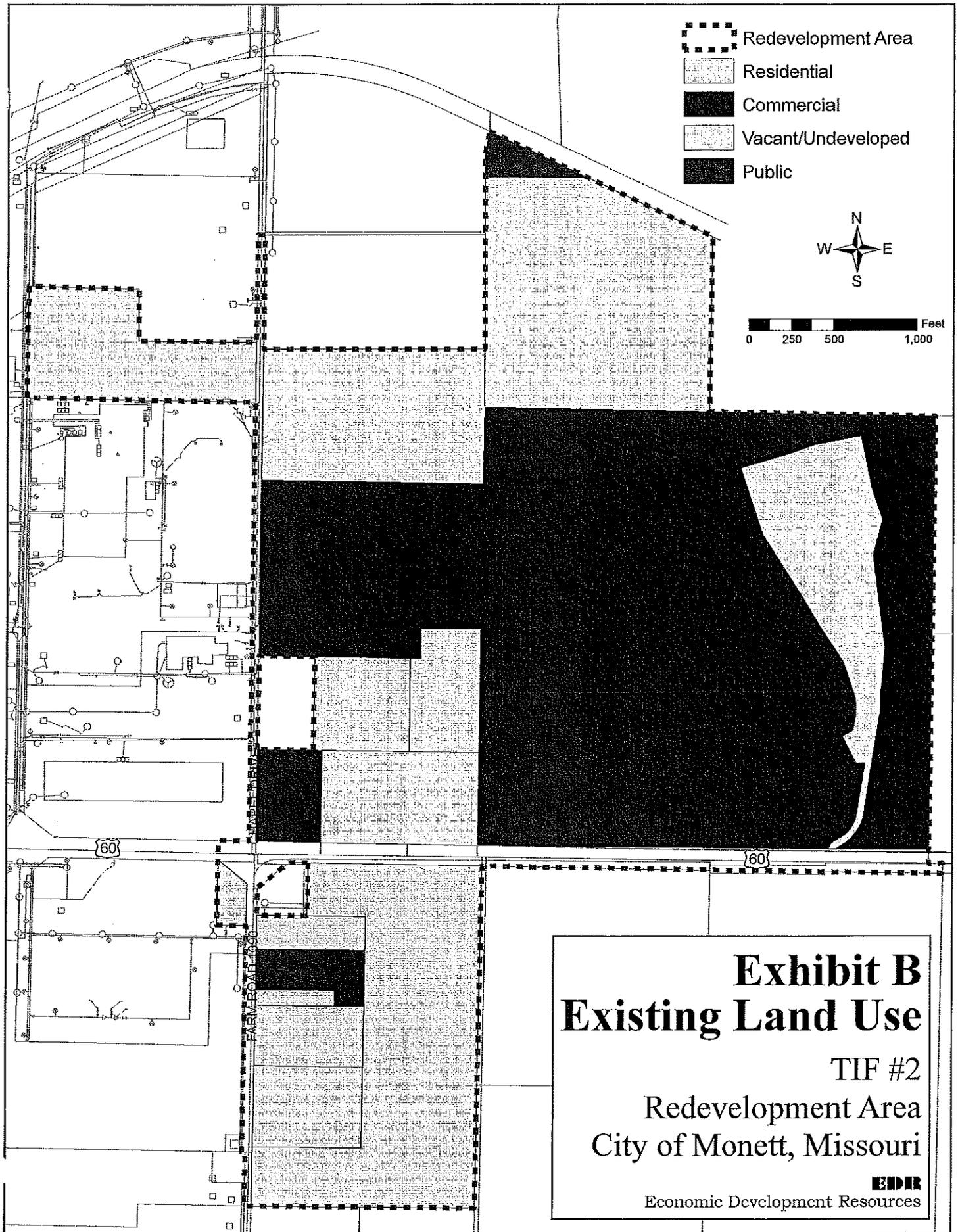


Exhibit B
Existing Land Use
 TIF #2
 Redevelopment Area
 City of Monett, Missouri
EDR
 Economic Development Resources

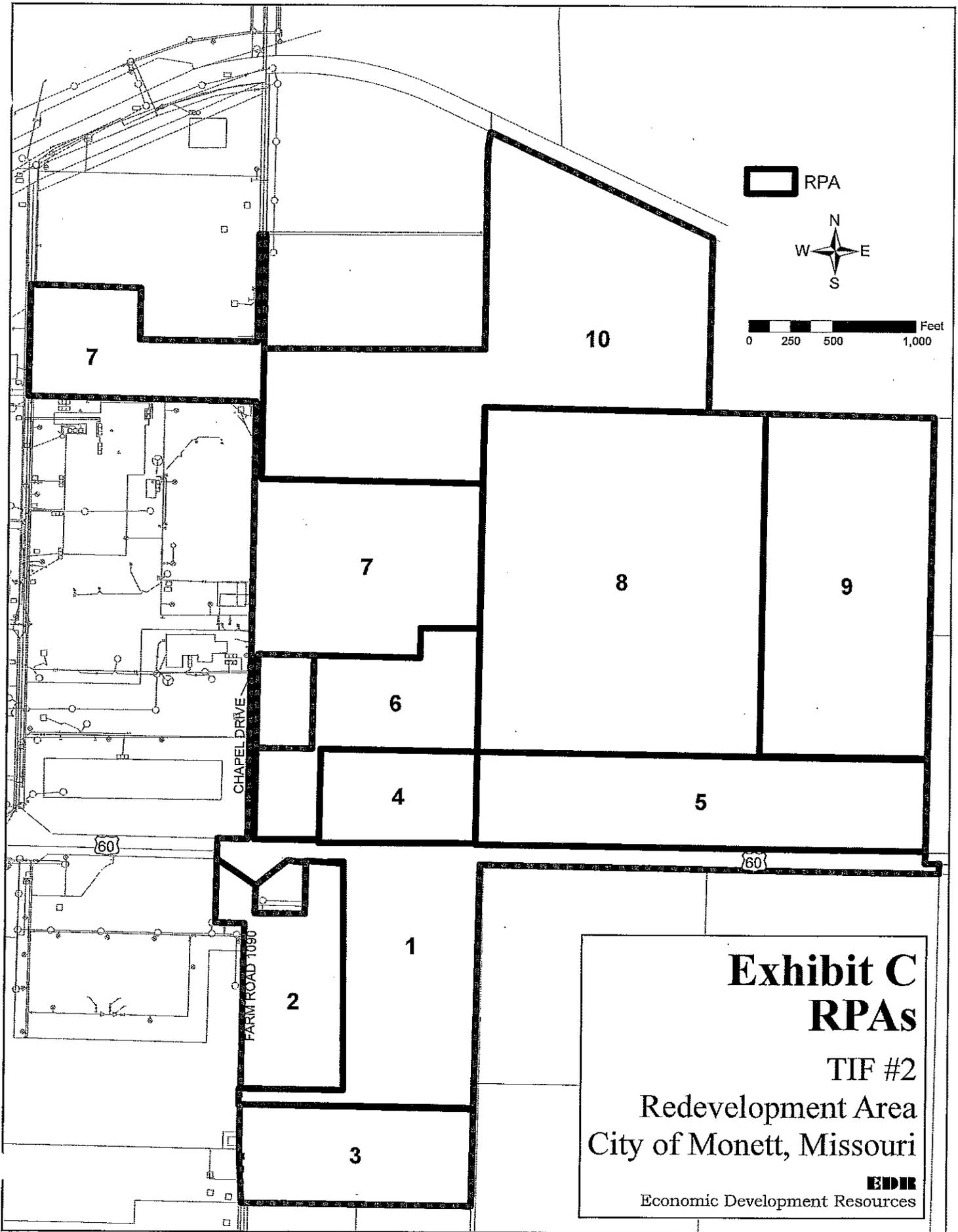


Exhibit C
RPAs
TIF #2
Redevelopment Area
City of Monett, Missouri
EDIR
Economic Development Resources

A main purpose, then of the TIF #2 Redevelopment Plan (the "Plan") is to create a process and, ultimately, funding program(s) which will enable the development of the Area to occur. The process will enable the City to select a private business or businesses to effectuate development and/or redevelopment in each RPA in a comprehensive and complete manner; the funding program(s) will create specific mechanisms for the effective use of the TIF funds to finance the development.

In the Plan, the City seeks to achieve specific goals within the Area:

- eradication of those blighting factors which have made the Area eligible for tax increment financing;
- construction of the public and private improvements necessary for the redevelopment in the Area to occur;
- provision of new commercial and industrial uses within the Area.

The geography of the Area has been delineated to enable the City to assist in the planned, comprehensive redevelopment of this portion of the community. The proposed activities and land uses within the Area follow the strategies for redevelopment shown in the City's Comprehensive Plan and are essential to accomplish the development and redevelopment of the Area.

The Redevelopment Project Areas

RPA 1 is an approximately 40 acre portion of the City located near the southeast quadrant of U.S. 60 and Farm Road 1090. This area is undeveloped.

RPA 2 is approximately 20 acres and contains a number of older, deteriorated residential and commercial structures, as well as undeveloped property, south of U.S. 60.

RPA 3 is an approximately 20 acre area of undeveloped land south along Farm Road 1090.

RPA 4 contains approximately 12 undeveloped acres immediately north, across U.S. 60, from RPA 1.

RPA 5 is mostly vacant land along the north side of U.S. 60 with a few commercial structures scattered within the area. There are approximately 35 acres in RPA 5.

RPA 6 contains nearly 4 acres of commercial activity at the northeast quadrant of U.S. 60 and Chapel, as well as approximately 16 acres of undeveloped property.

TIF #2
TAX INCREMENT FINANCING REDEVELOPMENT PLAN
MONETT, MISSOURI

RPA 7 contains the deteriorated Monett Speedway and an older residential structure. The area is approximately 48 acres.

RPA 8 is an approximately 90 acre, sparsely developed tract including a golf course.

RPA 9 is undeveloped and is the location of a failed residential subdivision. The area is approximately 35 acres.

RPA 10 includes 65 acres of undeveloped land, as well as a City water well.

SECTION III

SUMMARIES

BASIS FOR THE DESIGNATION OF THE REDEVELOPMENT AREA

In order to establish a redevelopment area, such area must meet certain criteria set forth in the TIF Act. The purpose of this portion of the Plan is, then, to document the qualifications of the Area under the terms and conditions of the TIF Act. In addition, this Plan serves as the basis for establishing the TIF #2 Redevelopment Project(s) (the "Project(s)") and the TIF financing parameters that apply to the Area. As noted in SECTION II above, the Area consists of 19 parcels totaling approximately 385 acres.

A tract of land proposed for designation as a redevelopment area must meet certain criteria set forth in the TIF Act. These criteria are established in accordance with one of the three types of redevelopment areas that may be designated:

- Blighted area;
- Conservation area;
- Economic Development area.

Based on the conditions which are discussed in the following section of this Plan (SECTION IV, ANALYSIS OF BLIGHTING FACTORS), the Area qualifies as a "blighted area".

As defined in Section 99.805 (1) of the TIF Act, a "blighted area", is "an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use."

A summary of the factors identified which cause this portion of the community to be found a "blighted area" is outlined below. Four of the factors mentioned in the TIF Act are evident and spread throughout this portion of the City.

Further, the Area has not been subject to growth and investment by private enterprise, and would not reasonably be anticipated to be redeveloped without the adoption of the Plan and the use of tax increment financing as envisioned in this Plan.

REDEVELOPMENT PROJECTS

The TIF #2 Redevelopment Projects will consist of multiple uses including, but not limited to, provision of new commercial and industrial activities, and improvements to the public infrastructure to complement these activities.

One Project currently under consideration calls for construction of an approximately 122,000 sq. ft. Lowe's Home Improvement Center ("Lowe's") near the southeast quadrant of U.S. 60 and Farm Road 1090.

Other potential redevelopment projects include general commercial and industrial uses along U.S. 60, Chapel Road and Farm Road 1090.

There are a number of development and redevelopment projects envisioned by the City as it attempts to develop the eastern portion of the community. These projects reflect the overall direction for economic development within the City as generally shown in the City's May 1998 Comprehensive Plan. The general redevelopment projects for each RPA are outlined below, and may include any activity that achieves the goals and objectives shown in this Redevelopment Plan:

RPA 1

This Project is the construction of a Lowe's Home Improvement Center, property assembly, and infrastructure improvements.

RPA 2

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 3

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 4

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 5

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 6

The Project(s) will include development of industrial and commercial uses, property assembly and infrastructure improvements.

RPA 7

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 8

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 9

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 10

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

REDEVELOPMENT PROGRAM

The City anticipates that the Redevelopment Program (the "Program") of each RPA will involve significant private and public investment. As outlined later in this document (SECTION V, REDEVELOPMENT PLAN), the Program includes the remediation of certain blighted conditions within the Area, the provision of new and renovated public infrastructure, and the construction of new commercial and industrial uses. The Program is envisioned as a comprehensive approach to the revitalization of the Area, one which will halt the evident deterioration within the Area, enhance the surrounding portions of the community, and generate increased tax revenues for the affected taxing districts.

SECTION IV

ANALYSIS OF BLIGHTING FACTORS

As discussed in SECTION III above, the Area qualifies as a “blighted area” under the definitions and conditions as specified in Section 99.805, (1) of the TIF Act. Section 99.805, entitled *Definitions*, defines “blighted area” as follows:

... an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

The subsequent pages of this Section will discuss the blighting factors that were found to exist in the Area. For this analysis, conducted in the summer of 2004, the entire Area was reviewed by the staff of Economic Development Resources, L.L.C. (EDR), EDR discussed the Area and environs with representatives of the City of Monett and Barry County, Missouri, and all structures and sites were specifically evaluated by the Building and Zoning staff of the City of Monett. The analysis of the data gathered by the City, County and EDR was conducted by EDR.

Defective or inadequate street layout

Defective or inadequate street layout refers to the lack of, or inadequate public access to, streets within the Area.

Such factors include:

- The street layout in the Area does not provide direct access to four parcels as they are not abutting or adjacent to public streets or roads. Neighboring parcels must be used to access the properties either off-road, or on rights-of-way easements of inadequate size.
- The street layout is inadequate as there is no public rights-of-way parallel to U.S. 60 within the Area – a distance of approximately 1 mile. This inadequacy has created a number of very large parcels which have remained vacant and which would be difficult to develop in a manner compatible with contemporary standards.

Unsanitary or unsafe conditions

Unsanitary or unsafe conditions refer to the existence of conditions that are hazardous, toxic or noxious, and/or detrimental to the physical well-being of residents, workers, and visitors to the Area.

Such factors include:

- All public rights-of-way lacked sidewalks and curbs. Pedestrians must walk along the edge of the road or across the earthen ditches and through the yards of properties in the Area. This is a hazardous situation given the industrial nature of the traffic on, particularly, Chapel Drive. The lack of curbs further endangers pedestrians on the roadways in the Area;
- The storm water system along Chapel Drive and portions of Farm Road 1090 is unsafe, as it is provided by steep, earthen drainage ditches which are adjacent to the roadway pavement and are not separated from vehicular traffic. The situation is much the same on U.S. 60;
- Streetlights are nonexistent on Chapel Road and Farm Road 1090. Lack of light along these roadways is an obvious hazard to both vehicles and pedestrians;
- The widths of both the street pavement and actual rights-of-way of Chapel Drive and portions of Farm Road 1090 are not sufficient for the road types, land uses, and zoning classifications present. The pavement width of Chapel Drive, and portions of Farm Road 1090, is only 30 feet, six feet less than the Monett City Zoning Code standards for industrial and commercial areas; the rights-of-way standard of 60 feet is not met, as the rights-of-way themselves are approximately 45 feet. Insufficient road widths are particularly hazardous given Chapel Drive provides primary access to a major industrial and manufacturing district served by large "over the road" tractor trailer vehicles. This narrow width also poses serious concerns regarding access to the Area by fire and emergency vehicles;
- All thoroughfares in the Area have either isolated shoulders, or do not contain shoulders. Shoulder-like areas do exist on U.S. 60 Highway, yet they are limited to small portions of the roadway and are gravel. This situation is unsafe as there is little or no accommodation for vehicles which are involved in an accident, or which impede emergency responders, to move out of active traffic;
- The combination of roadways lacking shoulders, sidewalks, and curbs - served by steep earthen ditches and inadequate pavement width - create turning movements which, particularly given the nature and size of the traffic on Chapel, are hazardous;

- Standing water on developed lots and roadways was widespread. Despite the existence of earthen ditches for storm water run-off, large areas of standing water were found throughout the Area, days after rain had occurred. Such condition contributes to the insect and feral animal population evident in the Area;
- All but one property lacked either adequate garbage storage facilities, or areas for the safe containment of garbage. In addition, parts of the Area have been used for obvious unmonitored dumping of household and commercial refuse. These conditions also contribute to the likelihood of the spread of disease;
- A number of structures are in an advanced state of disrepair and are themselves therefore unsafe;
- The Area does not have sufficient access and provisions for the disabled, making the Area perilous for persons with disabilities.
- South of U.S. 60, water pressure from the public utility is insufficient to provide for the combined needs of drinking, hygiene, and fire fighting, creating a dangerous condition.
- The failing septic tanks and sanitary laterals throughout the Area pose a threat to residents, workers and visitors to the Area, as well as to other portions of the community. Untreated wastewater leaching from such systems may infiltrate ground water, spreading contaminants into the water supply;
- Construction of trailer homes prior to 1976 was unregulated by the U.S. Department of Housing and Urban Development. One of the trailer homes in the Area was constructed in 1975 according the Barry County Assessor's Office, and therefore, construction methods were unregulated and a hazard to the safety of residents, particularly from fire (inadequate wiring) and floods (inadequate plumbing);
- A majority of the developed properties in the Area have substandard electrical service and systems, an obvious safety issue;
- Vacant buildings, structures that are sporadically used, and/or site improvements on these developed properties are hazardous as they are not properly secured.

Deterioration of site improvements

Deterioration of site improvements refers to physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Deterioration of buildings which is not easily correctable in the course of normal maintenance may also be evident in buildings such as defects in secondary components such as doors, windows, porches, and fascia materials, etc., and major defects in primary components such as cracked or damaged foundations, frames, roofs, etc. Deterioration of site improvements could include: surface cracking, crumbling, or potholes in parking areas, and damaged signage, fences, retaining walls, utility poles, and dead or decaying landscaping.

All or many such factors were found on each building, parking area, or non-building structure within the Area and include:

- Roof materials which were exposed, deteriorated, warped and/or buckled;
- Window and door decay, including rotted and rusted sills and frames that allow drafts and leakage;
- Fascia materials which were rotted, rusted, or missing;
- Substantial surface cracking and crumbling of concrete porches and walkways;
- Rusted metal components, including those of exterior walls and bleachers;
- Rusted and inadequate fencing materials and components;
- Damaged trash enclosures;
- Surface cracking, patching of asphalt, and crumbling and depressed gravel portions of roadways and driveways.

Improper subdivision or obsolete platting

Improper subdivision refers to the existence of parcels that violate subdivision standards and requirements. Obsolete platting results in parcels of limited or narrow size, or parcels of irregular size or shape, or the arrangement of parcels which creates a situation in which land would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements. Obsolete platting also refers to platting that failed to create rights-of-way for streets or alleys or that created inadequate rights-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

Such factors include:

- Platting for four parcels failed to create rights-of-way or created inadequate rights-of-way widths for streets. Such platting also failed to provide adequate easements for necessary utilities;
- Such lots are also improperly subdivided, as they do not have their full frontage on a public street;
- Two lots have been created that are of limited size or narrow configuration that would be difficult to develop, or redevelop, in a manner compatible with contemporary and requirements standards.
- The configuration, positioning and arrangement of two parcels in the eastern portion of the Area make both parcels difficult to develop in a manner compatible with contemporary standards and requirements. The smaller parcel, platted in 1994, remains undeveloped. The configuration of this parcel makes it difficult to utilize in any manner, as seen from its continued vacancy over the past decade. Further, its intrusion into the larger parcel renders the eastern portion of this larger parcel problematical to develop as well, and makes the entire larger parcel difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements.

SUMMARY

An evaluation of the TIF #2 Redevelopment Area clearly shows that this area, on the whole, exhibits those characteristics stated in the TIF Act as a necessary for designation as a "blighted area".

In particular, the unsanitary or unsafe conditions, combined with the deterioration of site improvements, make the Area a menace to safety in its present condition and use. These factors, joined by those of defective or inadequate street layout, and improper subdivision or obsolete platting, have made the Area an economic liability in its present condition and use as well. The factors have led to the Area remaining both undeveloped and underdeveloped, and have resulted in an Area that provides little tax revenue to, and employment opportunities for the community; this despite the Area's excellent location on both the local and regional roadway systems, and despite the presence of major and relatively recent investment in close proximity to the Area.

The Redevelopment Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed through investment by private enterprise without the adoption of a Redevelopment Plan and the use of tax increment financing. The Redevelopment Area has been afforded a strong location (as it is served by both U.S. Highway 60 and Chapel Drive and the major interchange created by the two thoroughfares) for a wide range of non-residential development, including commercial and industrial uses. Yet there has been little investment in these types of activities, or in any development, in the Area throughout the last 20 years. Disinvestment in many structures is instead evident, with deterioration to most structures, and to the public infrastructure, easily seen.

Without the use of tax increment financing to address a number of issues within the Area, including, in particular: the need to provide and/or substantially upgrade the public utility systems and public infrastructure (including roadways) to induce and support contemporary commercial, institutional, residential and/or industrial development activity; the need to provide incentive for owners to rehabilitate the uses which will remain within the Area; and the need to provide assistance to address the cost of assembly of parcels necessary to comprise a single project which can then be developed for contemporary commercial, institutional, residential and/or industrial use, it is unlikely that little, if any, development (or redevelopment) will occur in the Area.

SECTION V

REDEVELOPMENT PLAN

OBJECTIVES

In order to create the Area, a Plan must be prepared and approved by the City Council outlining the Program that the City proposes to be undertaken to accomplish the objectives for the redevelopment area. The following objectives form the foundation of the Plan.

- Eliminate and/or reduce the presence of conditions that make the Area, in its present condition and use, a “blighted area” under the terms of the TIF Act;
- Stimulate redevelopment of the Area through private investment;
- Enhance the tax base of the City and that of other taxing districts whose jurisdictions include the Area;
- Achieve other, complementary goals and objectives for the Area as identified in the City’s Comprehensive Plan.

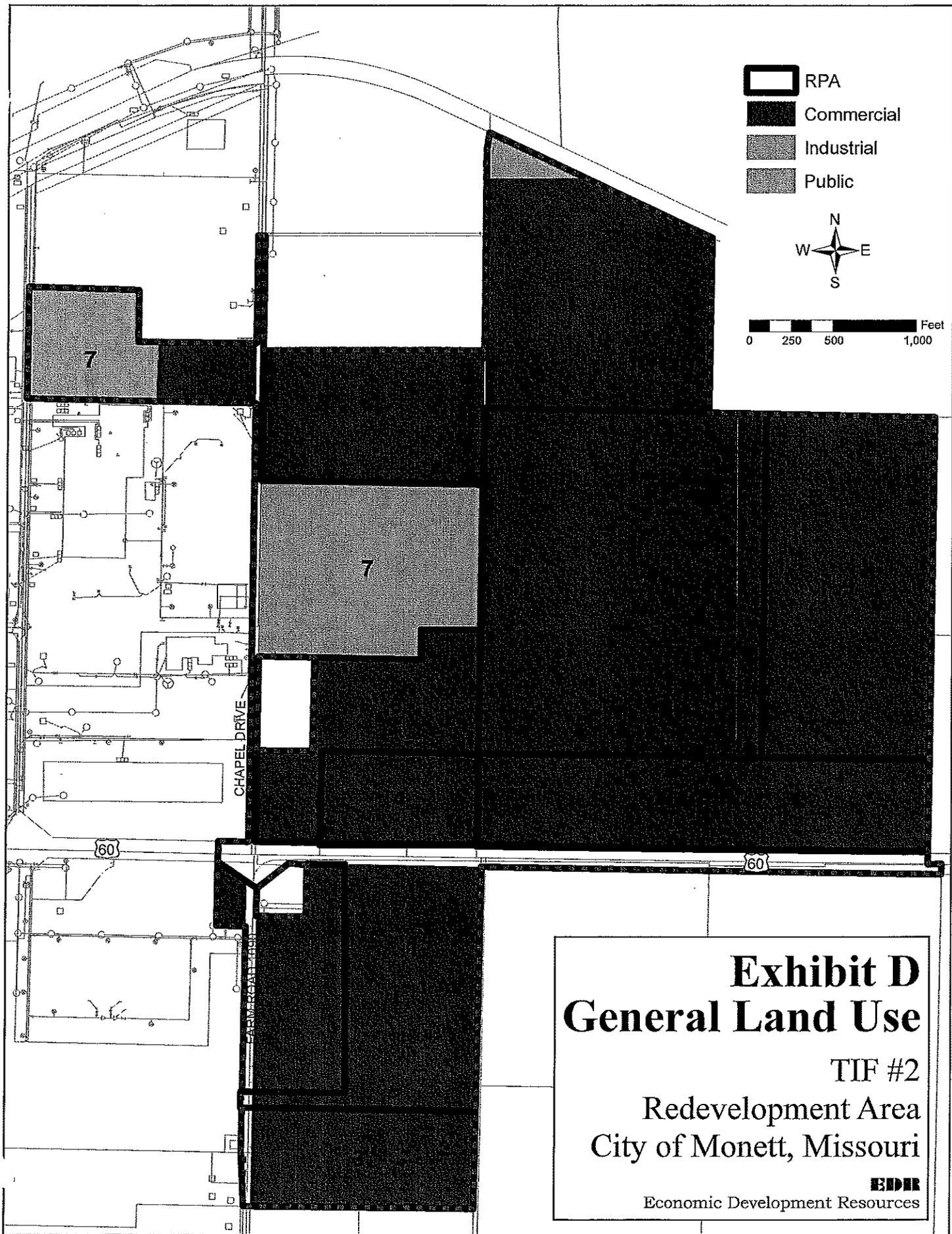
GENERAL LAND USES TO APPLY

Exhibit D, entitled General Land Use, provides an overall picture of the commercial and industrial land use development patterns that are envisioned to apply in the Area. The uses shown are in conformance with the City’s Comprehensive Plan.

ESTIMATED REDEVELOPMENT PROJECT COSTS

At the adoption of this Redevelopment Plan, the private costs to be incurred within each Redevelopment Project Area are speculative and unascertainable. Accordingly, the estimated “redevelopment project costs” below are only those costs that will be paid through tax increment financing, except where otherwise noted.

The TIF Act allows the City and/or designated redevelopers to incur redevelopment project costs associated with implementation of an approved redevelopment plan and approved redevelopment projects carried out in compliance with an approved redevelopment plan. These costs include all reasonable or necessary costs incurred, and any costs incidental to a redevelopment plan or redevelopment project. Thus, this Plan provides for the use of tax increment financing revenues for costs, which include, but are not limited to, the following:



- RPA
- Commercial
- Industrial
- Public

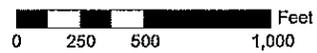
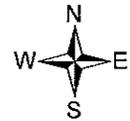


Exhibit D
General Land Use
 TIF #2
 Redevelopment Area
 City of Monett, Missouri
EDR
 Economic Development Resources

TIF #2
TAX INCREMENT FINANCING REDEVELOPMENT PLAN
MONETT, MISSOURI

- Costs of studies, surveys, plans and specifications;
- Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services;
- Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- Costs of construction of public works or improvements;
- Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include the payment of interest on any obligations issued pursuant to Sections 99.800 to 99.865 RSMo. accruing during the estimated period of construction of any Redevelopment Project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;
- All or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and project, to the extent the City by written agreement accepts and approves such costs;
- Relocation costs to the extent that the City determines that relocation costs shall be paid or are required to be paid by Federal or State law;
- Payments in lieu of taxes.

The City anticipates that the TIF #2 Redevelopment Project Costs (the "Costs") to be funded by tax increment financing within each RPA are related to the acquisition of land, demolition of structures and site improvements, site preparation, construction and reconstruction of public infrastructure, and the payment of professional fees and costs associated with such activities and with the preparation and/or issuance of obligations.

ANTICIPATED SOURCES OF FUNDS TO PAY COSTS

It is anticipated that there will be multiple sources of funds to pay the Costs associated with the implementation of the Plan and Redevelopment Project:

...payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project over and above the initial equalized assessed value of each such unit of property in the area selected for the redevelopment project... (This is the incremental revenue resulting from payments in lieu of taxes on increases in the value of real property in the Area);

...fifty percent of the total additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts, which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance... but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels... taxes levied for the purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or special assessments... (This is, primarily, incremental revenue from sales taxes levied by the City and County and does not include the City domestic utility tax pursuant to Article IV., Section 140.140 of the City Code of the City of Monett, or successor provisions).

Through its own investigation, discussions with representatives of the State's Department of Revenue and review of correspondence from Barry County concerning this issue, the City anticipates, at this moment in time, that these sales taxes on economic activities will include the following:

- 50% of the incremental 1.0% "general sales tax" levied by the City;
- 50% of the incremental 0.5% "capital improvement sales tax" levied by the City;
- 50% of the incremental 1.0% "general sales tax" levied by the County; and,

In addition to the payments in lieu of taxes and economic activity taxes, which are deposited in the special allocation fund established for the redevelopment project and then used to pay the Costs, the City anticipates that additional funds for the development of the sites will be provided by private developers selected to undertake projects in the RPAs.

The City may also use other sources of revenue to finance Costs or alternatively, the City may make advances from any funds it has available. These advances would be reimbursed as and when there are sufficient monies in the special allocation fund.

TABLE 1

RPA 1 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$330,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$50,000
Costs of construction of public works or improvements concrete paving, walks and curbs; asphalt paving; extension and relocation of utilities – including sanitary and storm sewers, and water, natural gas and electric service (including traffic signalization)	\$5,055,000
Financing Costs including payment of interest on notes issued and reasonable reserves related to any notes or bonds issued	\$745,000
TOTAL	\$6,180,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

Based on information submitted by private parties seeking to develop within the Area and from information provided by persons knowledgeable as to development within the City, it is estimated that the total costs of development within the RPA (including TIF-funded redevelopment project costs identified above) will be approximately \$14,000,000.

TABLE 2

RPA 2 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$50,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$0
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$500,000
TOTAL	\$550,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 3
RPA 3 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$60,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$100,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$500,000
TOTAL	\$660,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 4
RPA 4 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$150,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$500,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$1,000,000
TOTAL	\$1,650,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 5

RPA 5 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$250,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$750,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$1,600,000
TOTAL	\$2,600,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 6
RPA 6 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$150,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$500,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$1,000,000
TOTAL	\$1,650,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 7
RPA 7 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$375,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$750,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$3,000,000
TOTAL	\$4,125,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 8

RPA 8 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$250,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$500,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$1,500,000
TOTAL	\$2,225,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 9

RPA 9 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$150,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$500,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$1,000,000
TOTAL	\$1,650,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 10
RPA 10 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$250,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$500,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$2,000,000
TOTAL	\$2,750,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

ANTICIPATED TYPE AND TERM OF THE SOURCES OF FUNDS

As noted above, payments in lieu of taxes and economic activity taxes will be used to pay the Costs of implementation of the Plan and development of Projects:

...payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project over and above the initial equalized assessed value of each such unit of property in the area selected for the redevelopment project... (This is the incremental revenue resulting from the application of the then current property tax rate to increases in the assessed value of real property in the Area);

...fifty percent of the total additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts, which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance... but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels... taxes levied for the purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or special assessments... (This is, primarily, incremental revenue from sales taxes levied by the City and County).

Should incremental revenue become available in any one year, or should loans or similar obligations be made, the City anticipates that the period of time for which it collects these annual revenues, or the period of time for which the loans or similar obligations will be amortized, will not exceed 23 years. Annually available incremental revenues will be used, and/or loans made, only to finance the Costs which are eligible costs as specified in Section 99.805 (11) of the TIF Act, including the funding of a debt service reserve fund, capitalized interest and any costs of issuing the TIF bonds or other obligations as shown therein or payments made pursuant to or in lieu of Section 99.847 RSMo.

ANTICIPATED TYPE AND TERM OF THE OBLIGATIONS TO BE ISSUED

TIF bonds or similar obligations may be issued in one or more series in order to pay for eligible Costs. These obligations may include notes, temporary notes, or other similar instruments to be redeemed by TIF bonds upon completion of any Project. In addition, these bonds, obligations, or instruments may be privately placed.

The City anticipates that the following Costs for RPA 1 will be financed, initially, through the issuance of TIF notes purchased by the developer or related parties associated with the developer of the Lowe's Home Improvement project:

- Improvements to an existing public right of way (Chapel Road)
- Construction of new public rights of way
- Construction of public utility lines (water, sewer, gas and electric)
- Engineering, professional costs and contingencies

Any such notes would be retired solely by, and payable solely from, revenues available in the Special Allocation Fund, or such notes will be retired through the issuance of TIF Bonds.

The balance of the public infrastructure and public improvements needed to implement the Lowe's project will be financed by bonds that will be privately placed or publicly sold. The City anticipates that such bonds will fund the engineering, acquisition and construction of portions of U.S. 60 needed to implement the development of the Lowe's project.

After this Project is complete, the City may wish to refund any TIF notes issued for it with TIF bonds. The City anticipates that such bonds would be sold to the public or to investors other than the developer and related parties. Such bonds would be retired solely by, and payable solely from, revenues available in the Special Allocation Fund.

In order to provide TIF financing for, or to assist in the development of other Projects that are identified in this Plan, the City may enter into similar arrangements regarding the issuance and retirement of notes, temporary notes, bonds, obligations or other similar instruments.

It is the City's intent to pay for the principal of and interest on these bonds, obligations or instruments, in any year, with money legally available for such purpose in the City's Special Allocation Fund.

The use of TIF bonds or other obligations or instruments for financing the Project will be subject to the review and recommendation of the TIF Commission and the City Council of Monett, as prescribed in the Act.

The exact nature, amount, and term of the TIF bonds, obligations, notes, or instruments will be specified at the time that specific proposals, if any, requesting such assistance are submitted for review. As previously noted, assistance from TIF for RPA 1 is being sought to finance the construction and reconstruction of public infrastructure (water, sewer, electric lines, roads and associated fees) necessary for the development of the Lowe's Home Improvement Center, and improvements to U.S. 60 needed in conjunction with the development of the Lowe's; the total amount of bonds, including any bonds issued to refund notes for this Project, will not exceed \$6.18 million, and may include additional costs of issuance, reserve funds and the like, if any. Alternatively, and in addition to the obligations outlined above, the City may make an advance from funds available for such purposes. Any such advance would be reimbursed with interest as and when there are sufficient monies in the Special Allocation Fund.

In addition to any bonds, obligations, notes, or instruments outlined above, the City may issue short-term obligations in the form of loans or bond anticipation notes. These would be issued for the purposes and uses as previously set forth in this Plan.

EVIDENCE OF COMMITMENTS TO FINANCE PROJECT COSTS

Appendix B contains a letter provided by the developers of RPA 1 as evidence of the commitments to finance project costs within such RPA. It is anticipated that project costs with the remaining RPAs will be paid on a pay-as-you-go basis.

ASSESSED VALUATION

In accordance with the TIF Act, the most recent assessed value of taxable real property and an estimate of the assessed value of taxable real property after redevelopment must be compiled for the Redevelopment Area and shown in the Plan. This information was provided through research on each parcel within the Area, conducted at the Barry County Assessors Office in June 2004. The most recent equalized assessed valuation (EAV) of the taxable real property in the Area is approximately \$585,000. The most recent EAV of each RPA:

<u>RPA</u>	<u>ESTIMATED EAV</u>
1	\$3,000
2	\$140,000
3	\$2,000
4	\$25,000
5	\$25,000
6	\$270,000
7	\$87,000
8	\$25,000
9	\$4,000
10	\$4,000

In order to estimate the assessed valuation after redevelopment, cost estimates and values after development were determined by EDR through information provided by the City, private parties seeking to develop within the Area, and from information provided by persons knowledgeable as to development within the City. We estimate that the total assessed value of taxable property within the Redevelopment Area to be approximately \$40,000,000 after all redevelopment activities are complete, an incremental increase of approximately \$39,500,000. The estimated recent EAV of each RPA after all redevelopment activities are complete:

<u>RPA</u>	<u>ESTIMATED EAV</u>
1	\$1,000,000
2	\$6,000,000
3	\$3,500,000
4	\$5,000,000
5	\$6,000,000
6	\$2,000,000
7	\$3,000,000
8	\$7,000,000
9	\$4,000,000
10	\$2,000,000

ESTIMATED DATE FOR COMPLETION OF THE REDEVELOPMENT PLAN AND PROJECT(S) AND RETIREMENT OF OBLIGATIONS

The estimated date for complete implementation of the Plan and the Project(s) is not later than December 31, 2038. Obligations incurred to finance the Plan and Project(s) implementation costs will be retired on or prior to that date. Each Project shall be completed and obligations incurred to finance Costs shall be retired, within twenty-three years from the adoption of the ordinance approving such Project, provided that no ordinance approving a Project shall be adopted later than ten years from the adoption of the ordinance approving the Plan under which such Project is authorized.

RELOCATION ASSISTANCE

The provisions of Section 99.810(4) of the TIF Act require that a relocation plan be developed for the assistance of every resident and/or business which is to be displaced in conjunction with the implementation of the Plan and any Project. In addition, the provisions of Section 523.200 to 523.215, RSMo (as amended) and its various subsections require that relocation plans have certain minimum requirements as contained therein. By Ordinance No. 7496, the City of Monett has adopted the required provisions of Sections 523.200 to 523.205 as minimum requirements of a relocation plan for any TIF redevelopment plan approved by the City. The relocation requirements of Ordinance No. 7496 are hereby incorporated herein and are adopted as the Relocation Plan for the Plan and minimum requirements for any Project. This Relocation Plan is contained in Appendix C.

SECTION VI

SUMMARY OF FINDINGS

Section 99.810 of the TIF Act requires that the City make various findings before the adoption of this Plan. The foregoing sections of this report provide supporting data for the findings that are made below.

Blighted Area

The Area meets the requirements for designation as a “blighted area” by virtue of unsanitary or unsafe conditions, deterioration of site improvements, defective or inadequate street layout, and improper subdivision or obsolete platting. These factors have made the Area a menace to public safety and welfare and have made the Area an economic liability in its present conditions and use.

The existence of these conditions was documented by field observations conducted by EDR, discussions with representatives of the City of Monett and Barry County, Missouri, and analysis of these data by EDR. They are detailed in this report in Section IV, ANALYSIS OF BLIGHTING FACTORS.

Lack of Growth and Development

As can be seen, the proposed Area has, in fact, experienced a lack of growth and development. Little private investment has been made here in the recent past and there is obvious and evident deterioration and vacancy. Further, the presence and distribution of the blighting factors noted above have negatively influenced the private sector’s desire and ability to redevelop this Area.

Clearly “but for” the implementation of tax increment financing, the Plan and Projects will not proceed. The Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Plan.

Conformance with the Comprehensive Plan

The City’s Comprehensive Plan, *City of Monett, Comprehensive Growth Plan*, outlines development activities throughout the City. That Plan discusses commercial and industrial land uses for this Area as well as expansion (and upgrading) of infrastructure in the eastern portion of the community. The Redevelopment Plan’s general development activities, land uses and infrastructure improvements, and their general locations, are in conformance with the City’s Comprehensive Plan.

Estimated Dates of Completion and Use of Eminent Domain

The estimated dates of completion of any individual Project and the payment of the Costs, or retirement of obligations, if any, to finance the Costs will not exceed a period more than 23 years from the date of adoption of the ordinance approving that particular Project. No ordinance shall be adopted approving a Project later than ten years from the adoption of the ordinance approving the Plan. In addition, there will be no acquisition by eminent domain of any property for a Project later than five years from the adoption of the ordinance approving such Project. The City anticipates that any Project which will be developed in the Area will be completed, and any obligations issued pertaining to such a Project, can be retired within 23 years of adoption of the Ordinances establishing such Project.

Relocation Assistance

It is the finding that a plan for relocation assistance for businesses and residences has been provided for in the Plan through reference to the City's relocation ordinance that complies with the provisions of Sections 523.200 to 523.215, RSMo. (as amended) and its various subsections which require that relocation plans have certain minimum requirements as contained therein. Thus, the City and this Plan comply with the provisions of Section 99.810(4) of the TIF Act which requires that a relocation plan be developed for the assistance of every resident and business which is to be displaced in conjunction with the implementation of the Plan and any Project.

Cost-Benefit Analysis

This analysis is to "... show the impacts on the economy if the project is not built, and is built pursuant to the redevelopment plan under consideration". Such analysis is to "...include a fiscal impact study on every affected political subdivision", and provide "sufficient information from the developer for the commission ... to evaluate whether the project as proposed is financially feasible".

Given the numerous blighting factors sited in SECTION IV, the City believes that it is highly unlikely that any project envisioned for the Area, (or any appreciable redevelopment activity) will be undertaken without tax increment financing assistance.

It is reasonable to assume that neither taxable real estate values nor personal property values within the Area (and the taxes generated by these values) will increase through private investment, nor will sales taxes grow unless this tax increment financing program is put in place; and as such there will be little, if any taxes "lost" to any political subdivision. But for the implementation of the tax increment financing program as shown in this Plan, there will be little if any increases in the tax revenues collected by the political subdivisions affected by this Plan.

A cost-benefit analysis has been provided for RPA 1, as Appendix D. A cost-benefit analysis for each other Redevelopment Project Area will be prepared prior to the adoption of tax increment financing within each such Redevelopment Project Area.

The impact of redevelopment in the Area on the respective taxing districts will not be noticeable. Should any Project within the Area result in any taxing district incurring a capital cost resulting from such project, such capital costs may be paid for from TIF revenues as noted in the Act.

Initial Development or Redevelopment of Any Gambling Establishment

This Plan does not include the initial development or redevelopment of any gambling establishment.

TIF #2
TAX INCREMENT FINANCING REDEVELOPMENT PLAN
MONETT, MISSOURI

APPENDICES

Appendix A

Legal Description of the Redevelopment Area
Legal Description of Redevelopment Project Area #1

MONETT TIF 2, REDEVELOPMENT AREA DESCRIPTION

ALL OF A TRACT DESCRIBED AS BEING A PART OF SECTIONS 32 AND 33 IN TOWNSHIP 26 NORTH, RANGE 27 WEST AND IN SECTIONS 4 AND 5 IN TOWNSHIP 26 NORTH, RANGE 27 WEST ALL BEING IN BARRY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF THE SOUTHWEST QUARTER, AND ALL WEST ONE-HALF OF THE SOUTHEAST QUARTER, AND ALL THE SOUTH 330 FEET OF THE WEST ONE-HALF OF THE NORTHWEST QUARTER, AND ALL THE EAST ONE-HALF OF THE NORTHWEST QUARTER LYING SOUTH OF THE BURLINGTON NORTHERN RAILROAD, AND ALL THE WEST 25 FEET OF THE NORTH 990 FEET OF THE SOUTH ONE-HALF OF THE WEST ONE-HALF OF THE NORTHWEST QUARTER ALL BEING IN SECTION 33, TOWNSHIP 26 NORTH, RANGE 27 WEST, AND ALL THE NORTH 2000 FEET OF THE WEST ONE-HALF OF THE FRACTIONAL NORTHWEST QUARTER, AND ALL THE HIGHWAY RIGHT OF WAY FOR U.S. ROUTE 60 LYING IN THE EAST ONE-HALF OF THE FRACTIONAL NORTHWEST QUARTER AND IN THE WEST ONE-HALF OF THE FRACTIONAL NORTHEAST QUARTER ALL IN SECTION 4, TOWNSHIP 25 NORTH, RANGE 27 WEST, AND ALL THE EAST 35 FEET OF THE NORTH 2000 FEET OF THE FRACTIONAL NORTHEAST QUARTER, AND ALL THE NORTH 420 FEET OF THE WEST 175 FEET OF THE EAST 210 FEET OF THE FRACTIONAL NORTHEAST QUARTER ALL IN SECTION 5, TOWNSHIP 25 NORTH, RANGE 27 WEST, AND ALL THE EAST 25 FEET OF THE SOUTHEAST QUARTER, AND ALL THE SOUTH 330 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, AND ALL THE NORTH 330 FEET OF THE SOUTH 660 FEET OF THE WEST 660 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, AND ALL THE EAST 25 FEET OF THE NORTH 990 FEET OF THE SOUTH ONE-HALF OF THE EAST ONE-HALF OF THE NORTHEAST QUARTER ALL IN SECTION 32, TOWNSHIP 26 NORTH, RANGE 27 WEST IN BARRY COUNTY, MISSOURI, EXCEPT BEGINNING 611 FEET NORTH AND 25 FEET EAST OF THE SOUTHWEST CORNER OF SECTION 33, THENCE NORTH 561.66; THENCE NORTH 88° 5'4" EAST, 375.20 FEET; THENCE SOUTH 574.39 FEET; THENCE WEST 375 FEET TO POINT OF BEGINNING, AND EXCEPT BEGINNING 358 FEET SOUTH AND 15 FEET EAST OF THE NORTHWEST CORNER OF SECTION 4; THENCE EAST 297 FEET; THENCE NORTH 300.49 FEET TO SOUTH LINE OF HIGHWAY 60; THENCE WEST, ALONG SAID RIGHT OF WAY LINE 121.36 FEET; THENCE SOUTHWESTERLY ALONG SAID RIGHT OF WAY 224.11 FEET; THENCE SOUTH 160.04 FEET TO THE POINT OF BEGINNING.

REDEVELOPMENT PROJECT AREA #1 DESCRIPTION

ALL OF A TRACT DESCRIBED AS BEING A PART OF SECTIONS 32 AND 33 IN TOWNSHIP 26 NORTH, RANGE 27 WEST AND IN SECTIONS 4 AND 5 IN TOWNSHIP 26 NORTH, RANGE 27 WEST ALL BEING IN BARRY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF THAT PART OF THE RIGHT OF WAY GRANTED TO THE MISSOURI DEPARTMENT OF TRANSPORTATION FOR U.S. HIGHWAY 60 LYING WITHIN SECTIONS 32 AND 33 IN TOWNSHIP 26 NORTH, RANGE 27 WEST AND IN SECTIONS 4 AND 5 IN TOWNSHIP 25 NORTH, RANGE 27 WEST AND DESCRIBED AS COMMENCING 210 FEET WEST OF THE NORTHEAST CORNER OF SAID SECTION 5; THENCE EAST TO THE EAST LINE OF THE WEST ONE-HALF OF THE FRACTIONAL NORTHEAST QUARTER OF SAID SECTION 4, ALSO ALL OF A TRACT DESCRIBED AS THE NORTH 1450 FEET OF THE WEST ONE-HALF OF THE FRACTIONAL NORTHWEST QUARTER OF SECTION 4 LYING SOUTH OF THE SOUTH LINE OF U.S. HIGHWAY 60, **EXCEPT** THE WEST 660 FEET OF THE NORTH 1390 FEET, AND **EXCEPT** THE NORTH 161 FEET OF THE SOUTH 221 FEET OF THE NORTH 1450 FEET OF THE WEST 597 FEET OF THE EAST 667 FEET OF THE WEST ONE-HALF OF SAID FRACTIONAL NORTHWEST QUARTER OF SECTION 4.

Appendix B

Evidence of the Commitments to Finance - Developer to supply

Appendix C

Relocation Plan

BILL NO. 7496

COPY

ORDINANCE NO. 7496

AN ORDINANCE ESTABLISHING AND ADOPTING FOR THE CITY OF MONETT A RELOCATION POLICY FOR PLANS, PROJECTS, AND AREAS FOR REDEVELOPMENT APPROVED UNDER CHAPTER 99 R.S.MO., CHAPTER 100 R.S.MO., AND CHAPTER 353 R.S.MO.

WHEREAS, Sections 523.200 and 523.205 of Missouri Revised Statutes require establishment of a relocation policy applicable to any plan, project, or area for redevelopment under the operation of Chapter 99, Chapter 100, or Chapter 353 of Missouri Revised Statutes which was filed for approval, approved, or amended on or after August 31, 1991; and,

WHEREAS, the City of Monett wishes to adopt tax increment financing and to approve a redevelopment plan and project and designate a redevelopment area under the operation of Sections 99.800 through 99.865 of Missouri Revised Statutes (the "TIF Act"); and,

WHEREAS, the City of Monett has developed a relocation policy in accordance with requirements of Section 523.200 and 500.205 Missouri Revised Statutes (the "Relocation Policy") and the City Council wishes to adopt the Relocation Policy;

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

Section 1. The Relocation Policy, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, is hereby established, adopted, and approved.

Section 2. The Relocation Policy shall apply to any plan, project, or area for redevelopment under the operation of Chapter 99, Chapter 100, or Chapter 353 of Missouri Revised Statutes which was filed for approval, approved, or amended on or after August 31, 1991.

Section 3. The sections of this Ordinance shall be severable. In the event that any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections of this Ordinance are valid, unless the court finds the valid sections of this Ordinance are so essential and inseparably connected with and dependent upon the void section that it cannot be presumed that the City Council would have enacted the valid sections with the invalid ones, or unless the court finds that the valid sections standing alone are incomplete and are incapable of being executed in accordance with the legislative intent.

Section 4. This Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

PASSED THIS 29 DAY OF November 2004.



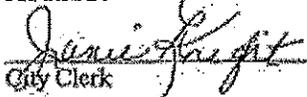
Mayor

APPROVED THIS 29 DAY OF November 2004.



Mayor

ATTEST:



City Clerk

**RELOCATION POLICY ADOPTED BY THE CITY OF MONETT
ACCORDING TO CHAPTER 523.200 AND
CHAPTER 523.205 OF THE MISSOURI REVISED STATUTES**

Definitions.

523.200. As used in sections 523.200 to 523.215, the following words mean:

- (1) "Displaced person", any person that moves from the real property or moves his personal property from the real property permanently and voluntarily as a direct result of the acquisition, rehabilitation or demolition of, or the written notice of intent to acquire such real property, in whole or in part, for a public purpose;
- (2) "Public agency", the state of Missouri or any political subdivision or any branch, bureau or department thereof and any quasi-public corporation created or existing by law which are authorized to acquire real property for public purpose and which acquire any such property either partly or wholly with aid or reimbursement from federal funds;
- (3) "Urban redevelopment corporation", as defined in section 353.020, RSMo.

(L. 1971 H.B. 94 § 1, A.L. 1991 H.B. 502)

Relocation assistance given, when--definitions.

523.205. 1. Any public agency as defined in section 523.200* which is required, as a condition to the receipt of federal funds, to give relocation assistance to any displaced person is hereby authorized and directed to give similar relocation assistance to displaced persons when the property involved is being acquired for the same public purpose through the same procedures, and is being purchased solely through expenditure of state or local funds.

2. The governing body of any city, or agency thereof, prior to approval of a plan, project or area for redevelopment under the operation of chapter 99, RSMo, chapter 100, RSMo, or chapter 353, RSMo, which proposes or includes within its provisions or necessitates displacement of persons, when such displacement is not subject to the provisions of the Federal Uniform Relocation and Real Property Acquisition Policies Act of 1970 (42 U.S.C. sections 4601 to 4655, as amended) or subsection 1 of this section, shall establish by ordinance or rule a relocation policy which shall include, but not be limited to, the provisions and requirements of subsections 2 to 15 of this section, or in lieu thereof, such relocation policy shall contain provisions and requirements which are equivalent to the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. sections 4601 to 4655, as amended).

3. As used in this section, the following terms shall mean:

(1) "Business", any lawful activity that is conducted:

(a) Primarily for the purchase, sale or use of personal or real property or for the manufacture, processing or marketing of products or commodities; or

(b) Primarily for the sale of services to the public;

(2) "Decent, safe and sanitary dwelling", a dwelling which meets applicable housing and occupancy codes. The dwelling shall:

(a) Be structurally sound, weathertight and in good repair;

(b) Contain a safe electrical wiring system;

(c) Contain an adequate heating system;

(d) Be adequate in size with respect to the number of rooms needed to accommodate the displaced person; and

(e) For a handicapped person, be free of any barriers which would preclude reasonable ingress, egress or use of the dwelling;

(3) "Handicapped person", any person who is deaf, legally blind or orthopedically disabled to the extent that acquisition of another residence presents a greater burden than other persons would encounter or to the extent that modifications to the replacement residence would be necessary;

(4) "Initiation of negotiations", the delivery of the initial written offer of just compensation by the acquiring entity, to the owner of the real property, to purchase such real property for the project, or the notice to the person that he will be displaced by rehabilitation or demolition;

(5) "Person", any individual, family, partnership, corporation, or association.

4. Every urban redevelopment corporation acquiring property within a redevelopment area shall submit a relocation plan as part of the redevelopment plan.

5. Unless the property acquisition under the operation of chapter 99, RSMo, chapter 100, RSMo, or chapter 353, RSMo, is subject to federal relocation standards or subsection 1 of this section, the relocation plan shall provide for the following:

(1) Payments to all eligible displaced persons, as defined**, who occupied the property to be acquired for not less than ninety days prior to the initiation of negotiations who are required to vacate the premises;

(2) A program for identifying special needs of displaced persons with specific consideration given to income, age, size of family, nature of business, availability of suitable replacement facilities and vacancy rates of affordable facilities;

(3) A program for referrals of displaced persons with provisions for a minimum of three decent, safe and sanitary housing referrals for residential persons or suitable referral sites for displaced businesses, a minimum of ninety days' notice of referral sites for handicapped displaced persons and sixty days' notice of referral sites for all other displaced persons prior to the date such displaced persons are required to vacate the premises, and arrangements for transportation to inspect referral sites; and

(4) Every displaced person shall be given a ninety-day notice to vacate, prior to the date such displaced person is required to vacate the premises.

6. All displaced residential persons eligible for payments shall be provided with relocation payments based upon one of the following, at the option of the person:

(1) A five-hundred-dollar fixed payment; or

(2) Actual reasonable costs of relocation including actual moving costs, utility deposits, key deposits, storage of personal property up to one month, utility transfer and connection fees and other initial rehousing deposits including first and last month's rent and security deposit.

7. All displaced businesses eligible for payments shall be provided with relocation payments based upon the following, at the option of the business:

(1) A one-thousand-five-hundred-dollar fixed payment; or

(2) Actual costs of moving including costs for packing, crating, disconnection, dismantling, reassembling and installing all personal equipment and costs for relettering similar signs and similar replacement stationery.

8. If a displaced person demonstrates the need for an advance relocation payment, in order to avoid or reduce a hardship, the developer or public agency shall issue the payment subject to such safeguards as are appropriate to ensure that the objective of the payment is accomplished. Payment for a satisfactory claim shall be made within thirty days following receipt of sufficient documentation to support the claim. All claims for relocation payment shall be filed with the displacing agency within six months after:

(1) For tenants, the date of displacement;

(2) For owners, the date of displacement or the final payment for the acquisition of the real property, whichever is later.

9. Any displaced person, who is also the owner of the premises, may waive relocation payments as part of the negotiations for acquisition of the interest held by such person. Such waiver shall be in writing, shall disclose the person's knowledge of the provisions of this section and his entitlement to payment and shall be filed with the acquiring public agency.

10. All persons eligible for relocation benefits shall be notified in writing of the availability of such relocation payments and assistance, with such notice to be given concurrently with the notice of referral sites as required in subdivision (3) of subsection 5 of this section.

11. Any urban redevelopment corporation, its assigns or transferees, which have been provided any assistance under the operation of chapter 99, RSMo, chapter 100, RSMo, chapter 353, RSMo, or this chapter, with land acquisition by the local governing body, shall be required to make a report to the local governing body or appropriate public agency which shall include, but not be limited to, the addresses of all occupied residential buildings and structures within the redevelopment area and the names and addresses of persons displaced by the redeveloper and specific relocation benefits provided to each person, as well as a sample notice provided to each person.

12. An urban redevelopment corporation which fails to comply with the relocation requirements provided in this section shall not be eligible for tax abatement as provided for in chapter 353, RSMo.

13. The requirements set out in this section shall be considered minimum standards. In reviewing any proposed relocation plan under the operation of chapter 99, RSMo, chapter 100, RSMo, or chapter 353, RSMo, the local governing body or public agency shall determine the adequacy of the proposal and may require additional elements to be provided.

14. Relocation assistance shall not be provided to any person who purposely resides or locates his business in a redevelopment area solely for the purpose of obtaining relocation benefits.

15. The provisions of sections 523.200 and 523.205 shall apply to land acquisitions under the operation of chapter 99, RSMo, chapter 100, RSMo, or chapter 353, RSMo, filed for approval, approved or amended on or after August 31, 1991.

Appendix D

Cost-Benefit Analysis

COST-BENEFIT ANALYSIS
TIF #2
MONETT, MISSOURI

TAXING DISTRICT	2 nd Full Year of Area's Establishment		15 th Full Year of Area's Establishment		After the Expiration of the TIF Area		
	No Build Alternative (All Revenues)	Build Alternative (Non-TIF Revenues)	No Build Alternative (All Revenues)	Build Alternative (Non-TIF Revenues)	No Build Alternative (All Revenues)	Build Alternative (Non-TIF Revenues)	
STATE	Real Property Taxes	\$ 176	\$ 330	\$ 2	\$ 376	\$ 2	\$ 410
	Personal Property Taxes	\$ 176	\$ 77	\$ 2	\$ 100	\$ 2	\$ 117
	Sales Tax	\$ 42,461	\$ 1,361,168	\$ 45,306	\$ 1,748,349	\$ 47,154	\$ 2,041,709
	TOTAL	\$ 42,812	\$ 1,361,576	\$ 45,309	\$ 1,748,825	\$ 47,154	\$ 2,041,709
LIBRARY	Real Property Taxes	\$ 1,044	\$ 1,964	\$ 11	\$ 2,235	\$ 12	\$ 2,439
	Personal Property Taxes	\$ 1,044	\$ 460	\$ 11	\$ 596	\$ 12	\$ 698
	TOTAL	\$ 2,087	\$ 2,425	\$ 23	\$ 2,830	\$ 24	\$ 3,137
HEALTH	Real Property Taxes	\$ 412	\$ 776	\$ 5	\$ 883	\$ 5	\$ 964
	Personal Property Taxes	\$ 412	\$ 182	\$ 5	\$ 235	\$ 5	\$ 276
	TOTAL	\$ 825	\$ 958	\$ 9	\$ 1,118	\$ 9	\$ 1,240
HANDICAP	Real Property Taxes	\$ 410	\$ 771	\$ 5	\$ 877	\$ 5	\$ 957
	Personal Property Taxes	\$ 410	\$ 181	\$ 5	\$ 234	\$ 5	\$ 274
	TOTAL	\$ 819	\$ 951	\$ 9	\$ 1,111	\$ 9	\$ 1,231
SCHOOLS	Real Property Taxes	\$ 21,177	\$ 39,861	\$ 233	\$ 45,346	\$ 242	\$ 49,495
	Personal Property Taxes	\$ 21,177	\$ 9,342	\$ 233	\$ 12,085	\$ 242	\$ 14,159
	TOTAL	\$ 42,354	\$ 49,202	\$ 466	\$ 57,431	\$ 485	\$ 63,654

COST-BENEFIT ANALYSIS
TIF #2
MONETT, MISSOURI

TAXING DISTRICT	AFFECTED TAXING DISTRICTS	2 nd Full Year of Area's Establishment		15 th Full Year of Area's Establishment		After the Expiration of the TIF Area	
		No Build Alternative (All Revenues)	Build/Alternative (Non-TIF Revenues)	No Build Alternative (All Revenues)	Build/Alternative (Non-TIF Revenues)	No Build Alternative (All Revenues)	Build/Alternative (Non-TIF Revenues)
ROADS	Real Property Taxes	\$ 966	\$ 1,819	\$ 11	\$ 2,069	\$ 11	\$ 2,259
	Personal Property Taxes	\$ 966	\$ 426	\$ 11	\$ 551	\$ 11	\$ 646
	TOTAL	\$ 1,933	\$ 2,245	\$ 21	\$ 2,621	\$ 22	\$ 2,905
AMBULANCE	Real Property Taxes	\$ 720	\$ 1,354	\$ 8	\$ 1,541	\$ 8	\$ 1,682
	Personal Property Taxes	\$ 720	\$ 317	\$ 8	\$ 411	\$ 8	\$ 481
	TOTAL	\$ 1,439	\$ 1,672	\$ 16	\$ 1,951	\$ 16	\$ 2,163
COUNTY	Commercial Surcharge	\$ 1,647	\$ 3,379	\$ -	\$ 4,370	\$ -	\$ 5,121
	1.0% general Sales Tax	\$ 10,050	\$ 166,110	\$ 10,723	\$ 211,930	\$ 11,160	\$ 246,585
	TOTAL	\$ 11,697	\$ 169,489	\$ 10,723	\$ 216,301	\$ 11,160	\$ 251,706
CITY	1.0% general Sales Tax	\$ 10,050	\$ 166,110	\$ 10,723	\$ 211,930	\$ 11,160	\$ 246,585
	.5% cent capital improvement Sales Tax	\$ 5,025	\$ 83,055	\$ 5,362	\$ 105,965	\$ 5,580	\$ 123,292
	TOTAL	\$ 15,075	\$ 249,165	\$ 16,085	\$ 317,895	\$ 16,740	\$ 369,877

Appendix E

Developer's Affidavit

AFFIDAVIT

STATE OF N.C.)
COUNTY OF WILKES) ss.

BEFORE ME, the undersigned notary public, personally appeared DAVID E. SHELTON, the SR. VICE PRESIDENT of Lowe's Home Centers, Inc., a North Carolina corporation, on behalf of the company (the "Affiant"), who being first duly sworn, deposes and states:

1. Affiant is over 18 years of age and has personal knowledge of the matters set forth herein.

2. Affiant is the SENIOR VICE PRESIDENT of Lowe's Home Centers, Inc., a North Carolina corporation (the "Company") and has authority to execute and make, execute and deliver this Affidavit.

3. The Company currently holds and owns an option contract to purchase the real property (the "Property") more particularly described in Exhibit A attached hereto and by this reference made a part hereof from the current fee simple owner, STANLEY J. ELLIS, SUCCESSOR TRUSTEE OF GORMAN V. ELLIS REVOCABLE TRUST U/T/A DATED 2/3/93 AND STANLEY J. ELLIS, SUCCESSOR TRUSTEE OF CLARA M. ELLIS REVOCABLE TRUST U/T/A DATED 2/3/93. The Property is located in the area generally bounded on the north by the Burlington Northern Railroad tracks, the west by Bridal Lane, and the east and south by the proposed extension of the Monett, Missouri municipal boundary, and this Property, if purchased, by the Company will be purchased for use in the development of a Lowe's Home Improvement Center (the "Center") and not for speculation in real estate.

4. Prior to negotiating an option to purchase the property, the Company advised the City of Monett, Missouri, a third class municipal corporation that but for assistance with the cost of constructing the numerous public improvements necessary for development and operation of the Center on the Property by the Company, it would not be feasible to develop and could not profitably make the investment of private funds required to acquire and develop the Center to be located on the Property.

5. Affiant expressly acknowledges under penalties of perjury, that a representative of Company has examined this Affidavit, the Redevelopment Plan which has been prepared by the Tax Increment Finance Commission of the City of Monett ("TIF #2") for use in considering the development of the Property and that the high development costs for the public improvements required to be made for the development would make the development of the Center unprofitable for the Company and but for the benefit of public payment of those high public improvement development costs using the proceeds of tax increment financing ("TIF") the Company is not willing to make the private investment capital necessary for the development of the Property.

6. Affiant further states that the public improvements required for the development of the Center benefit a much larger area of the City of Monett, Missouri other than the Property and it is thus unreasonable to expect a private developer to bear the full amount of those costs on a single development so it is unlikely the development will occur without public assistance for the public improvements.

7. Affiant further states that to the best of his/her knowledge and belief, the statements set forth herein are true, correct and complete and that the Company's interest in the Property is contractual and that his/her recommendation to the Company to proceed as the redeveloper of the Property will not be positive unless the public investment using the TIF is made.

David E. Shelton
Senior Vice President

FURTHER AFFIANT SAITH NOT.

David E Shelton

DMB

On this 21st day of January, 2005, before me personally appeared David E. Shelton, to me known or identified to be the person who executed the foregoing Affidavit, and acknowledged to me that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Carla H. Reavis
Notary Public

My commission expires 9-22-06



EXHIBIT A

MONETT TIF 2 DESCRIPTION

ALL OF A TRACT DESCRIBED AS BEING A PART OF SECTIONS 32 AND 33 IN TOWNSHIP 26 NORTH, RANGE 27 WEST AND IN SECTIONS 4 AND 5 IN TOWNSHIP 26 NORTH, RANGE 27 WEST ALL BEING IN BARRY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF THE SOUTHWEST QUARTER, AND ALL WEST ONE-HALF OF THE SOUTHEAST QUARTER, AND ALL THE SOUTH 330 FEET OF THE WEST ONE-HALF OF THE NORTHWEST QUARTER, AND ALL THE EAST ONE-HALF OF THE NORTHWEST QUARTER LYING SOUTH OF THE BURLINGTON NORTHERN RAILROAD, AND ALL THE WEST 25 FEET OF THE NORTH 990 FEET OF THE SOUTH ONE-HALF OF THE WEST ONE-HALF OF THE NORTHWEST QUARTER ALL BEING IN SECTION 33, TOWNSHIP 26 NORTH, RANGE 27 WEST, AND ALL THE NORTH 2000 FEET OF THE WEST ONE-HALF OF THE FRACTIONAL NORTHWEST QUARTER, AND ALL THE HIGHWAY RIGHT OF WAY FOR U.S. ROUTE 60 LYING IN THE EAST ONE-HALF OF THE FRACTIONAL NORTHWEST QUARTER AND IN THE WEST ONE-HALF OF THE FRACTIONAL NORTHEAST QUARTER ALL IN SECTION 4, TOWNSHIP 25 NORTH, RANGE 27 WEST, AND ALL THE EAST 35 FEET OF THE NORTH 2000 FEET OF THE FRACTIONAL NORTHEAST QUARTER, AND ALL THE NORTH 420 FEET OF THE WEST 175 FEET OF THE EAST 210 FEET OF THE FRACTIONAL NORTHEAST QUARTER ALL IN SECTION 5, TOWNSHIP 25 NORTH, RANGE 27 WEST, AND ALL THE EAST 25 FEET OF THE SOUTHEAST QUARTER, AND ALL THE SOUTH 330 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, AND ALL THE NORTH 330 FEET OF THE SOUTH 660 FEET OF THE WEST 660 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, AND ALL THE EAST 25 FEET OF THE NORTH 990 FEET OF THE SOUTH ONE-HALF OF THE EAST ONE-HALF OF THE NORTHEAST QUARTER ALL IN SECTION 32, TOWNSHIP 26 NORTH, RANGE 27 WEST IN BARRY COUNTY, MISSOURI, EXCEPT BEGINNING 611 FEET NORTH AND 25 FEET EAST OF THE SOUTHWEST CORNER OF SECTION 33, THENCE NORTH 561.66; THENCE NORTH 88° 5'4" EAST, 375.20 FEET; THENCE SOUTH 574.39 FEET; THENCE WEST 375 FEET TO POINT OF BEGINNING, AND EXCEPT BEGINNING 358 FEET SOUTH AND 15 FEET EAST OF THE NORTHWEST CORNER OF SECTION 4; THENCE EAST 297 FEET; THENCE NORTH 300.49 FEET TO SOUTH LINE OF HIGHWAY 60; THENCE WEST, ALONG SAID RIGHT OF WAY LINE 121.36 FEET; THENCE SOUTHWESTERLY ALONG SAID RIGHT OF WAY 224.11 FEET; THENCE SOUTH 160.04 FEET TO THE POINT OF BEGINNING.



Economic Development Resources
St. Louis, Missouri
200 South Hanley Road
Suite #601
St. Louis, Missouri 63105

AFFIDAVIT OF PUBLICATION

State of Missouri
County of Barry

The Monett Times

CITY OF MONETT
CITY HALL
217 FIFTH ST
MONETT MO 65708

COPY

REFERENCE: 101780
218683 Redevelopment Propos

I, Michael L. Stubbs, being duly sworn according to law, state that I am the publisher of the Monett times, a daily newspaper of general circulation in the county of Barry, where located; which has been admitted to the post office a second-class matter in the city of Monett, MO., the city of publication; which newspaper has been published regularly and consecutively for a period of three years and has a list of bona fide subscribers voluntarily engaged as such who have paid or agreed to pay a stated price for a subscription for a definite period of times, and that such newspaper has complied with the provisions of Section 14,968 Revised Statutes of Missouri, 1939. The affixed notice appeared in said newspaper on the following consecutive weeks (issues).

PUBLISHED ON: 12/07

TOTAL COST: 349.60 AD SPACE: 62.250 INCH
FILED ON: 12/07/04

Signed) Michael L. Stubbs Publisher

Subscribed and sworn to before me this 4th day of Jan, 2005

Melodie Myers Notary Public

MELODIE MYERS
Notary Public State of Missouri
County of Barry
My Commission Expires 2/23/08

LEGAL NOTICE

NOTICE OF REQUEST FOR PROPOSALS

The City of Monett, Missouri (the City) is seeking Proposals for redevelopment of parcels abutting or adjacent to Chapell Road, within an area generally bounded on the north by Bridle Lane and on the south by Hadley Road. Some of those parcels are concurrently being considered for consent annexation by the City. The decision to concur in such annexation is a legislative function reserved to the City Council which cannot be delegated. Such annexation must also conform with the statutory procedures for annexation of the State of Missouri applicable to the City. In addition, both the Commission (as defined below) and the City must approve the Redevelopment Area and the Project, as described herein. The selection of a redeveloper for all or a portion of the parcels is conditional upon satisfaction of all of such procedures.

After completion of the consent annexation, the Tax Increment Financing Commission of Monett, Missouri (the Commission) will be considering a proposed redevelopment plan and redevelopment project for real property Tax Increment Financing (TIF) to finance certain costs associated with the redevelopment in accordance with the Real Property Tax Increment Allocation Redevelopment Act (the TIF Act). The public is hereby notified that:

The City will consider proposals from private parties interested in accomplishing the redevelopment of all or a portion of the entire area outlined above. The City may provide incentives, including tax increment financing, to assist the selected redeveloper(s) to fund infrastructure modifications and improvements necessary to achieve effective redevelopment within this area.

A. The proposed redevelopment area is described generally, as set forth in the first paragraph (the Redevelopment Area).

B. The proposed redevelopment plan is expected to include the acquisition, clearing and grading within the Redevelopment Area (the Plan), and construction of retail space and all necessary parking, utilities and street improvements (the Projects).

At a minimum, Proposals must contain the following information:

C. Respondent's name, address, phone and contact person.

D. Conceptual Site Plan of the (re)development Projects proposed indicating:

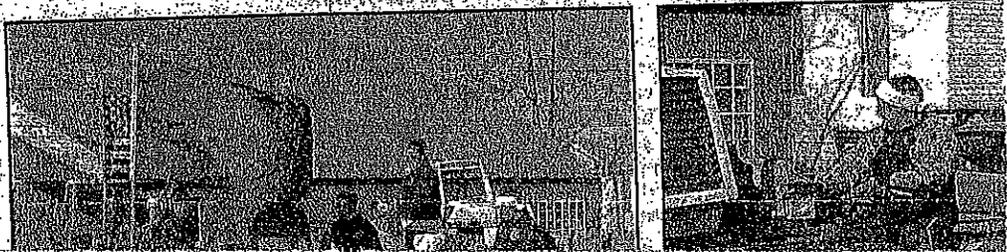
1. Proposed project name;
2. Date;
3. Scale;
4. North arrow;
5. Uses of land and buildings and/or types of development;
6. Location, size and height of new building construction, and identification of existing structures to remain (if any);
7. Site circulation, including the location of all drives, curb cuts, parking islands, sidewalks, traffic lanes, service and delivery access, loading areas and refuse collection facilities;
8. Location and number of parking spaces;
9. Internal and peripheral landscaping;
10. Stormwater drainage and detention improvements, including proposed grading;
11. Typical examples of building elevations (this may be provided in the form of sketches, renderings and/or photographs of the buildings proposed);
12. Examples of exterior building materials and colors.

E. Project development budget identifying, by line item, the proposed project costs for:

1. Site acquisition;
2. Relocation of site occupants;
3. Site development (further delineated by line items such as demolition, clearing, grading, storm sewers, sanitary sewers, etc.);
4. Construction of new buildings, by individual building;
5. Rehabilitation/renovation of existing buildings, by individual building;
6. Consultants (further delineated by architectural, legal, engineering etc.) and any other soft costs;
7. Fees (further delineated as those for leasing, development etc.);
8. Financing Costs (including amount borrowed and duration of borrowing).

F. Project narrative and information explaining the character of the development, and containing the following information:

Glitter and smiles filled downtown Verona



K. Questions concerning this Request may be directed, in writing, to Mrs. Pendergrass at the above address; all such questions will be answered in writing, and such answers will be provided to all parties having provided a Proposal to the City.

J. The Commission reserves the right to recommend that the City Council reject all proposals and publish any additional requests for proposals as may be necessary.

I. Interested parties are invited to submit alternative proposals for accomplishing the City's objectives of the Plan through the implementation of the Projects in the general nature of the development that is generally commercial in nature and that will accomplish the goals set forth in item (ii) set forth in this paragraph. All proposals must be submitted to the Director of Finance at City Hall, 217 5th Street, P.O. Box 110, Monett, Missouri 65708, and must be received no later than 2:00 p.m. on December 17, 2004. Twelve (12) copies of each proposal must be submitted. Developers who have already submitted proposals for an identified project(s) within the described Plan area prior to the date of this notice need not resubmit their proposals, but may supplement them with a letter of interest addressed to the City, together with any additional information they wish to submit. provided that such developers indicate a willingness to execute a development agreement. All proposals shall be judged on (i) the merit and ability of the proposal for development described in submission; (ii) the quality and detail of the submission; (iii) the ability of the submission to aid in enhancing the tax base of the City and other taxing districts; (iv) the ability of the Redevelopment Area, and (v) the ability of the proposal to accomplish any other goals that such estimates for the total Projects, and classification of expenses sufficiently detailed to allow analysis in comparison with the proposed plan document and other submissions information indicating that the developer is a responsible developer generally capable of completing and implementing the Projects, and properly developing the proposal does not own or otherwise control the real property that is proposed for development, the proposed method of acquiring such ownership or control.

1. Total project costs (from Project Development Budget);
2. Evidence of any commitments to finance project costs;
3. Project pro forma or other data demonstrating the financial feasibility of the Projects, including the amount and source of private funding, and if applicable, a demonstration of the need, amount and duration of financial support or other incentives that the redeveloper(s) proposes to be provided by the City.

H. Project financials indicating:

G. If relocation of existing businesses and/or residents is proposed, a description of the proposed relocation program to be implemented.

1. Nature of the activities and land uses proposed;
2. Changes to be made in the roadway system (including changes to ingress/egress) abutting and within the proposed development;
3. Information demonstrating the Redeveloper's financial and administrative capacity to undertake the Project and experience with similar development;
4. Evidence of the ability to bring tenants or other users to the development, including any commitments from any users or tenants;
5. Proposed development schedule, including start and completion dates and a description of development phasing if the Projects are to be phased, and start and completion dates for each phase.

AFFIDAVIT OF PUBLICATION

State of Missouri
County of Barry

The Monett Times

CITY OF MONETT
CITY HALL
217 FIFTH ST
MONETT MO 65708

COPY

REFERENCE: 101780
218886 Redevelopment Propos

I, Michael L. Stubbs, being duly sworn according to law, state that I am the publisher of the Monett times, a daily newspaper of general circulation in the county of Barry, where located; which has been admitted to the post office a second-class matter in the city of Monett, MO., the city of publication; which newspaper has been published regularly and consecutively for a period of three years and has a list of bona fide subscribers voluntarily engaged as such who have paid or agreed to pay a stated price for a subscription for a definite period of times, and that such newspaper has complied with the provisions of Section 14,968 Revised Statutes of Missouri, 1939. The affixed notice appeared in said newspaper on the following consecutive weeks (issues).

PUBLISHED ON: 12/13

TOTAL COST: 214.20 AD SPACE: 38.250 INCH
FILED ON: 12/23/04

Signed) *Michael L. Stubbs* Publisher

Subscribed and sworn to before me this 4th day of Jan, 2005

Melodie Myers Notary Public

MELODIE MYERS
Notary Public State of Missouri
County of Barry
My Commission Expires 2/23/08

LEGAL NOTICE
AMENDED AND RESTATED
NOTICE OF REQUEST FOR PROPOSALS

The City of Monett, Missouri (the City) is seeking Proposals for redevelopment of parcels abutting or adjacent to Chapel Road, within an area generally bounded on the north by Bride Lane and on the south by Hadley Road. Some of those parcels are concurrently being considered for consent annexation by the City. The decision to concur in such annexation is a legislative function reserved to the City Council which cannot be delegated. Such annexation must also conform with the statutory procedures for annexation of the State of Missouri applicable to the City. In addition, both the Commission (as defined below) and the City must approve the Redevelopment Area and the Project, as described herein. The selection of a redeveloper for all or a portion of the parcels is conditional upon satisfaction of all of such procedures.

After completion of the consent annexation, the Tax Increment Financing Commission of Monett, Missouri (the Commission) will be considering a proposed redevelopment plan and redevelopment project for real property Tax Increment Financing (TIF) to finance certain costs associated with the redevelopment in accordance with the Real Property Tax Increment Allocation Redevelopment Act (the TIF Act). The public is hereby notified that:

The City will consider proposals from private parties interested in accomplishing the redevelopment of all or a portion of the entire area outlined above. The City may provide incentives, including tax increment financing, to assist the selected redeveloper(s) to fund infrastructure modifications and improvements necessary to achieve effective redevelopment within this area.

A. The proposed redevelopment area is described generally as set forth in the first paragraph (the Redevelopment Area).

B. The proposed redevelopment plan is expected to include the acquisition, clearing and grading within the Redevelopment Area (the Plan) and construction of retail space and all necessary parking, utilities and street improvements (the Projects).

At a minimum, Proposals must contain the following information for the acquisition, planning, developing, financing and constructing of the Projects, which shall include the description of the following: (a) Site selection recommendation; (b) Projections of sales tax revenues anticipated from the operation of the Projects with the understanding that such projects will be incorporated into the Plan being prepared by the Commission; (c) A budget setting forth the estimated total development costs to be incurred; (d) A listing of proposed subcontractors to be employed in the construction and development of the Projects, if available; (e) A list of key permits and approvals required for the Projects and a schedule for obtaining the same; (f) A schedule for the construction of the Projects; (g) A plan for Projects financing; and (h) A staffing plan for development of the Projects.

C. Interested parties are invited to submit alternative proposals for accomplishing the City's objections of the Plan through the implementation of the Projects in the general nature of the one described in paragraph B, or such alternative proposal as will result in implementation of development that is generally commercial in nature and that will accomplish the goals set forth in item (iii) set forth in this paragraph. All proposals must be submitted to the Director of Finance at City Hall, 217 5th Street, P.O. Box 110, Monett, Missouri, 65708, and must be received no later than 2:00 p.m. on December 17, 2004. Twelve (12) copies of each proposal must be submitted. Developers who have already submitted proposals for an identified project(s) within the described Plan area prior to the date of this notice need not resubmit their proposals, but may supplement them with a letter of interest addressed to the City, together with any additional information they wish to submit, provided that such developers indicate a willingness to execute a development agreement. All proposals shall be judged on: (i) the merit and viability of the proposal for development described in submission, (ii) the quality and detail of the submission, (iii) the ability of the submission to aid in enhancing the tax base of the City and other taxing districts levying taxes in the Redevelopment Area, increasing employment in the City and eliminating blight from the Redevelopment Area, and (iv) the ability of the proposal to accomplish any other goals that such developer may identify. Submissions shall contain, at a minimum, a site plan for the Projects, cost estimates for the total Projects, and classification of expenses sufficiently detailed to allow analysis in comparison with the proposed Plan document and other submissions, information indicating that the developer is a responsible developer generally capable of completing and implementing the Projects, and property developments for which the proposals are submitted and, if the person or entity submitting the proposal does not own or otherwise control the real property that is proposed for development, the proposed method of acquiring such ownership or control.

D. The Commission reserves the right to recommend that the City Council reject all proposals and publish any additional requests for proposals as may be necessary.

E. Questions concerning this Request may be directed in writing to Ms. Pendergrass at the above address; all such questions will be answered in writing and such answers will be provided to all parties having provided a Proposal to the City.

PROPOSAL

FOR

MONETT REDEVELOPMENT AREA

MONETT, MISSOURI

DATE:

DECEMBER 16, 2004

LOWE'S HOME CENTERS, L.L.C.
Highway 268 East - East Dock, North Wilkesboro
North Carolina 28659
(P.O. Box 1111, N. Wilkesboro, NC 28656, Mail Code (REO))

December 16, 2004

Dorothy Pendergrass, Director of Finance
Monett, City Hall
217 5th Street
P.O. Box 110
Monett, Missouri 65708

Re: Monett Redevelopment Project

Dear Ms. Pendergrass:

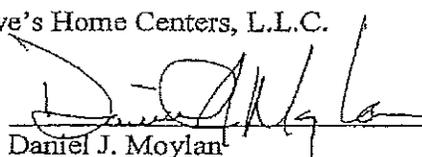
On behalf of Lowe's Home Centers, L.L.C. ("Lowe's"), we are pleased to offer our response to the above-referenced Request For Proposal. We are excited about this opportunity to work with the City of Monett in the creation of a quality commercial development within the area bounded on the north by Bridle Lane and on the south by Hadley Road (the "Monett Redevelopment Area") which will stimulate additional economic growth in the area and provide many amenities to the city and county residents.

We look forward to having the opportunity to make a formal and complete presentation of our Proposal and Project concept to the City of Monett. Lowe's has had significant experience in constructing and maintaining large commercial projects. Our quality, workmanship and dedication to all of our projects is superior.

Our Proposal is intended to meet all of the objectives and requirements set forth in the City's Request For Proposal. If, however, any concerns of the City have been overlooked, we reserve the right to modify our Proposal to address the concerns. Again, we are very excited about this opportunity and look forward to working with you on this Project.

Very truly yours,

Lowe's Home Centers, L.L.C.

By: 
Daniel J. Moylan

PROPOSAL

PROPOSED DEVELOPMENT INFORMATION

Lowe's Home Centers, LLC ("Lowe's") intends to develop in the Monett Redevelopment Area approximately 17.93 acres into a shopping center, including an approximate 138,916 square foot home improvement retail center, a 1.42 acre detention basin, and other potential retail and dining/entertainment uses. The home improvement retail center will be the primary use. The Project will necessitate substantial infrastructure work including highway, road and interchange construction and the installation of sewerage and water facilities. The specific information is illustrated on the attached Exhibits as indicated below. Proposed and attached Exhibits are subject to change as the Project evolves.

A. Site Selection Recommendation.

Lowe's is confident that the Monett Redevelopment Area is a prime location for the development of a shopping center. The Monett Redevelopment Area has excellent visibility from adjacent roadways and the ground of the Monett Redevelopment Area is conducive to building a retail center. The area surrounding the Monett Redevelopment currently does not have a vibrant shopping center to serve the city's resident's and local businesses. The Monett Redevelopment Area is a location that with the proposed public infrastructure improvements, will be easily accessible to patrons, and will cause little traffic congestion from Lowe's Lane. Not only will the shopping center create new attraction to this area of the city, it will also encourage future development in the surrounding areas.

B. Site Plan.

For Lowe's tentative site plan see Exhibit 1, attached hereto and incorporated herein by reference (the "Site Plan").

C. Estimated Sales Tax Revenues Anticipated

The estimated sales tax revenues from the operation of the Monett Redevelopment Area once fully developed are projected to be \$18,000,000.00.

D. *Estimated Budget of Total Development Costs*

The total development costs of the Monett Redevelopment Area is estimated to be \$14,000,000.00.

E. *Proposed Subcontractors*

A list of the proposed subcontractors that Lowe's will employ in the construction and development of the Monett Redevelopment Area will be provided when determinable.

F. *Permits and Approvals Required*

Lowe's will obtain all permits, assurances and approvals from state, municipal, county and federal authorities as necessary for the development of the Monett Redevelopment Area, including any zoning permits, environmental approvals, utility approvals and Missouri Department of Transportation approvals, if applicable.

G. *Construction Schedule*

At this time, Lowe's anticipates the completion of the initial 138,916 square foot home improvement retail center by March 31, 2006.

H. *Project Financing*

The development of the Monett Redevelopment Area will be financed by Lowe's and through the reimbursement of Tax Increment Financing Revenues and/or obligations.

I. *Staffing Plan for Development of Project*

The following is a list of the staffing for the development of the Monett Redevelopment Area.

The Proposed Development Team consists of:

- (1) Lowe's Home Centers, Inc.
David N. Barnes, In House Legal Counsel
Highway 268 East - East Dock
P. O. Box 1111
North Wilkesboro, NC 28656-0001

Daniel Moylan, Director of Site Development
Lowe's Companies, Inc.
4607 Silverheel Street
Shawnee, KS 66226

Patrick D. Herion
Director of Real Estate
Lowe's Companies, Inc.
1952 McDowell Road, Suite 101
Naperville, IL 60563

Rodney Haynes
Incentive Manager
Lowe's Home Centers, Inc.
Highway 268 East - East Dock
P. O. Box 1111
North Wilkesboro, NC 28656-0001

(2) Legal Consultant:

Lewis, Rice & Fingersh, L.C.,
500 North Broadway, Suite 2000
St. Louis, Missouri 63102
314-444-7678 - Phone
314-612-7678 - Fax

(3) Architect:

Boice, Raidl, Rhea Architects
John Quinton
6700 Antioch Plaza, Suite 290
Merriam, KS 66204
913-236-3309 - Phone
913-236-3497 - Fax
E-mail: jquinton@brrarch.com

(4) Engineering:

Buescher Frankenberg Associates, Inc.
Mr. Rick Rohlfing and Mr. Raymond Frankenberg II
103A Elm Street
Washington, MO 63090
636-239-4751 - Phone
636-239-1646 - Fax
E-mail: rrohlfing@bfaeng.com

Sprenkle and Associates
Mr. Kevin Sprenkle
508 Bond Street
Monett, MO 65708
417-236-0112 – Phone
E-mail: ksprenkle@sprenkle.com

(5) Real Estate Broker

Otto Maly
Maly Commercial Realty Inc.
1015 E. Broadway, Suite 275
Columbia, MO 65201
573-443-3200 - Phone

The above list will be supplemented as other staffing is added.

J. Architectural illustrations depicting proposed building mass and building materials and treatments.

Lowe's has included herewith as Exhibit 2 architectural photographs of its home improvement retail center that will be part of the Monett Redevelopment Area. The building materials used are described on the photographs.

K. Acquisition of Property

All property necessary to commence and complete the Monett Redevelopment Area is currently under an Option to Purchase contract.

EXHIBIT 1

SITE PLAN

CERTIFICATION OF CITY DOCUMENTS

I hereby certify the attachments hereto are true copies of original minutes of the Monett City Council of Monett, Missouri dated as follows:

August 31, 2004

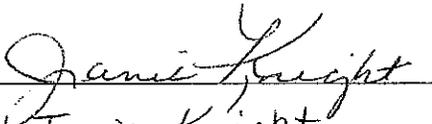
March 2, 2005

July 14, 2005

August 4, 2005

The original documents mentioned are found in the City Clerk's records at the City of Monett, Missouri

Dated this 8th day of August, 2005



Janie Knight
Clerk

March 2, 2005

The Monett City Council met in special session, Wednesday, March 2, 2005 at 9:30 a.m. in the Monett City Hall Council room. The following persons were present:

Commissioners-Don Roberson and Jerry Dierker, City Attorney-John Woodard, Utilities Superintendent-Pete Rauch, City Bond Counsel-Carl Yates, TIF Chairman-Mark Nelson, City Engineer-Kevin Sprenkle, Finance Director-Dorothy Pendergrass, City Clerk-Janie Knight, Mayor James Orr-present by electronic device, media representatives and interested citizens.

The meeting was called to order by Mayor Orr via telephone. Roll call was taken by the Clerk. Present in person from the City Council were Don Roberson and Jerry Dierker, Commissioners, and present by electronic device was Mayor James Orr. Mayor Orr then delegated authority to Don Roberson to read the agenda. Commissioner Roberson read the agenda in full and directed attention to the first item, consideration of a redevelopment plan for a redevelopment area in regard to the TIF 2 project. The floor was then given to Mark Nelson chairman of the TIF Commission.

BILL 7533 ORDINANCE APPROVING THE REDEVELOPMENT PLAN TIF 2

Mr. Nelson reported to the City Council on the recent actions of the TIF Commission, commenting on public hearings, public comments, bond responses and their recent vote on a resolution which would bring the TIF 2 project to life. He concluded that the TIF Commission had signed the resolution recommending to the Council the adoption of the TIF 2 redevelopment area tax increment financing redevelopment plan and recommending the RPA 1 project included in the plan. Mr. Nelson reported the recommendation was made subject to three documents still outstanding, and would be explained by attorneys also present at the meeting. Mr. Carl Yates bond counsel for the TIF project reported on the negotiations being made with Lowe's Store for a development agreement, and with Missouri Department of Transportation for an innovative financing agreement. Negotiations had been made, but no final form had been received. However, Mr. Yates recommended the adoption of the ordinance approving Lowe's as redeveloper and approving the redevelopment plan and giving counsel authority to conclude the redevelopment plan. John Woodard, City Attorney, explained to Council that he was waiting on documentation from Lowe's regarding gross taxable sales, but recommended that the minutes reflect the passage of the ordinance. Mayor Orr called for a motion to approve the TIF 2 plan ordinance as presented. Commissioner Roberson made the motion, and a second was received from Commissioner Dierker. Motion having been made and seconded, the following vote was taken: Roberson-yes, Dierker-yes, Orr-abstain due to location. Motion having been made and seconded, and the vote taken, the bill became an ordinance of the City and was signed by the Mayor and attested to by the City Clerk.

BILL 7534 CHANGE ORDER NUMBER THREE BRANCO ENTERPRISES

Commissioner Roberson directed attention to the second item a change order for the Branco Enterprises contract for the improvement at the wastewater treatment plant. The change order was explained by Pete Rauch, Utilities Superintendent. The total change order was \$126,894.00. A motion to accept the change order was made by Commissioner Roberson. A second was made by Commissioner Dierker. Motion having been made and seconded, the following vote was taken: Roberson-yes, Dierker-yes, Orr-abstain due to location. Motion having been made and seconded, and the vote taken, the bill became an ordinance of the City and was signed by the Mayor and attested to by the City Clerk.

BILL 7535 LEASE FOR FINANCE OF WATER TOWER

Commissioner Roberson directed attention to the third item being the authorization and execution of a base lease to Commerce Bank for the financing of a city water tower. City Finance Director was in attendance to report on the financing. Dorothy Pendergrass informed Council of the financing offering a 3.55 interest rate for a ten year period. Also discussed was the pre-construction conference for the building of the water tower. Mr. Rauch, and Kevin Sprenkle reported to Council about the construction calendar, with crews moving in April 1, and possible completion by November. Total costs for the tower was estimated at 1.4 million with the City financing \$700,000.00. A motion to approve the financing document for the water tower construction was made by Commissioner Roberson. A second was made by Commissioner Dierker. Motion having been made and seconded, the following vote was taken: Roberson-yes, Dierker-yes, Orr-abstain due to location. Motion having been made and seconded, and the vote taken, the bill became an ordinance of the City and was signed by the Mayor and attested to by the City Clerk.

BILL 7532 DANGEROUS DOG ORDINANCE-second reading/tabled

Upon review of the bill 7532, it was the consensus of the City Council that the dangerous dog ordinance be tabled due to a change in the verbiage regarding a section dealing with the relocation of utility meters due to dangerous dogs on the premises. The section was to be researched by Utilities Superintendent and the City attorney and be presented to Council in the future. Council also heard from a resident, Linda Sooter, regarding her position on the issue. Ms. Sooter was in total cooperation of the ordinance, but was confused on the matter of the relocation of utilities, and how the process was completed. She shared her personal story of an encounter with a city employee concerning the reading of her meter, and the situation with her dogs. Council commented that the ordinance was being edited, expressed their concern for her inconvenience, and advised that the situation would be researched.

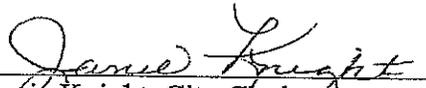
March 2, 2005

page 3

The meeting was then opened for discussion. Mr. Nelson reported his research on the sales and use tax issue with the developer Lowe's store. There had been public concern about the term taxable sales projections, and recent purchases from neighboring Lowe's Stores. Mr. Nelson explained the methods of purchasing regarding contractor sales, installation sales, and consumer sales, and the paying of sales and use tax. He commented that Barry County and the City did not enforce a use tax, and that Council might want to research the issue. Other comments were heard from citizens regarding the TIF study plan, the safeguarding of the City's interest, and the payment of sales and use tax by the consumers of the City.

Harold Schelin representing the MIDC commended and congratulated the City Council on their progress toward future development.

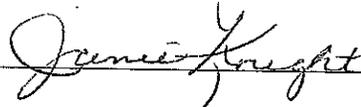
John Woodard, ended the discussion with the statement that the Council voted to approve the TIF 2 project upon the recommendation of the TIF Commission, and did not vote to fund anything.


Jamie Knight, City Clerk

CERTIFICATION OF CITY DOCUMENTS

I hereby certify the attachment hereto is a true copy of an original ordinance dated
March 2, 2005 found in the Monett City records in the City Clerk's office at
Monett, Missouri.

Dated this 5 day of August 2005.



Janie Knight City Clerk

BILL NO. 7533

ORDINANCE NO. 7533

AN ORDINANCE APPROVING A REDEVELOPMENT PLAN FOR A REDEVELOPMENT AREA (THE "PLAN") IN THE CITY OF MONETT, MISSOURI (THE "CITY"); APPROVING THE MAKING OF CERTAIN FINDINGS REQUIRED BY THE ACT; IMPLEMENTING OF THE RPA 1 PROJECT UNDER THE PLAN; DESIGNATING A REDEVELOPER FOR THE RPA 1 PROJECT AND AUTHORIZING THE OFFICERS OF THE CITY TO TAKE CERTAIN ACTIONS REGARDING SUCH PLAN.

WHEREAS, the City of Monett, Missouri (the "City"), a municipal corporation located in Barry County, Missouri, being duly created, organized and existing as a third class city under the laws of the State of Missouri (the "State"), is authorized pursuant to the provisions of Sections 99.800 through 99.865 RSMo., 2000, as amended (the "Act"), to create a tax increment financing commission under the Act; and

WHEREAS, a tax increment financing commission, upon being created, is granted authority to propose to the City a redevelopment plan containing a description of the area, an estimate of the redevelopment project costs, evidence of commitments to finance the project costs, the anticipated sources of funds to pay the costs, the anticipated obligations to be issued, the most recent equalized assessed valuation of the area, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the redevelopment area; and

WHEREAS, the City is required, prior to undertaking any redevelopment under the provisions of the Act and prior to designating an area for redevelopment, to create a tax increment finance commission consisting of nine members (the "TIF Commission") which TIF Commission, after creation, is required to conduct a public hearing and make a recommendation to the City Council on the proposed designation of the area and the proposed plan for redevelopment, prior to the adoption by the City of an ordinance approving the designation of a redevelopment area, approving a redevelopment plan or redevelopment project in accordance with the Act; and

WHEREAS, the City Council by its Ordinance No. 7465 on August 31, 2004 created a TIF Commission for TIF #2 and designated commissioners to serve as City representatives on the TIF Commission; and

WHEREAS, the TIF Commission on January 31, 2005, held a public hearing, having given public notice pursuant to Section 99.830 of the Act, at which persons desiring to do so were given the opportunity to present their views concerning the proposed designation of the blighted area (the "Area"), the redevelopment plan (the "Plan") (such Plan is on file in the office of the City Clerk, open for inspection by the public and is attached hereto as Exhibit 1) and the Redevelopment Project Area 1 (the "RPA 1") to be undertaken to implement the Plan; and

WHEREAS, the proposed Plan provides for redevelopment in the Area by the construction of a 138,916 square foot redevelopment project in Monett, Missouri to be used for the operation of a business conducting retail sales, in the portion of the Area designated on Exhibit 1 as "RPA 1," together with the installation, repair, construction, reconstruction and relocation of certain streets and utilities; and

WHEREAS, proposals have been requested by the TIF Commission and received from redevelopers to implement the projects included in the proposed Plan for RPA 1; and

WHEREAS, the TIF Commission has reviewed the proposals that were received; and

WHEREAS, Lowe's Home Centers, Inc. ("Lowe's") supported the adoption of the proposed Plan by its Affidavit regarding the proposed Plan and filed its written commitment to provide private financing for the commercial development in RPA 1 in excess of the tax increment finance ("TIF") assistance described in the written commitment, a copy of which is attached hereto as Exhibit 2; and

WHEREAS, the TIF Commission was provided with testimony and evidence at the Public Hearing regarding the proposals to implement the projects; and

WHEREAS, based on its review of the testimony and evidence presented to it at the public hearing held on January 31, 2005, the TIF Commission adopted a resolution recommending to the City Council of the City approval of the Plan, the Area and regarding designation of a redeveloper for the projects in RPA 1 included in the proposed Plan.

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

Section 1. Definitions. Words and terms found herein shall have the meanings as set forth in the Plan or the Act if not defined in the Plan.

Section 2. Rules of Construction. In addition to the foregoing and words and terms, unless the context otherwise requires, the following capitalized words and terms as used in this Ordinance shall be construed in the following manner:

(a) References Hereto. The terms "hereby," "hereof," "herein," "hereunder" and any similar terms refer to this Ordinance, and the term "hereafter" means after, and the term "heretofore" means before, the effective date of the Plan.

(b) Gender and Plurality. Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(c) Persons. Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

(d) Headings. The headings preceding the text of the Articles, Sections and subsections of this Ordinance shall be solely for convenience of reference and shall not constitute a part of this Ordinance, nor shall they affect its meaning, construction or effect.

(e) Severability. The invalidity of such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Ordinance shall be construed and enforced as if such invalid portion did not exist.

Section 3. Findings of Need. The City Council, having received and reviewed the recommendation of the TIF Commission, does hereby find regarding the Plan that:

A. Blighted Area

The Area meets the requirements for designation as a "blighted area" by virtue of unsanitary or unsafe conditions, deterioration of site improvements, defective or inadequate street layout, and improper subdivision or obsolete platting. These factors have made the Area a menace to public safety and welfare and have made the Area an economic liability in its present condition and use.

B. Lack of Growth and Development

The proposed Area has experienced a lack of growth and development. Little private investment has been made there in the recent past and there is obvious and evident deterioration and vacancy. Further, the presence and distribution of the blighting factors noted above have negatively influenced the private sector's desire and ability to redevelop the Area.

Clearly "but for" the implementation of tax increment financing, the proposed Plan will not proceed. The Area has not been subject to growth and development through investments by private enterprise and would not reasonably be anticipated to be developed without the adoption of the proposed Plan.

C. Conformance with the Comprehensive Plan

The City's Comprehensive Plan, *City of Monett, Comprehensive Plan*, outlines development activities throughout the City. That Comprehensive Plan discusses commercial and industrial land uses for the Area as well as expansion (and upgrading) of infrastructure in the eastern portion of the community. The proposed Plan's general development activities, land uses and infrastructure improvements, and their general locations, are in conformance with the City's Comprehensive Plan.

D. Estimated Dates of Completion and Use of Eminent Domain

The estimated dates of completion of any individual project, the payment of the costs of the proposed Plan, or retirement of obligations, if any, to finance the costs of the proposed Plan, the completion of any redevelopment project and the retirement of obligations incurred to finance redevelopment project costs which have been stated will not exceed a period more than twenty-three (23) years from the date of adoption of the ordinance approving a particular project. No ordinance should be adopted approving a project later than ten (10) years from the adoption of the ordinance approving the proposed Plan. In addition, there should be no acquisition by eminent domain of any property for a project later than five (5) years from the adoption of the ordinance approving such project. The City anticipates that any project which will be developed in the Area will be completed, and any obligations issued pertaining to such a project, can be retired within twenty-three (23) years of adoption of the ordinances establishing such project.

E. Relocation Assistance

On November 29, 2004, the City Council of the City passed Ordinance No. 7496 approving a relocation plan for the Area.

F. Cost-Benefit Analysis

Given the numerous blighting factors sited in Section VI of the proposed Plan and the costs of making the public improvements required to overcome the blighting factor, it is highly unlikely that any project envisioned for the Area (or any appreciable redevelopment activity) will be undertaken without assistance from tax increment financing.

It is reasonable to assume that neither taxable real estate values nor personal property values within the Area (and the taxes generated by these values) will increase through private investment, nor will sales taxes grow unless this tax increment financing program is put in place; and as such there will be little, if any taxes "lost" to any political subdivision if the proposed Plan is adopted. But for the implementation of the tax increment financing program as shown in the proposed Plan, there will be little if any increases in the tax revenues collected by the political subdivisions affected by the proposed Plan.

A cost-benefit analysis has been provided for RPA 1, as Appendix D to the proposed Plan. A cost-benefit analysis for each other redevelopment project area will be prepared prior to the adoption of tax increment financing within each such redevelopment project area.

The impact of redevelopment in the Area on the respective taxing districts will not be noticeable. Should any project within the Area result in any taxing district incurring a capital cost resulting from such project, such capital costs may be paid for from TIF revenues as noted in the Act.

G. Initial Development or Redevelopment of Any Gambling Establishment

The proposed Plan does not include the initial development or redevelopment of any gambling establishment.

No member of the City Council, or employee or consultant of the City involved in the planning or preparation of the Plan, or any RPA 1, owns or controls an interest, direct or indirect, in any property included in the Area, except as has been disclosed in writing to the City Clerk as provided by Section 99.820 RSMo., which disclosures are hereby acknowledged by the City Council and entered upon the Journal of the City Council, and that for each such member of the City Council so disclosed that they have and will refrain from any further official involvement in the approval of the Plan and the development of any RPA 1, from voting on the Plan or any RPA 1 or communicating with other members of the City Council concerning any matter contained in the Plan, any RPA 1 or the Area.

Section 4. Approval of the Plan. The City Council of the City hereby adopts the attached Plan and approves a redeveloper for the RPA 1 area described in the Plan. The RPA 1 area will be accomplished pursuant to the Redevelopment Agreement with Lowe's as the redeveloper and private contractors engaged by the City or the redeveloper.

Section 5. Adoption of TIF. Tax increment allocation financing is hereby adopted for the Area. After the total equalized assessed valuation of the taxable real property in the Area exceeds the certified total initial equalized assessed value of all taxable real property in such Area, the ad valorem taxes and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such Area by taxing districts and tax rates determined in the manner provided in subsection 2 of Section 99.855, RSMo., each year after the effective date of this Ordinance until redevelopment project costs and redevelopment costs have been paid shall be divided as follows:

1. That portion of taxes levied upon each taxable lot, block or parcel or real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the Area shall be allocated to and, when collected, shall be paid by the Barry County Collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

2. There is hereby ordered established in the treasury of the City a special allocation fund to be known as the "TIF #2 Special Allocation Fund" (the "Special Allocation Fund"); and

3. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the Area over and above the initial equalized assessed value of each such unit of property in the Area shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into the Special Allocation Fund and disburse them pursuant to the Plan.

Section 6. Economic Activity Taxes. In addition to the payments in lieu of taxes described above, and subject to annual appropriation, 50% of the total additional revenue from taxes which are imposed by the City or other taxing districts, and which are generated by the economic activities within the Area over the amount of such taxes generated by economic activities within the Area in the calendar year prior to the adoption of the Plan by ordinance while tax increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes, other than payments in lieu of taxes ("PILOTs"), shall be allocated to, and paid by the collecting officer to the City Treasurer who shall deposit such funds in a separate segregated account within the Special Allocation Fund and disbursed them pursuant to the Plan.

Section 7. Approval of Redeveloper. The TIF Commission has recommended that the City Council of the City designate Lowe's as the redeveloper for the projects included in the RPA 1 area under the proposed Plan. The City hereby approves such recommendation.

Section 8. Further Authority. The officers of the City, including the Mayor and the City Clerk, shall be, and they hereby are, authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

After collection and payment to the City Treasurer of the remaining 50% of the economic activity tax ("EATs") and the remainder of the PILOTs imposed by the City and the discharge by the City of any debt service obligations under any bonds issued under the Plan, the 50% EATs and the PILOTs on deposit in the

TIF #2 REDEVELOPMENT AREA

TAX INCREMENT FINANCING
REDEVELOPMENT PLAN

MONETT, MISSOURI

January, 2005

EDIR

Economic Development Resources
St. Louis, Missouri

EXHIBIT 1

**TIF #2 TAX INCREMENT FINANCING REDEVELOPMENT PLAN
MONETT, MISSOURI**

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SECTION I

CONCEPT OF TAX INCREMENT FINANCING

In pursuing the redevelopment of a declining area, or to induce the development of an area that has been lacking in economic activity, the State of Missouri has provided various statutory tools a municipality may use in order to initiate private and public development and redevelopment. One such tool is "tax increment financing" or "TIF", as described in the Real Property Tax Increment Allocation Redevelopment Act (RSMo. Section 99.800 et seq., and hereinafter referred to as the "TIF Act" or the "Act"). This legislation provides for the establishment of a tax increment financing district referred to in the TIF Act as a "redevelopment area". In order to establish a redevelopment area, the portion of the community proposed for designation must meet certain criteria set forth in the TIF Act. These criteria are established in accordance with one of the three types of redevelopment areas that may be designated:

- Blighted area;
- Conservation area;
- Economic development area.

The purpose of establishing a redevelopment area is to create a mechanism to reduce or eliminate those conditions, the existence of which qualify the redevelopment area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax base of the taxing districts which extend into the redevelopment area. For an area to be designated as one of these types, a redevelopment plan must be prepared which identifies specific redevelopment project(s) within the redevelopment area. The redevelopment plan must outline the objectives that it intends to attain, how the redevelopment project(s) accomplishes those objectives, and provide a program by which the objectives of the redevelopment project(s) will be completed.

The concept of TIF is relatively straightforward. In general, "increment" (e.g. incremental increases in property tax and sales tax revenues) is produced in any year when there is an increase in these tax revenues within the redevelopment area over and above the amount of such taxes generated within the area in the year prior to the adoption of TIF. This increment is then used to pay for certain costs as permitted by the TIF Act for a period of time of up to 23 years. During this time, all taxing districts that levy real property and/or sales taxes within the redevelopment area continue to receive tax revenues based upon the property values and amount of sales taxes collected in the year prior to adoption of TIF. The personal property taxes that the districts receive from the redevelopment area are not subject to tax increment financing, nor is the revenue generated from the imposition of the "surcharge" on non-residential property.

The municipality seeking to create a redevelopment area must create a TIF Commission. This body is comprised of six individuals who are appointed by the chief elected officer of the City with the consent of the City Council, and three individuals who are appointed by the other taxing districts within the redevelopment area. Two of the three non-municipal appointments represent the school boards whose districts are included within the redevelopment area. The other member is appointed to represent all other taxing districts. The TIF Commission's role is to review and

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consider the redevelopment area and plan proposed, hold a public hearing, and make a recommendation to the governing body of the municipality regarding the establishment of the redevelopment area and the associated redevelopment plan and project(s).

There are several advantages in choosing TIF over other redevelopment programs. Foremost among these is the ability to raise revenue to be used to directly ameliorate or eradicate blighting conditions impacting the redevelopment area. Because the TIF Act authorizes the issuance of bonds and other obligations, the developer and the municipality may have funds available at the beginning of the development process when they are typically the most needed. Similarly, appropriate costs may be paid for on an annual basis, if and when the tax increment is created.

In the TIF process the municipality is vested with the control over where and how the increment will be used. The municipality is permitted to use the power of eminent domain to ensure that necessary property acquisition occurs and that public improvements are built.

The initial step in adopting TIF and establishing a redevelopment area is to analyze the area being contemplated for designation. This is necessary to determine whether the area can meet the criteria specified in the TIF Act for designation as a blighted, conservation, or an economic development area. Once the governing body of a municipality has determined that the area so qualifies, it may approve a redevelopment plan.

SECTION II

INTRODUCTION

BACKGROUND OF THE REDEVELOPMENT AREA

Location in the City

The proposed TIF #2 Redevelopment Area (the "Area") includes approximately 385 acres in the southeastern portion of the City generally bounded on the north by the Burlington Northern Railroad tracks, the west by Bridal Lane, and the east and south by the proposed extension of the Monett municipal boundary (Exhibit A, Boundary).

Description of the Area

The Area consists of 19 parcels. Six of the parcels are vacant/undeveloped, seven are residential, five are in commercial use, and one is public use (Exhibit B, Existing Land Use).

THE PURPOSE OF THE PLAN

The Area has been delineated to enable the City to assist in the planned, comprehensive development and redevelopment of certain areas within the community, particularly the eastern portion. The proposed activities and land uses within the Area follow the general actions and strategies for development and redevelopment shown in the City's Comprehensive Plan.

To best accomplish many of these actions and strategies, as well as other general objectives shown in the Comprehensive Plan for the entire community, and to best achieve the goals and policies of this Redevelopment Plan, the City has created the Area and divided it into 10 separate Redevelopment Project Areas (the "RPA(s)") (Exhibit C, RPAs). Each RPA has its own redevelopment program which is in keeping with the general actions and strategies shown in the Comprehensive Plan, and each impacts, and is impacted by, the activities within every other RPA. In order to best insure that the goals and objectives of this Redevelopment Plan are met, and to best insure that the redevelopment of this entire portion of the community is accomplished, the funds generated within one RPA may be used for the payment of redevelopment project costs within any other RPA.

Redevelopment Area

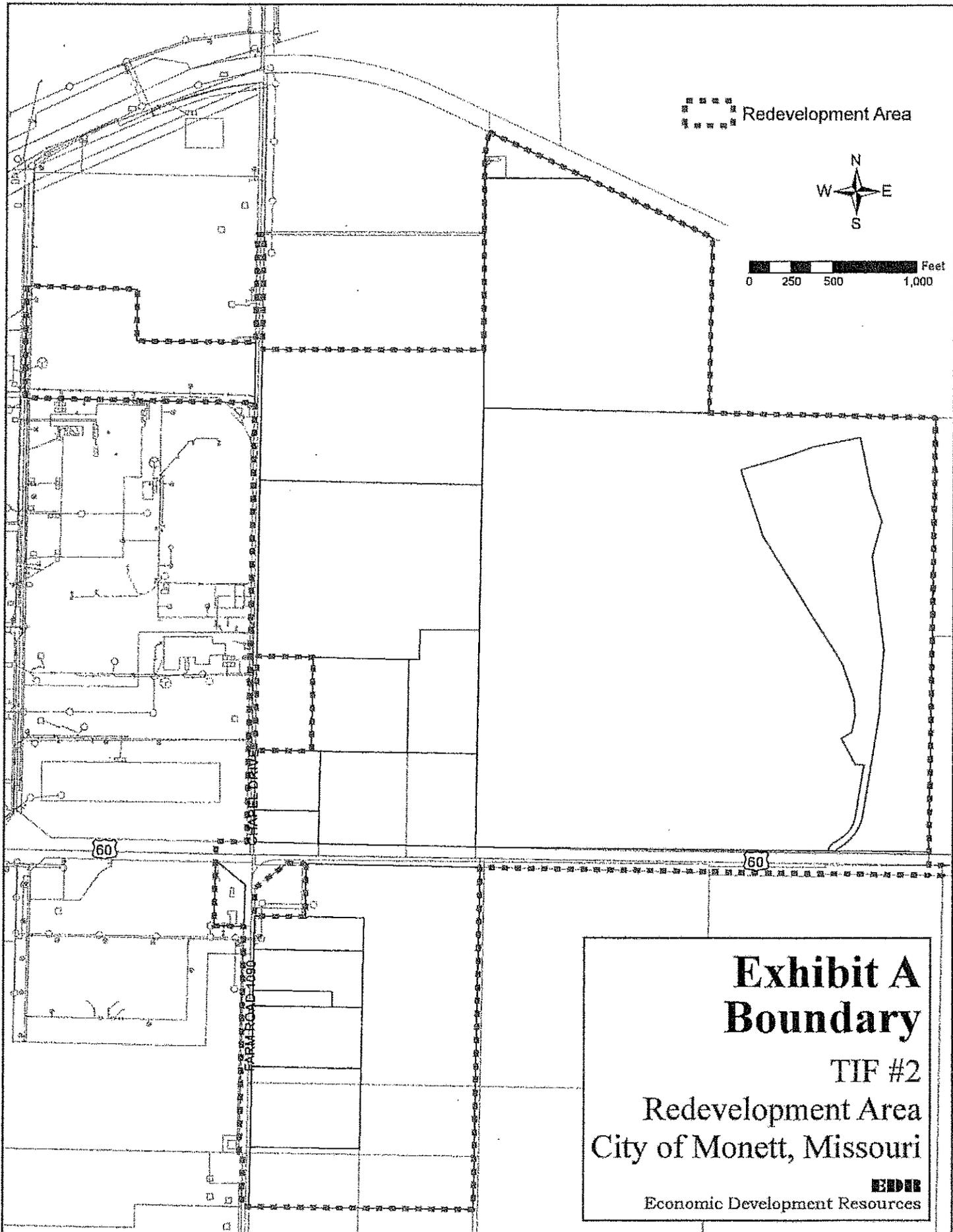
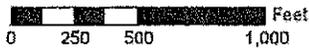
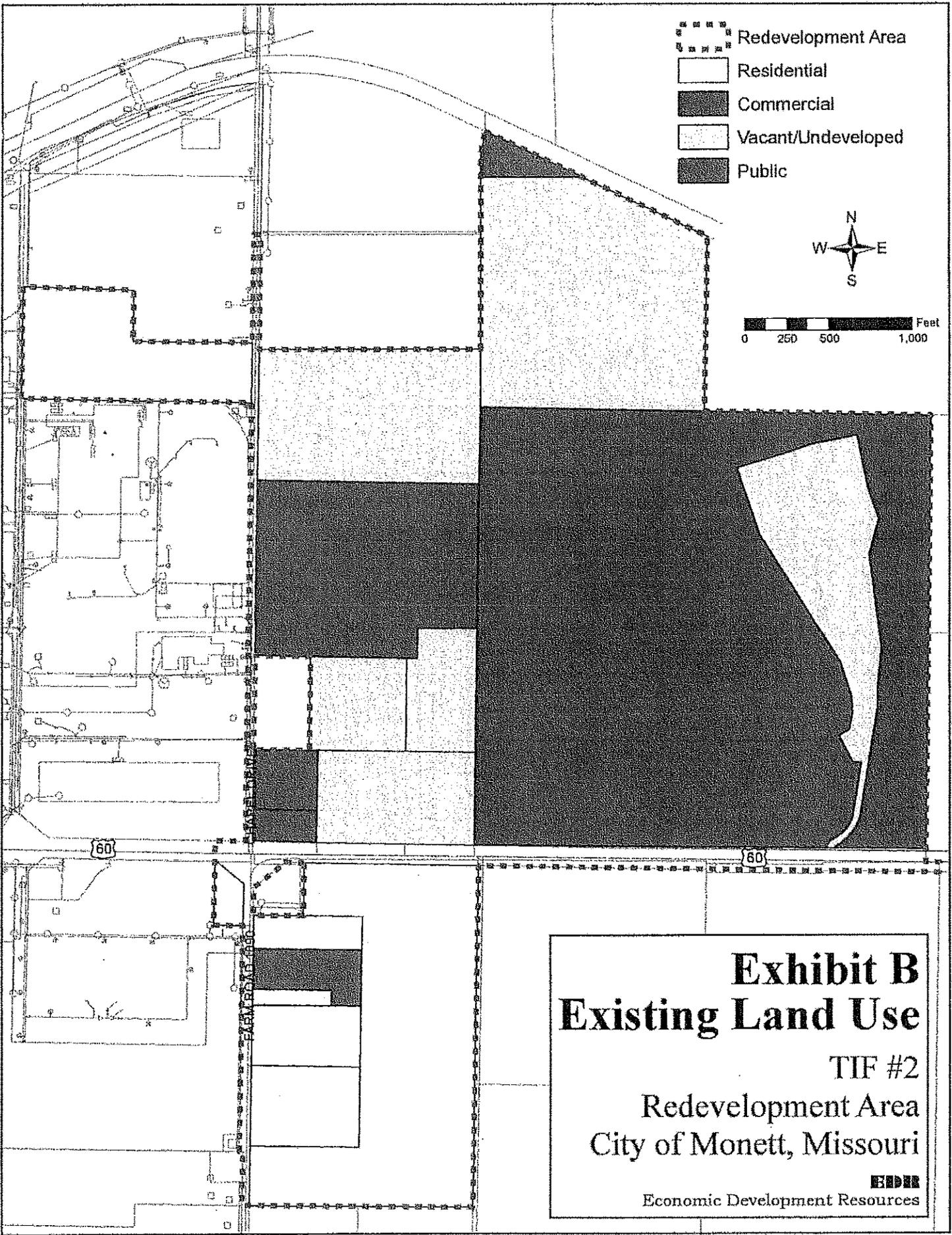


Exhibit A Boundary

TIF #2
Redevelopment Area
City of Monett, Missouri

EDDR
Economic Development Resources



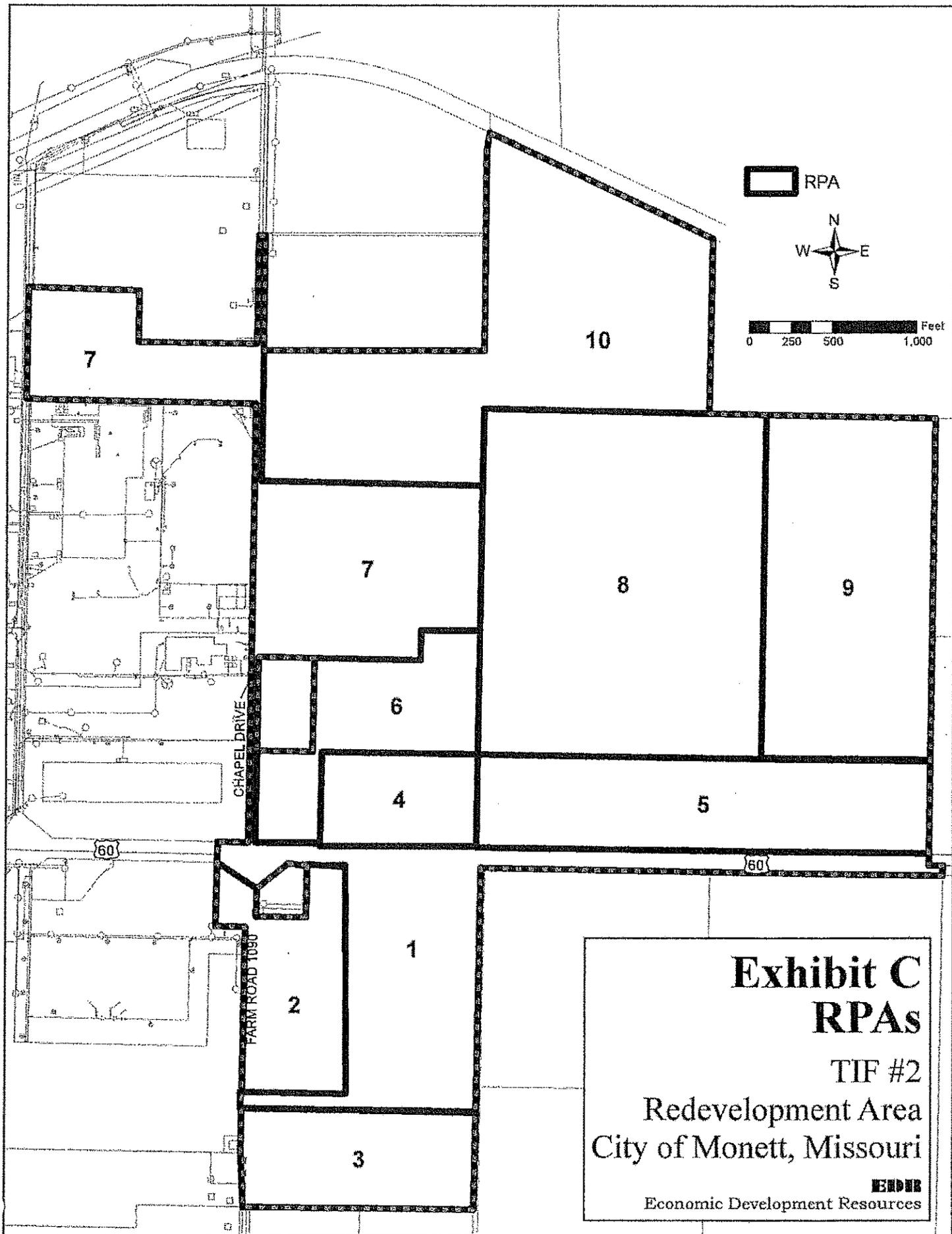
-  Redevelopment Area
-  Residential
-  Commercial
-  Vacant/Undeveloped
-  Public



Exhibit B Existing Land Use

TIF #2
Redevelopment Area
City of Monett, Missouri

EDIR
Economic Development Resources



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A main purpose, then of the TIF #2 Redevelopment Plan (the "Plan") is to create a process and, ultimately, funding program(s) which will enable the development of the Area to occur. The process will enable the City to select a private business or businesses to effectuate development and/or redevelopment in each RPA in a comprehensive and complete manner; the funding program(s) will create specific mechanisms for the effective use of the TIF funds to finance the development.

In the Plan, the City seeks to achieve specific goals within the Area:

- eradication of those blighting factors which have made the Area eligible for tax increment financing;
- construction of the public and private improvements necessary for the redevelopment in the Area to occur;
- provision of new commercial and industrial uses within the Area.

The geography of the Area has been delineated to enable the City to assist in the planned, comprehensive redevelopment of this portion of the community. The proposed activities and land uses within the Area follow the strategies for redevelopment shown in the City's Comprehensive Plan and are essential to accomplish the development and redevelopment of the Area.

The Redevelopment Project Areas

RPA 1 is an approximately 40 acre portion of the City located near the southeast quadrant of U.S. 60 and Farm Road 1090. This area is undeveloped.

RPA 2 is approximately 20 acres and contains a number of older, deteriorated residential and commercial structures, as well as undeveloped property, south of U.S. 60.

RPA 3 is an approximately 20 acre area of undeveloped land south along Farm Road 1090.

RPA 4 contains approximately 12 undeveloped acres immediately north, across U.S. 60, from RPA 1.

RPA 5 is mostly vacant land along the north side of U.S. 60 with a few commercial structures scattered within the area. There are approximately 35 acres in RPA 5.

RPA 6 contains nearly 4 acres of commercial activity at the northeast quadrant of U.S. 60 and Chapel, as well as approximately 16 acres of undeveloped property.

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RPA 7 contains the deteriorated Monett Speedway and an older residential structure. The area is approximately 48 acres.

RPA 8 is an approximately 90 acre, sparsely developed tract including a golf course.

RPA 9 is undeveloped and is the location of a failed residential subdivision. The area is approximately 35 acres.

RPA 10 includes 65 acres of undeveloped land, as well as a City water well.

SECTION III

SUMMARIES

BASIS FOR THE DESIGNATION OF THE REDEVELOPMENT AREA

In order to establish a redevelopment area, such area must meet certain criteria set forth in the TIF Act. The purpose of this portion of the Plan is, then, to document the qualifications of the Area under the terms and conditions of the TIF Act. In addition, this Plan serves as the basis for establishing the TIF #2 Redevelopment Project(s) (the "Project(s)") and the TIF financing parameters that apply to the Area. As noted in SECTION II above, the Area consists of 19 parcels totaling approximately 385 acres.

A tract of land proposed for designation as a redevelopment area must meet certain criteria set forth in the TIF Act. These criteria are established in accordance with one of the three types of redevelopment areas that may be designated:

- Blighted area;
- Conservation area;
- Economic Development area.

Based on the conditions which are discussed in the following section of this Plan (SECTION IV, ANALYSIS OF BLIGHTING FACTORS), the Area qualifies as a "blighted area".

As defined in Section 99.805 (1) of the TIF Act, a "blighted area", is "an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use."

A summary of the factors identified which cause this portion of the community to be found a "blighted area" is outlined below. Four of the factors mentioned in the TIF Act are evident and spread throughout this portion of the City.

Further, the Area has not been subject to growth and investment by private enterprise, and would not reasonably be anticipated to be redeveloped without the adoption of the Plan and the use of tax increment financing as envisioned in this Plan.

REDEVELOPMENT PROJECTS

The TIF #2 Redevelopment Projects will consist of multiple uses including, but not limited to, provision of new commercial and industrial activities, and improvements to the public infrastructure to complement these activities.

One Project currently under consideration calls for construction of an approximately 122,000 sq. ft. Lowe's Home Improvement Center ("Lowe's") near the southeast quadrant of U.S. 60 and Farm Road 1090.

Other potential redevelopment projects include general commercial and industrial uses along U.S. 60, Chapel Road and Farm Road 1090.

There are a number of development and redevelopment projects envisioned by the City as it attempts to develop the eastern portion of the community. These projects reflect the overall direction for economic development within the City as generally shown in the City's May 1998 Comprehensive Plan. The general redevelopment projects for each RPA are outlined below, and may include any activity that achieves the goals and objectives shown in this Redevelopment Plan:

RPA 1

This Project is the construction of a Lowe's Home Improvement Center, property assembly, and infrastructure improvements.

RPA 2

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 3

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 4

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 5

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 6

The Project(s) will include development of industrial and commercial uses, property assembly and infrastructure improvements.

RPA 7

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 8

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 9

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

RPA 10

The Project(s) will include development of commercial uses, property assembly and infrastructure improvements.

REDEVELOPMENT PROGRAM

The City anticipates that the Redevelopment Program (the "Program") of each RPA will involve significant private and public investment. As outlined later in this document (SECTION V, REDEVELOPMENT PLAN), the Program includes the remediation of certain blighted conditions within the Area, the provision of new and renovated public infrastructure, and the construction of new commercial and industrial uses. The Program is envisioned as a comprehensive approach to the revitalization of the Area, one which will halt the evident deterioration within the Area, enhance the surrounding portions of the community, and generate increased tax revenues for the affected taxing districts.

SECTION IV

ANALYSIS OF BLIGHTING FACTORS

As discussed in SECTION III above, the Area qualifies as a “blighted area” under the definitions and conditions as specified in Section 99.805, (1) of the TIF Act. Section 99.805, entitled *Definitions*, defines “blighted area” as follows:

...an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

The subsequent pages of this Section will discuss the blighting factors that were found to exist in the Area. For this analysis, conducted in the summer of 2004, the entire Area was reviewed by the staff of Economic Development Resources, L.L.C. (EDR), EDR discussed the Area and environs with representatives of the City of Monett and Barry County, Missouri, and all structures and sites were specifically evaluated by the Building and Zoning staff of the City of Monett. The analysis of the data gathered by the City, County and EDR was conducted by EDR.

Defective or inadequate street layout

Defective or inadequate street layout refers to the lack of, or inadequate public access to, streets within the Area.

Such factors include:

- The street layout in the Area does not provide direct access to four parcels as they are not abutting or adjacent to public streets or roads. Neighboring parcels must be used to access the properties either off-road, or on rights-of-way easements of inadequate size.
- The street layout is inadequate as there is no public rights-of-way parallel to U.S. 60 within the Area – a distance of approximately 1 mile. This inadequacy has created a number of very large parcels which have remained vacant and which would be difficult to develop in a manner compatible with contemporary standards.

Unsanitary or unsafe conditions

Unsanitary or unsafe conditions refer to the existence of conditions that are hazardous, toxic or noxious, and/or detrimental to the physical well-being of residents, workers, and visitors to the Area.

Such factors include:

- All public rights-of-way lacked sidewalks and curbs. Pedestrians must walk along the edge of the road or across the earthen ditches and through the yards of properties in the Area. This is a hazardous situation given the industrial nature of the traffic on, particularly, Chapel Drive. The lack of curbs further endangers pedestrians on the roadways in the Area;
- The storm water system along Chapel Drive and portions of Farm Road 1090 is unsafe, as it is provided by steep, earthen drainage ditches which are adjacent to the roadway pavement and are not separated from vehicular traffic. The situation is much the same on U.S. 60;
- Streetlights are nonexistent on Chapel Road and Farm Road 1090. Lack of light along these roadways is an obvious hazard to both vehicles and pedestrians;
- The widths of both the street pavement and actual rights-of-way of Chapel Drive and portions of Farm Road 1090 are not sufficient for the road types, land uses, and zoning classifications present. The pavement width of Chapel Drive, and portions of Farm Road 1090, is only 30 feet, six feet less than the Monett City Zoning Code standards for industrial and commercial areas; the rights-of-way standard of 60 feet is not met, as the rights-of-way themselves are approximately 45 feet. Insufficient road widths are particularly hazardous given Chapel Drive provides primary access to a major industrial and manufacturing district served by large "over the road" tractor trailer vehicles. This narrow width also poses serious concerns regarding access to the Area by fire and emergency vehicles;
- All thoroughfares in the Area have either isolated shoulders, or do not contain shoulders. Shoulder-like areas do exist on U.S. 60 Highway, yet they are limited to small portions of the roadway and are gravel. This situation is unsafe as there is little or no accommodation for vehicles which are involved in an accident, or which impede emergency responders, to move out of active traffic;
- The combination of roadways lacking shoulders, sidewalks, and curbs - served by steep earthen ditches and inadequate pavement width - create turning movements which, particularly given the nature and size of the traffic on Chapel, are hazardous;

- Standing water on developed lots and roadways was widespread. Despite the existence of earthen ditches for storm water run-off, large areas of standing water were found throughout the Area, days after rain had occurred. Such condition contributes to the insect and feral animal population evident in the Area;
- All but one property lacked either adequate garbage storage facilities, or areas for the safe containment of garbage. In addition, parts of the Area have been used for obvious unmonitored dumping of household and commercial refuse. These conditions also contribute to the likelihood of the spread of disease;
- A number of structures are in an advanced state of disrepair and are themselves therefore unsafe;
- The Area does not have sufficient access and provisions for the disabled, making the Area perilous for persons with disabilities.
- South of U.S. 60, water pressure from the public utility is insufficient to provide for the combined needs of drinking, hygiene, and fire fighting, creating a dangerous condition.
- The failing septic tanks and sanitary laterals throughout the Area pose a threat to residents, workers and visitors to the Area, as well as to other portions of the community. Untreated wastewater leaching from such systems may infiltrate ground water, spreading contaminants into the water supply;
- Construction of trailer homes prior to 1976 was unregulated by the U.S. Department of Housing and Urban Development. One of the trailer homes in the Area was constructed in 1975 according the Barry County Assessor's Office, and therefore, construction methods were unregulated and a hazard to the safety of residents, particularly from fire (inadequate wiring) and floods (inadequate plumbing);
- A majority of the developed properties in the Area have substandard electrical service and systems, an obvious safety issue;
- Vacant buildings, structures that are sporadically used, and/or site improvements on these developed properties are hazardous as they are not properly secured.

Deterioration of site improvements

Deterioration of site improvements refers to physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Deterioration of buildings which is not easily correctable in the course of normal maintenance may also be evident in buildings such as defects in secondary components such as doors, windows, porches, and fascia materials, etc., and major defects in primary components such as cracked or damaged foundations, frames, roofs, etc. Deterioration of site improvements could include: surface cracking, crumbling, or potholes in parking areas, and damaged signage, fences, retaining walls, utility poles, and dead or decaying landscaping.

All or many such factors were found on each building, parking area, or non-building structure within the Area and include:

- Roof materials which were exposed, deteriorated, warped and/or buckled;
- Window and door decay, including rotted and rusted sills and frames that allow drafts and leakage;
- Fascia materials which were rotted, rusted, or missing;
- Substantial surface cracking and crumbling of concrete porches and walkways;
- Rusted metal components, including those of exterior walls and bleachers;
- Rusted and inadequate fencing materials and components;
- Damaged trash enclosures;
- Surface cracking, patching of asphalt, and crumbling and depressed gravel portions of roadways and driveways.

Improper subdivision or obsolete platting

Improper subdivision refers to the existence of parcels that violate subdivision standards and requirements. Obsolete platting results in parcels of limited or narrow size, or parcels of irregular size or shape, or the arrangement of parcels which creates a situation in which land would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements. Obsolete platting also refers to platting that failed to create rights-of-way for streets or alleys or that created inadequate rights-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

Such factors include:

- Platting for four parcels failed to create rights-of-way or created inadequate rights-of-way widths for streets. Such platting also failed to provide adequate easements for necessary utilities;
- Such lots are also improperly subdivided, as they do not have their full frontage on a public street;
- Two lots have been created that are of limited size or narrow configuration that would be difficult to develop, or redevelop, in a manner compatible with contemporary and requirements standards.
- The configuration, positioning and arrangement of two parcels in the eastern portion of the Area make both parcels difficult to develop in a manner compatible with contemporary standards and requirements. The smaller parcel, platted in 1994, remains undeveloped. The configuration of this parcel makes it difficult to utilize in any manner, as seen from its continued vacancy over the past decade. Further, its intrusion into the larger parcel renders the eastern portion of this larger parcel problematical to develop as well, and makes the entire larger parcel difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements.

SUMMARY

An evaluation of the TIF #2 Redevelopment Area clearly shows that this area, on the whole, exhibits those characteristics stated in the TIF Act as a necessary for designation as a "blighted area".

In particular, the unsanitary or unsafe conditions, combined with the deterioration of site improvements, make the Area a menace to safety in its present condition and use. These factors, joined by those of defective or inadequate street layout, and improper subdivision or obsolete platting, have made the Area an economic liability in its present condition and use as well. The factors have led to the Area remaining both undeveloped and underdeveloped, and have resulted in an Area that provides little tax revenue to, and employment opportunities for the community; this despite the Area's excellent location on both the local and regional roadway systems, and despite the presence of major and relatively recent investment in close proximity to the Area.

The Redevelopment Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed through investment by private enterprise without the adoption of a Redevelopment Plan and the use of tax increment financing. The Redevelopment Area has been afforded a strong location (as it is served by both U.S. Highway 60 and Chapel Drive and the major interchange created by the two thoroughfares) for a wide range of non-residential development, including commercial and industrial uses. Yet there has been little investment in these types of activities, or in any development, in the Area throughout the last 20 years. Disinvestment in many structures is instead evident, with deterioration to most structures, and to the public infrastructure, easily seen.

Without the use of tax increment financing to address a number of issues within the Area, including, in particular: the need to provide and/or substantially upgrade the public utility systems and public infrastructure (including roadways) to induce and support contemporary commercial, institutional, residential and/or industrial development activity; the need to provide incentive for owners to rehabilitate the uses which will remain within the Area; and the need to provide assistance to address the cost of assembly of parcels necessary to comprise a single project which can then be developed for contemporary commercial, institutional, residential and/or industrial use, it is unlikely that little, if any, development (or redevelopment) will occur in the Area.

SECTION V

REDEVELOPMENT PLAN

OBJECTIVES

In order to create the Area, a Plan must be prepared and approved by the City Council outlining the Program that the City proposes to be undertaken to accomplish the objectives for the redevelopment area. The following objectives form the foundation of the Plan.

- Eliminate and/or reduce the presence of conditions that make the Area, in its present condition and use, a “blighted area” under the terms of the TIF Act;
- Stimulate redevelopment of the Area through private investment;
- Enhance the tax base of the City and that of other taxing districts whose jurisdictions include the Area;
- Achieve other, complementary goals and objectives for the Area as identified in the City’s Comprehensive Plan.

GENERAL LAND USES TO APPLY

Exhibit D, entitled General Land Use, provides an overall picture of the commercial and industrial land use development patterns that are envisioned to apply in the Area. The uses shown are in conformance with the City’s Comprehensive Plan.

ESTIMATED REDEVELOPMENT PROJECT COSTS

At the adoption of this Redevelopment Plan, the private costs to be incurred within each Redevelopment Project Area are speculative and unascertainable. Accordingly, the estimated “redevelopment project costs” below are only those costs that will be paid through tax increment financing, except where otherwise noted.

The TIF Act allows the City and/or designated redevelopers to incur redevelopment project costs associated with implementation of an approved redevelopment plan and approved redevelopment projects carried out in compliance with an approved redevelopment plan. These costs include all reasonable or necessary costs incurred, and any costs incidental to a redevelopment plan or redevelopment project. Thus, this Plan provides for the use of tax increment financing revenues for costs, which include, but are not limited to, the following:

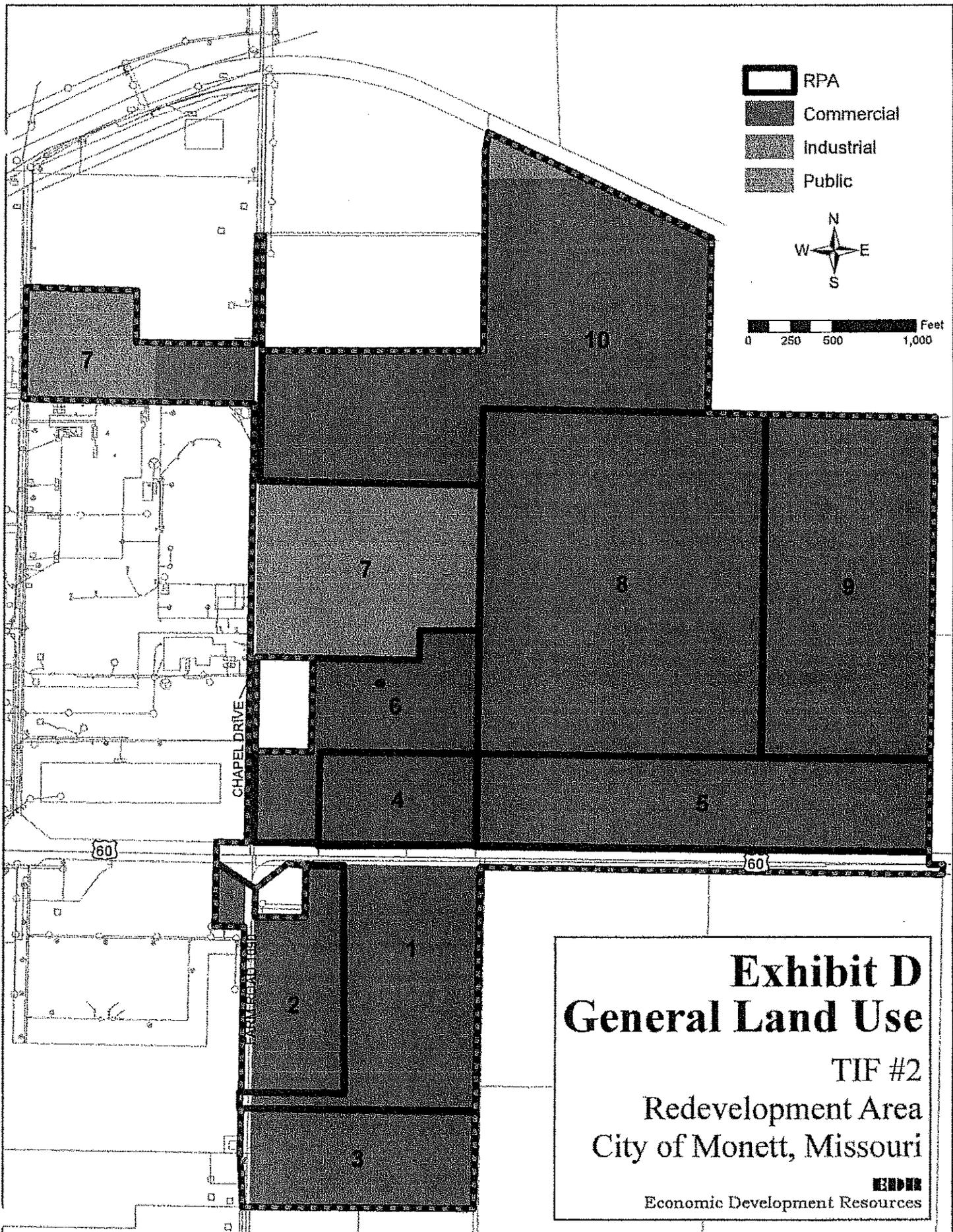


Exhibit D
General Land Use
 TIF #2
 Redevelopment Area
 City of Monett, Missouri
 ENDOR
 Economic Development Resources

- Costs of studies, surveys, plans and specifications;
- Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services;
- Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- Costs of construction of public works or improvements;
- Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include the payment of interest on any obligations issued pursuant to Sections 99.800 to 99.865 RSMo. accruing during the estimated period of construction of any Redevelopment Project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;
- All or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and project, to the extent the City by written agreement accepts and approves such costs;
- Relocation costs to the extent that the City determines that relocation costs shall be paid or are required to be paid by Federal or State law;
- Payments in lieu of taxes.

The City anticipates that the TIF #2 Redevelopment Project Costs (the "Costs") to be funded by tax increment financing within each RPA are related to the acquisition of land, demolition of structures and site improvements, site preparation, construction and reconstruction of public infrastructure, and the payment of professional fees and costs associated with such activities and with the preparation and/or issuance of obligations.

ANTICIPATED SOURCES OF FUNDS TO PAY COSTS

It is anticipated that there will be multiple sources of funds to pay the Costs associated with the implementation of the Plan and Redevelopment Project:

...payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project over and above the initial equalized assessed value of each such unit of property in the area selected for the redevelopment project... (This is the incremental revenue resulting from payments in lieu of taxes on increases in the value of real property in the Area);

...fifty percent of the total additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts, which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance... but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels... taxes levied for the purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or special assessments... (This is, primarily, incremental revenue from sales taxes levied by the City and County and does not include the City domestic utility tax pursuant to Article IV., Section 140.140 of the City Code of the City of Monett, or successor provisions).

Through its own investigation, discussions with representatives of the State's Department of Revenue and review of correspondence from Barry County concerning this issue, the City anticipates, at this moment in time, that these sales taxes on economic activities will include the following:

- 50% of the incremental 1.0% "general sales tax" levied by the City;
- 50% of the incremental 0.5% "capital improvement sales tax" levied by the City;
- 50% of the incremental 1.0% "general sales tax" levied by the County; and,

In addition to the payments in lieu of taxes and economic activity taxes, which are deposited in the special allocation fund established for the redevelopment project and then used to pay the Costs, the City anticipates that additional funds for the development of the sites will be provided by private redevelopers selected to undertake projects in the RPAs.

The City may also use other sources of revenue to finance Costs or alternatively, the City may make advances from any funds it has available. These advances would be reimbursed as and when there are sufficient monies in the special allocation fund.

TABLE 1
RPA 1 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$330,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$50,000
Costs of construction of public works or improvements concrete paving, walks and curbs; asphalt paving; extension and relocation of utilities – including sanitary and storm sewers, and water, natural gas and electric service (including traffic signalization)	\$5,055,000
Financing Costs including payment of interest on notes issued and reasonable reserves related to any notes or bonds issued	\$745,000
TOTAL	\$6,180,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

Based on information submitted by private parties seeking to develop within the Area and from information provided by persons knowledgeable as to development within the City, it is estimated that the total costs of development within the RPA (including TIF-funded redevelopment project costs identified above) will be approximately \$14,000,000.

TABLE 2

RPA 2 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$50,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$0
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$500,000
TOTAL	\$550,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 3

RPA 3 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$60,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$100,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$500,000
TOTAL	\$660,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 4
RPA 4 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$150,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$500,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$1,000,000
TOTAL	\$1,650,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 5

RPA 5 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$250,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$750,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$1,600,000
TOTAL	\$2,600,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 6

RPA 6 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$150,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$500,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$1,000,000
TOTAL	\$1,650,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 7

RPA 7 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$375,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$750,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$3,000,000
TOTAL	\$4,125,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 8
RPA 8 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$250,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$500,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$1,500,000
TOTAL	\$2,225,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 9

RPA 9 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$150,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$500,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$1,000,000
TOTAL	\$1,650,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

TABLE 10

RPA 10 ESTIMATED REDEVELOPMENT PROJECT COSTS

Professional service costs and costs of studies, surveys, plans, etc. architectural, legal, engineering, marketing, planning, et al.	\$250,000
Property assembly costs acquisition, demolition, and clearing and grading of land	\$500,000
Costs of construction of public works or improvements concrete paving, walks and curbs, asphalt paving, extension and relocation of utilities including sanitary and storm sewers, and natural gas	\$2,000,000
TOTAL	\$2,750,000

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, financing costs, discounts, and reserves not set forth above, if any.

The expenditure of tax increment financing revenues may be made on any item identified by the Act as a permissible redevelopment project cost. The Total does not include capitalized interest, underwriting costs, discounts, reserves, not set forth above, if any.

ANTICIPATED TYPE AND TERM OF THE SOURCES OF FUNDS

As noted above, payments in lieu of taxes and economic activity taxes will be used to pay the Costs of implementation of the Plan and development of Projects:

...payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project over and above the initial equalized assessed value of each such unit of property in the area selected for the redevelopment project... (This is the incremental revenue resulting from the application of the then current property tax rate to increases in the assessed value of real property in the Area);

...fifty percent of the total additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts, which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance... but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels... taxes levied for the purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or special assessments... (This is, primarily, incremental revenue from sales taxes levied by the City and County).

Should incremental revenue become available in any one year, or should loans or similar obligations be made, the City anticipates that the period of time for which it collects these annual revenues, or the period of time for which the loans or similar obligations will be amortized, will not exceed 23 years. Annually available incremental revenues will be used, and/or loans made, only to finance the Costs which are eligible costs as specified in Section 99.805 (11) of the TIF Act, including the funding of a debt service reserve fund, capitalized interest and any costs of issuing the TIF bonds or other obligations as shown therein or payments made pursuant to or in lieu of Section 99.847 RSMo.

ANTICIPATED TYPE AND TERM OF THE OBLIGATIONS TO BE ISSUED

TIF bonds or similar obligations may be issued in one or more series in order to pay for eligible Costs. These obligations may include notes, temporary notes, or other similar instruments to be redeemed by TIF bonds upon completion of any Project. In addition, these bonds, obligations, or instruments may be privately placed.

The City anticipates that the following Costs for RPA 1 will be financed, initially, through the issuance of TIF notes purchased by the developer or related parties associated with the developer of the Lowe's Home Improvement project:

- Improvements to an existing public right of way (Chapel Road)
- Construction of new public rights of way
- Construction of public utility lines (water, sewer, gas and electric)
- Engineering, professional costs and contingencies

Any such notes would be retired solely by, and payable solely from, revenues available in the Special Allocation Fund, or such notes will be retired through the issuance of TIF Bonds.

The balance of the public infrastructure and public improvements needed to implement the Lowe's project will be financed by bonds that will be privately placed or publicly sold. The City anticipates that such bonds will fund the engineering, acquisition and construction of portions of U.S. 60 needed to implement the development of the Lowe's project.

After this Project is complete, the City may wish to refund any TIF notes issued for it with TIF bonds. The City anticipates that such bonds would be sold to the public or to investors other than the developer and related parties. Such bonds would be retired solely by, and payable solely from, revenues available in the Special Allocation Fund.

In order to provide TIF financing for, or to assist in the development of other Projects that are identified in this Plan, the City may enter into similar arrangements regarding the issuance and retirement of notes, temporary notes, bonds, obligations or other similar instruments.

It is the City's intent to pay for the principal of and interest on these bonds, obligations or instruments, in any year, with money legally available for such purpose in the City's Special Allocation Fund.

The use of TIF bonds or other obligations or instruments for financing the Project will be subject to the review and recommendation of the TIF Commission and the City Council of Monett, as prescribed in the Act.

The exact nature, amount, and term of the TIF bonds, obligations, notes, or instruments will be specified at the time that specific proposals, if any, requesting such assistance are submitted for review. As previously noted, assistance from TIF for RPA 1 is being sought to finance the construction and reconstruction of public infrastructure (water, sewer, electric lines, roads and associated fees) necessary for the development of the Lowe's Home Improvement Center, and improvements to U.S. 60 needed in conjunction with the development of the Lowe's; the total amount of bonds, including any bonds issued to refund notes for this Project, will not exceed \$6.18 million, and may include additional costs of issuance, reserve funds and the like, if any. Alternatively, and in addition to the obligations outlined above, the City may make an advance from funds available for such purposes. Any such advance would be reimbursed with interest as and when there are sufficient monies in the Special Allocation Fund.

In addition to any bonds, obligations, notes, or instruments outlined above, the City may issue short-term obligations in the form of loans or bond anticipation notes. These would be issued for the purposes and uses as previously set forth in this Plan.

EVIDENCE OF COMMITMENTS TO FINANCE PROJECT COSTS

Appendix B contains a letter provided by the developers of RPA 1 as evidence of the commitments to finance project costs within such RPA. It is anticipated that project costs with the remaining RPAs will be paid on a pay-as-you-go basis.

ASSESSED VALUATION

In accordance with the TIF Act, the most recent assessed value of taxable real property and an estimate of the assessed value of taxable real property after redevelopment must be compiled for the Redevelopment Area and shown in the Plan. This information was provided through research on each parcel within the Area, conducted at the Barry County Assessors Office in June 2004. The most recent equalized assessed valuation (EAV) of the taxable real property in the Area is approximately \$585,000. The most recent EAV of each RPA:

<u>RPA</u>	<u>ESTIMATED EAV</u>
1	\$3,000
2	\$140,000
3	\$2,000
4	\$25,000
5	\$25,000
6	\$270,000
7	\$87,000
8	\$25,000
9	\$4,000
10	\$4,000

In order to estimate the assessed valuation after redevelopment, cost estimates and values after development were determined by EDR through information provided by the City, private parties seeking to develop within the Area, and from information provided by persons knowledgeable as to development within the City. We estimate that the total assessed value of taxable property within the Redevelopment Area to be approximately \$40,000,000 after all redevelopment activities are complete, an incremental increase of approximately \$39,500,000. The estimated recent EAV of each RPA after all redevelopment activities are complete:

<u>RPA</u>	<u>ESTIMATED EAV</u>
1	\$1,000,000
2	\$6,000,000
3	\$3,500,000
4	\$5,000,000
5	\$6,000,000
6	\$2,000,000
7	\$3,000,000
8	\$7,000,000
9	\$4,000,000
10	\$2,000,000

ESTIMATED DATE FOR COMPLETION OF THE REDEVELOPMENT PLAN AND PROJECT(S) AND RETIREMENT OF OBLIGATIONS

The estimated date for complete implementation of the Plan and the Project(s) is not later than December 31, 2038. Obligations incurred to finance the Plan and Project(s) implementation costs will be retired on or prior to that date. Each Project shall be completed and obligations incurred to finance Costs shall be retired, within twenty-three years from the adoption of the ordinance approving such Project, provided that no ordinance approving a Project shall be adopted later than ten years from the adoption of the ordinance approving the Plan under which such Project is authorized.

RELOCATION ASSISTANCE

The provisions of Section 99.810(4) of the TIF Act require that a relocation plan be developed for the assistance of every resident and/or business which is to be displaced in conjunction with the implementation of the Plan and any Project. In addition, the provisions of Section 523.200 to 523.215, RSMo (as amended) and its various subsections require that relocation plans have certain minimum requirements as contained therein. By Ordinance No. 7496, the City of Monett has adopted the required provisions of Sections 523.200 to 523.205 as minimum requirements of a relocation plan for any TIF redevelopment plan approved by the City. The relocation requirements of Ordinance No. 7496 are hereby incorporated herein and are adopted as the Relocation Plan for the Plan and minimum requirements for any Project. This Relocation Plan is contained in Appendix C.

SECTION VI

SUMMARY OF FINDINGS

Section 99.810 of the TIF Act requires that the City make various findings before the adoption of this Plan. The foregoing sections of this report provide supporting data for the findings that are made below.

Blighted Area

The Area meets the requirements for designation as a "blighted area" by virtue of unsanitary or unsafe conditions, deterioration of site improvements, defective or inadequate street layout, and improper subdivision or obsolete platting. These factors have made the Area a menace to public safety and welfare and have made the Area an economic liability in its present conditions and use.

The existence of these conditions was documented by field observations conducted by EDR, discussions with representatives of the City of Monett and Barry County, Missouri, and analysis of these data by EDR. They are detailed in this report in Section IV, ANALYSIS OF BLIGHTING FACTORS.

Lack of Growth and Development

As can be seen, the proposed Area has, in fact, experienced a lack of growth and development. Little private investment has been made here in the recent past and there is obvious and evident deterioration and vacancy. Further, the presence and distribution of the blighting factors noted above have negatively influenced the private sector's desire and ability to redevelop this Area.

Clearly "but for" the implementation of tax increment financing, the Plan and Projects will not proceed. The Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Plan.

Conformance with the Comprehensive Plan

The City's Comprehensive Plan, *City of Monett, Comprehensive Growth Plan*, outlines development activities throughout the City. That Plan discusses commercial and industrial land uses for this Area as well as expansion (and upgrading) of infrastructure in the eastern portion of the community. The Redevelopment Plan's general development activities, land uses and infrastructure improvements, and their general locations, are in conformance with the City's Comprehensive Plan.

Estimated Dates of Completion and Use of Eminent Domain

The estimated dates of completion of any individual Project and the payment of the Costs, or retirement of obligations, if any, to finance the Costs will not exceed a period more than 23 years from the date of adoption of the ordinance approving that particular Project. No ordinance shall be adopted approving a Project later than ten years from the adoption of the ordinance approving the Plan. In addition, there will be no acquisition by eminent domain of any property for a Project later than five years from the adoption of the ordinance approving such Project. The City anticipates that any Project which will be developed in the Area will be completed, and any obligations issued pertaining to such a Project, can be retired within 23 years of adoption of the Ordinances establishing such Project.

Relocation Assistance

It is the finding that a plan for relocation assistance for businesses and residences has been provided for in the Plan through reference to the City's relocation ordinance that complies with the provisions of Sections 523.200 to 523.215, RSMo. (as amended) and its various subsections which require that relocation plans have certain minimum requirements as contained therein. Thus, the City and this Plan comply with the provisions of Section 99.810(4) of the TIF Act which requires that a relocation plan be developed for the assistance of every resident and business which is to be displaced in conjunction with the implementation of the Plan and any Project.

Cost-Benefit Analysis

This analysis is to "... show the impacts on the economy if the project is not built, and is built pursuant to the redevelopment plan under consideration". Such analysis is to "...include a fiscal impact study on every affected political subdivision", and provide "sufficient information from the developer for the commission ... to evaluate whether the project as proposed is financially feasible".

Given the numerous blighting factors sited in SECTION IV, the City believes that it is highly unlikely that any project envisioned for the Area, (or any appreciable redevelopment activity) will be undertaken without tax increment financing assistance.

It is reasonable to assume that neither taxable real estate values nor personal property values within the Area (and the taxes generated by these values) will increase through private investment, nor will sales taxes grow unless this tax increment financing program is put in place; and as such there will be little, if any taxes "lost" to any political subdivision. But for the implementation of the tax increment financing program as shown in this Plan, there will be little if any increases in the tax revenues collected by the political subdivisions affected by this Plan.

A cost-benefit analysis has been provided for RPA 1, as Appendix D. A cost-benefit analysis for each other Redevelopment Project Area will be prepared prior to the adoption of tax increment financing within each such Redevelopment Project Area.

The impact of redevelopment in the Area on the respective taxing districts will not be noticeable. Should any Project within the Area result in any taxing district incurring a capital cost resulting from such project, such capital costs may be paid for from TIF revenues as noted in the Act.

Initial Development or Redevelopment of Any Gambling Establishment

This Plan does not include the initial development or redevelopment of any gambling establishment.

TIF #2
TAX INCREMENT FINANCING REDEVELOPMENT PLAN
MONETT, MISSOURI

APPENDICES

Appendix A

Legal Description of the Redevelopment Area
Legal Description of Redevelopment Project Area #1

MONETT TIF 2, REDEVELOPMENT AREA DESCRIPTION

ALL OF A TRACT DESCRIBED AS BEING A PART OF SECTIONS 32 AND 33 IN TOWNSHIP 26 NORTH, RANGE 27 WEST AND IN SECTIONS 4 AND 5 IN TOWNSHIP 26 NORTH, RANGE 27 WEST ALL BEING IN BARRY COUNTY, MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF THE SOUTHWEST QUARTER, AND ALL WEST ONE-HALF OF THE SOUTHEAST QUARTER, AND ALL THE SOUTH 330 FEET OF THE WEST ONE-HALF OF THE NORTHWEST QUARTER, AND ALL THE EAST ONE-HALF OF THE NORTHWEST QUARTER LYING SOUTH OF THE BURLINGTON NORTHERN RAILROAD, AND ALL THE WEST 25 FEET OF THE NORTH 990 FEET OF THE SOUTH ONE-HALF OF THE WEST ONE-HALF OF THE NORTHWEST QUARTER ALL BEING IN SECTION 33, TOWNSHIP 26 NORTH, RANGE 27 WEST, AND ALL THE NORTH 2000 FEET OF THE WEST ONE-HALF OF THE FRACTIONAL NORTHWEST QUARTER, AND ALL THE HIGHWAY RIGHT OF WAY FOR U.S. ROUTE 60 LYING IN THE EAST ONE-HALF OF THE FRACTIONAL NORTHWEST QUARTER AND IN THE WEST ONE-HALF OF THE FRACTIONAL NORTHEAST QUARTER ALL IN SECTION 4, TOWNSHIP 25 NORTH, RANGE 27 WEST, AND ALL THE EAST 35 FEET OF THE NORTH 2000 FEET OF THE FRACTIONAL NORTHEAST QUARTER, AND ALL THE NORTH 420 FEET OF THE WEST 175 FEET OF THE EAST 210 FEET OF THE FRACTIONAL NORTHEAST QUARTER ALL IN SECTION 5, TOWNSHIP 25 NORTH, RANGE 27 WEST, AND ALL THE EAST 25 FEET OF THE SOUTHEAST QUARTER, AND ALL THE SOUTH 330 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, AND ALL THE NORTH 330 FEET OF THE SOUTH 660 FEET OF THE WEST 660 FEET OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, AND ALL THE EAST 25 FEET OF THE NORTH 990 FEET OF THE SOUTH ONE-HALF OF THE EAST ONE-HALF OF THE NORTHEAST QUARTER ALL IN SECTION 32, TOWNSHIP 26 NORTH, RANGE 27 WEST IN BARRY COUNTY, MISSOURI, EXCEPT BEGINNING 611 FEET NORTH AND 25 FEET EAST OF THE SOUTHWEST CORNER OF SECTION 33, THENCE NORTH 561.66; THENCE NORTH 88° 5'4" EAST, 375.20 FEET; THENCE SOUTH 574.39 FEET; THENCE WEST 375 FEET TO POINT OF BEGINNING, AND EXCEPT BEGINNING 358 FEET SOUTH AND 15 FEET EAST OF THE NORTHWEST CORNER OF SECTION 4; THENCE EAST 297 FEET; THENCE NORTH 300.49 FEET TO SOUTH LINE OF HIGHWAY 60; THENCE WEST, ALONG SAID RIGHT OF WAY LINE 121.36 FEET; THENCE SOUTHWESTERLY ALONG SAID RIGHT OF WAY 224.11 FEET; THENCE SOUTH 160.04 FEET TO THE POINT OF BEGINNING.

REDEVELOPMENT PROJECT AREA #1 DESCRIPTION

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ALL OF THAT PART OF THE RIGHT OF WAY GRANTED TO THE MISSOURI DEPARTMENT OF TRANSPORTATION FOR U.S. HIGHWAY 60 LYING WITHIN SECTIONS 32 AND 33 IN TOWNSHIP 26 NORTH, RANGE 27 WEST AND IN SECTIONS 4 AND 5 IN TOWNSHIP 25 NORTH, RANGE 27 WEST AND DESCRIBED AS COMMENCING 210 FEET WEST OF THE NORTHEAST CORNER OF SAID SECTION 5; THENCE EAST TO THE EAST LINE OF THE WEST ONE-HALF OF THE FRACTIONAL NORTHEAST QUARTER OF SAID SECTION 4, ALSO ALL OF A TRACT DESCRIBED AS THE NORTH 1450 FEET OF THE WEST ONE-HALF OF THE FRACTIONAL NORTHWEST QUARTER OF SECTION 4 LYING SOUTH OF THE SOUTH LINE OF U.S. HIGHWAY 60, EXCEPT THE WEST 660 FEET OF THE NORTH 1390 FEET, AND EXCEPT THE NORTH 161 FEET OF THE SOUTH 221 FEET OF THE NORTH 1450 FEET OF THE WEST 597 FEET OF THE EAST 667 FEET OF THE WEST ONE-HALF OF SAID FRACTIONAL NORTHWEST QUARTER OF SECTION 4.

Appendix B

Evidence of the Commitments to Finance - Developer to supply

LOWE'S

Companies, Inc.
Legal Department

Highway 268 East - East Dock, N. Wilkesboro, NC 28659 (P.O. Box 1111, N. Wilkesboro, NC 28656, Mail Code (RBO))
Tel: (336) 658-7178; Fax: (336) 658-3262; E-Mail: David.N.Barnes@Lowe.com

David N. Barnes
Attorney At Law
Senior Corporate Counsel

January 21, 2005

City of Monett, Missouri
P.O. Box 110
217 Fifth Street
Monett, Missouri 65708
Attention: Tax Increment Finance Commission, #2

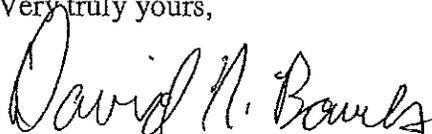
**Re: Lowe's Home Centers, Inc./Monett, MO
TIF #2 Redevelopment Area**

Ladies and Gentlemen:

You have asked Lowe's Home Centers, Inc. ("Lowe's") to detail the method by which Lowe's intends to finance Lowe's contemplated public and private improvements within the project area. Lowe's estimates that the overall development costs for within the project area will be approximately \$14,000,000.00, of which Lowe's expect tax increment financing or other public assistance (collectively, "TIF assistance") in the amount of approximately \$6,310,000.00 plus additional applicable financing costs. Except for the requested TIF assistance, Lowe's will finance the project using its own funds and equity. Specifically, Lowe's expects to advance certain costs related to the Lowe's redevelopment project within the project area and be reimbursed therefor, as will be more particularly defined by the Lowe's and the City of Monett (the "City") in negotiating and finalizing the Redevelopment Agreement.

We look forward to working with the City in order to accomplish the foregoing. Please do not hesitate to call our local counsel, Beverly A. Marcin (314-444-7678) if you have any questions or we can provide any additional information at this time.

Very truly yours,



David N. Barnes
Senior Corporate Counsel

LOWE'S HOME CENTERS, INC.,
a North Carolina corporation

By: David E. Shelton
Name: David E. Shelton
Title: Senior Vice President

DMB

Appendix C

Relocation Plan

BILL NO. 7496

COPY

ORDINANCE NO. 7496

AN ORDINANCE ESTABLISHING AND ADOPTING FOR THE CITY OF MONETT A RELOCATION POLICY FOR PLANS, PROJECTS, AND AREAS FOR REDEVELOPMENT APPROVED UNDER CHAPTER 99 R.S.MO., CHAPTER 100 R.S.MO., AND CHAPTER 353 R.S.MO.

WHEREAS, Sections 523.200 and 523.205 of Missouri Revised Statutes require establishment of a relocation policy applicable to any plan, project, or area for redevelopment under the operation of Chapter 99, Chapter 100, or Chapter 353 of Missouri Revised Statutes which was filed for approval, approved, or amended on or after August 31, 1991; and,

WHEREAS, the City of Monett wishes to adopt tax increment financing and to approve a redevelopment plan and project and designate a redevelopment area under the operation of Sections 99.800 through 99.865 of Missouri Revised Statutes (the "TIF Act"); and,

WHEREAS, the City of Monett has developed a relocation policy in accordance with requirements of Section 523.200 and 500.205 Missouri Revised Statutes (the "Relocation Policy") and the City Council wishes to adopt the Relocation Policy:

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

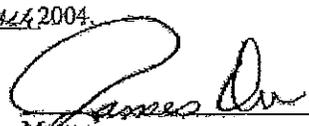
Section 1. The Relocation Policy, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, is hereby established, adopted, and approved.

Section 2. The Relocation Policy shall apply to any plan, project, or area for redevelopment under the operation of Chapter 99, Chapter 100, or Chapter 353 of Missouri Revised Statutes which was filed for approval, approved, or amended on or after August 31, 1991.

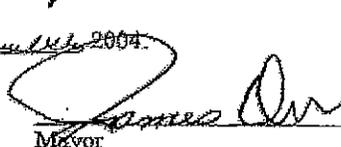
Section 3. The sections of this Ordinance shall be severable. In the event that any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections of this Ordinance are valid, unless the court finds the valid sections of this Ordinance are so essential and inseparably connected with and dependent upon the void section that it cannot be presumed that the City Council would have enacted the valid sections with the invalid ones, or unless the court finds that the valid sections standing alone are incomplete and are incapable of being executed in accordance with the legislative intent.

Section 4. This Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

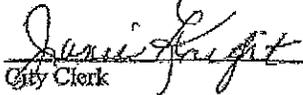
PASSED THIS 29 DAY OF November 2004.


Mayor

APPROVED THIS 29 DAY OF November 2004.


Mayor

ATTEST:


City Clerk

**RELOCATION POLICY ADOPTED BY THE CITY OF MONETT
ACCORDING TO CHAPTER 523.200 AND
CHAPTER 523.205 OF THE MISSOURI REVISED STATUTES**

Definitions.

523.200. As used in sections 523.200 to 523.215, the following words mean:

- (1) "Displaced person", any person that moves from the real property or moves his personal property from the real property permanently and voluntarily as a direct result of the acquisition, rehabilitation or demolition of, or the written notice of intent to acquire such real property, in whole or in part, for a public purpose;
- (2) "Public agency", the state of Missouri or any political subdivision or any branch, bureau or department thereof and any quasi-public corporation created or existing by law which are authorized to acquire real property for public purpose and which acquire any such property either partly or wholly with aid or reimbursement from federal funds;
- (3) "Urban redevelopment corporation", as defined in section 353.020, RSMo.

(L. 1971 H.B. 94 § 1, A.L. 1991 H.B. 502)

Relocation assistance given, when—definitions.

523.205. 1. Any public agency as defined in section 523.200* which is required, as a condition to the receipt of federal funds, to give relocation assistance to any displaced person is hereby authorized and directed to give similar relocation assistance to displaced persons when the property involved is being acquired for the same public purpose through the same procedures, and is being purchased solely through expenditure of state or local funds.

2. The governing body of any city, or agency thereof, prior to approval of a plan, project or area for redevelopment under the operation of chapter 99, RSMo, chapter 100, RSMo, or chapter 353, RSMo, which proposes or includes within its provisions or necessitates displacement of persons, when such displacement is not subject to the provisions of the Federal Uniform Relocation and Real Property Acquisition Policies Act of 1970 (42 U.S.C. sections 4601 to 4655, as amended) or subsection 1 of this section, shall establish by ordinance or rule a relocation policy which shall include, but not be limited to, the provisions and requirements of subsections 2 to 15 of this section, or in lieu thereof, such relocation policy shall contain provisions and requirements which are equivalent to the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. sections 4601 to 4655, as amended).

3. As used in this section, the following terms shall mean:

(1) "Business", any lawful activity that is conducted:

(a) Primarily for the purchase, sale or use of personal or real property or for the manufacture, processing or marketing of products or commodities; or

(b) Primarily for the sale of services to the public;

(2) "Decent, safe and sanitary dwelling", a dwelling which meets applicable housing and occupancy codes. The dwelling shall:

(a) Be structurally sound, weathertight and in good repair;

(b) Contain a safe electrical wiring system;

(c) Contain an adequate heating system;

(d) Be adequate in size with respect to the number of rooms needed to accommodate the displaced person; and

(e) For a handicapped person, be free of any barriers which would preclude reasonable ingress, egress or use of the dwelling;

(3) "Handicapped person", any person who is deaf, legally blind or orthopedically disabled to the extent that acquisition of another residence presents a greater burden than other persons would encounter or to the extent that modifications to the replacement residence would be necessary;

(4) "Initiation of negotiations", the delivery of the initial written offer of just compensation by the acquiring entity, to the owner of the real property, to purchase such real property for the project, or the notice to the person that he will be displaced by rehabilitation or demolition;

(5) "Person", any individual, family, partnership, corporation, or association.

4. Every urban redevelopment corporation acquiring property within a redevelopment area shall submit a relocation plan as part of the redevelopment plan.

5. Unless the property acquisition under the operation of chapter 99, RSMo, chapter 100, RSMo, or chapter 353, RSMo, is subject to federal relocation standards or subsection 1 of this section, the relocation plan shall provide for the following:

(1) Payments to all eligible displaced persons, as defined**, who occupied the property to be acquired for not less than ninety days prior to the initiation of negotiations who are required to vacate the premises;

(2) A program for identifying special needs of displaced persons with specific consideration given to income, age, size of family, nature of business, availability of suitable replacement facilities and vacancy rates of affordable facilities;

(3) A program for referrals of displaced persons with provisions for a minimum of three decent, safe and sanitary housing referrals for residential persons or suitable referral sites for displaced businesses, a minimum of ninety days' notice of referral sites for handicapped displaced persons and sixty days' notice of referral sites for all other displaced persons prior to the date such displaced persons are required to vacate the premises, and arrangements for transportation to inspect referral sites; and

(4) Every displaced person shall be given a ninety-day notice to vacate, prior to the date such displaced person is required to vacate the premises.

6. All displaced residential persons eligible for payments shall be provided with relocation payments based upon one of the following, at the option of the person:

(1) A five-hundred-dollar fixed payment; or

(2) Actual reasonable costs of relocation including actual moving costs, utility deposits, key deposits, storage of personal property up to one month, utility transfer and connection fees and other initial rehousing deposits including first and last month's rent and security deposit.

7. All displaced businesses eligible for payments shall be provided with relocation payments based upon the following, at the option of the business:

(1) A one-thousand-five-hundred-dollar fixed payment; or

(2) Actual costs of moving including costs for packing, crating, disconnection, dismantling, reassembling and installing all personal equipment and costs for relettering similar signs and similar replacement stationery.

8. If a displaced person demonstrates the need for an advance relocation payment, in order to avoid or reduce a hardship, the developer or public agency shall issue the payment subject to such safeguards as are appropriate to ensure that the objective of the payment is accomplished. Payment for a satisfactory claim shall be made within thirty days following receipt of sufficient documentation to support the claim. All claims for relocation payment shall be filed with the displacing agency within six months after:

(1) For tenants, the date of displacement;

(2) For owners, the date of displacement or the final payment for the acquisition of the real property, whichever is later.

9. Any displaced person, who is also the owner of the premises, may waive relocation payments as part of the negotiations for acquisition of the interest held by such person. Such waiver shall be in writing, shall disclose the person's knowledge of the provisions of this section and his entitlement to payment and shall be filed with the acquiring public agency.

10. All persons eligible for relocation benefits shall be notified in writing of the availability of such relocation payments and assistance, with such notice to be given concurrently with the notice of referral sites as required in subdivision (3) of subsection 5 of this section.

11. Any urban redevelopment corporation, its assigns or transferees, which have been provided any assistance under the operation of chapter 99, RSMo, chapter 100, RSMo, chapter 353, RSMo, or this chapter, with land acquisition by the local governing body, shall be required to make a report to the local governing body or appropriate public agency which shall include, but not be limited to, the addresses of all occupied residential buildings and structures within the redevelopment area and the names and addresses of persons displaced by the redeveloper and specific relocation benefits provided to each person, as well as a sample notice provided to each person.

12. An urban redevelopment corporation which fails to comply with the relocation requirements provided in this section shall not be eligible for tax abatement as provided for in chapter 353, RSMo.

13. The requirements set out in this section shall be considered minimum standards. In reviewing any proposed relocation plan under the operation of chapter 99, RSMo, chapter 100, RSMo, or chapter 353, RSMo, the local governing body or public agency shall determine the adequacy of the proposal and may require additional elements to be provided.

14. Relocation assistance shall not be provided to any person who purposely resides or locates his business in a redevelopment area solely for the purpose of obtaining relocation benefits.

15. The provisions of sections 523.200 and 523.205 shall apply to land acquisitions under the operation of chapter 99, RSMo, chapter 100, RSMo, or chapter 353, RSMo, filed for approval, approved or amended on or after August 31, 1991.

Appendix D

Cost-Benefit Analysis

REDEVELOPMENT PROJECT AREA (RPA) 1

COST-BENEFIT ANALYSIS
MONETT, MISSOURI

TAXING DISTRICT	TAX	2 nd Full Year of Project's Operation		15 th Full Year of Project's Operation		After the Expiration of the RPA	
		No Build Alternative (All Revenues)	Build Alternative (Non-TIF Revenues)	No Build Alternative (All Revenues)	Build Alternative (Non-TIF Revenues)	No Build Alternative (All Revenues)	Build Alternative (Non-TIF Revenues)
LIBRARY	Real Property	\$ 13	\$ 13	\$ 14	\$ 13	\$ 16	\$ 2,539
	Personal Property	\$ -	\$ 801	\$ -	\$ 801	\$ -	\$ 801
	TOTAL	\$ 13	\$ 814	\$ 14	\$ 814	\$ 16	\$ 3,340
HEALTH	Real Property	\$ 5	\$ 5	\$ 6	\$ 5	\$ 6	\$ 1,004
	Personal Property	\$ -	\$ 317	\$ -	\$ 317	\$ -	\$ 317
	TOTAL	\$ 5	\$ 322	\$ 6	\$ 322	\$ 6	\$ 1,320
HANDICAP	Real Property	\$ 5	\$ 5	\$ 6	\$ 5	\$ 6	\$ 1,004
	Personal Property	\$ -	\$ 314	\$ -	\$ 314	\$ -	\$ 314
	TOTAL	\$ 5	\$ 319	\$ 6	\$ 319	\$ 6	\$ 1,318
SCHOOLS	Real Property	\$ 258	\$ 258	\$ 291	\$ 258	\$ 321	\$ 51,530
	Personal Property	\$ -	\$ 16,252	\$ -	\$ 16,252	\$ -	\$ 16,252
	TOTAL	\$ 258	\$ 16,511	\$ 291	\$ 16,511	\$ 321	\$ 67,782

REDEVELOPMENT PROJECT AREA (RPA) I

COST-BENEFIT ANALYSIS
MONETT, MISSOURI

TAXING DISTRICT	2 nd Full Year of Project's Operation		15 th Full Year of Project's Operation		After the Expiration of the RPA		
	No Build Alternative (All Revenues)	Build Alternative (Non-TIF Revenues)	No Build Alternative (All Revenues)	Build Alternative (Non-TIF Revenues)	No Build Alternative (All Revenues)	Build Alternative (Non-TIF Revenues)	
ROADS	Real Property	\$ 12 \$	\$ 12 \$	\$ 13 \$	\$ 12 \$	\$ 15 \$	2,352
	Personal Property	\$ - \$	\$ 742 \$	\$ - \$	\$ 742 \$	\$ - \$	742
	TOTAL	\$ 12 \$	\$ 753 \$	\$ 13 \$	\$ 753 \$	\$ 15 \$	\$ 3,093
AMBULANCE	Real Property	\$ 9 \$	\$ 9 \$	\$ 10 \$	\$ 9 \$	\$ 11 \$	1,751
	Personal Property	\$ - \$	\$ 552 \$	\$ - \$	\$ 552 \$	\$ - \$	552
	TOTAL	\$ 9 \$	\$ 561 \$	\$ 10 \$	\$ 561 \$	\$ 11 \$	\$ 2,303
COUNTY	Commercial Surcharge	\$ - \$	\$ 3,747 \$	\$ - \$	\$ 4,220 \$	\$ - \$	4,659
	1.0% general Sales	\$ - \$	\$ 156,060 \$	\$ - \$	\$ 201,880 \$	\$ - \$	482,531
	TOTAL	\$ - \$	\$ 159,807 \$	\$ - \$	\$ 206,100 \$	\$ - \$	\$ 487,190
CITY	1.0% general Sales	\$ - \$	\$ 156,060 \$	\$ - \$	\$ 201,880 \$	\$ - \$	482,531
	.5% cent capital improvement Sales	\$ - \$	\$ 78,030 \$	\$ - \$	\$ 100,940 \$	\$ - \$	241,266
	TOTAL	\$ - \$	\$ 234,090 \$	\$ - \$	\$ 302,820 \$	\$ - \$	\$ 723,797

Appendix E

Developer's Affidavit - Developer to supply

7. Affiant further states that to the best of his/her knowledge and belief, the statements set forth herein are true, correct and complete and that the Company's interest in the Property is contractual and that his/her recommendation to the Company to proceed as the redeveloper of the Property will not be positive unless the public investment using the TIF is made.

David E. Shelton
Senior Vice President

FURTHER AFFIANT SAITH NOT.

David E Shelton DMB

On this 21st day of January, 2005, before me personally appeared David E. Shelton, to me known or identified to be the person who executed the foregoing Affidavit, and acknowledged to me that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Carla H. Reavis
Notary Public

My commission expires: 9-22-06

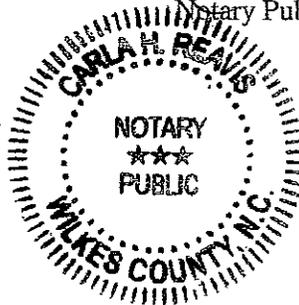


EXHIBIT A

MONETT TIF 2 DESCRIPTION

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Economic Development Resources
St. Louis, Missouri
200 South Hanley Road
Suite #601
St. Louis, Missouri 63105

LOWE'S

Companies, Inc.
Legal Department

Highway 268 East -- East Dock, N. Wilkesboro, NC 28659 (P.O. Box 1111, N. Wilkesboro, NC 28656, Mail Code (REO))
Tel: (336) 658-7178; Fax: (336) 658-3262; E-Mail: David.N.Barnes@Lowe.com

David N. Barnes
Attorney At Law
Senior Corporate Counsel

January 21, 2005

City of Monett, Missouri
P.O. Box 110
217 Fifth Street
Monett, Missouri 65708
Attention: Tax Increment Finance Commission, #2

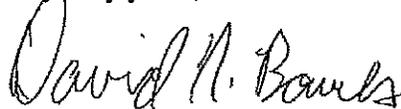
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Very truly yours,



David N. Barnes
Senior Corporate Counsel

LOWE'S HOME CENTERS, INC.,
a North Carolina corporation

By: David E. Shelton
Name: David E. Shelton
Title: Senior Vice President

OWB

EXHIBIT 2

APRIL 21, 2014

The Monett City Council met in regular session, Monday, April 21, 2014 at 9:30 a.m. in the Monett City Hall Council room, at 217 5th Street, Monett, Missouri. Attendance was as follows: James Orr-Mayor, Mike Brownsberger-Commissioner, Dennis Pyle-City Administrator, Justin Beck, Golf Superintendent, Skip Schaller-Utilities Superintendent, Wade Ennes-Building and Zoning Inspector, Jeff Meredith-Chamber of Commerce Director, Janie Knight-City Clerk, and interested citizens. Commissioner Dierker was absent from the meeting.

Mayor Orr called the meeting to order, and the minutes of a previous meeting dated March 20, 2014 were approved as written with a motion from Commissioner Brownsberger, and a second from the Mayor. The following vote was taken: Orr-yes, Brownsberger-yes, and Dierker-absent.

Monthly expenditures were presented for payment approval. The total sum was \$1,939,618.12. Motion was heard from Commissioner Brownsberger and a second from Mayor Orr to approve payment of the bills. The following vote was recorded: Orr-yes, Brownsberger-yes, and Dierker-absent.

PURPLE HEART PRESENTATION

Representatives of the Military Order of Purple Hearts were in attendance to present the City of Monett with a special recognition for becoming a Purple Heart City. A proclamation naming the City of Monett as a Purple Heart City had been approved by the Council at the March 2014 regular meeting.

PROCLAMATION MASONIC HOME OF MISSOURI

Mayor Orr also signed a proclamation proclaiming June 14, 2014 as Masonic Home of Missouri Day. Local Masonic Lodge 129 representatives were in attendance to accept the proclamation.

BILL 8269 THIRD READING INTERFERENCE WITH TRAFFIC FLOW

Bill 8269 was read for a third reading for an ordinance adding a new Section 215.455 to the City of Monett Code entitled "Interference with Traffic Flow." Motion was made by Commissioner Brownsberger to approve the bill. Second was made by Mayor Orr. The following vote was recorded: Orr-yes, Brownsberger-yes, and Dierker-absent. Motion having been made and seconded, and the vote taken, the bill was duly adopted and became an ordinance of the City. Said bill was signed by the Mayor and attested to by the City Clerk.

BILL 8270 THIRD READING MONETT CHAMBER AGREEMENT

Bill 8270 was read for a third reading for an ordinance to approve an agreement with the Monett Chamber of Commerce. The agreement authorized proposed donations to the annual fireworks display. Motion was made by Commissioner Brownsberger to approve the bill. Second was made by Mayor Orr. The following vote was recorded: Orr-yes, Brownsberger-yes, and Dierker-absent. Motion having been made and seconded, and the vote taken, the bill was duly adopted and became an ordinance of the City. Said bill was signed by the Mayor and attested to by the City Clerk.

BILL 8278 SECOND READING LAND LEASE WITH HISTORICAL SOCIETY

Bill 8278 was read for a second reading and public comment for an ordinance authorizing a land lease between the City of Monett and the Monett Historical Society. Upon completion of the reading by title only, Mayor Orr opened the meeting for public comment. Gale Huffmaster, representing the Monett Historical Society addressed the City Council, briefing them and the audience on the current and past status of the organization, and the proposed request for the leasing of the east one half of a municipal parking lot at 2nd and Bond for a building site for a new museum. Mr. Huffmaster stressed the need for a new facility to house historic artifacts, and his thoughts of the past site of Central Park School being a fitting location. Ron Wormington, former owner and father of the current owner of Bennett Wormington Funeral Home, located next to the parking lot, addressed City Council regarding his concerns about the loss of spaces in the municipal parking lot, and the current need and use of the lot by Monett citizens. He stressed his support for the Monett Historical Society, but was concerned about the loss of parking space at the location. He suggested a location on Broadway to enhance the downtown district. Ken Wroblewski, downtown business owner, spoke about the needs of more parking spaces within the downtown district, and the loss of spaces with the new use of a portion of the lot. Ralph Scott, resident of Monett spoke in favor of the leasing of the lot for the concept of building a new historical museum. Mayor Orr also noted a letter received from Rod Anderson in support of the project. A third reading for the bill was scheduled for May 20, 2014.

BILL 8282 FIRST READING OF CODE ADOPTION

Bill 8282 was presented for introduction and first reading of an ordinance adopting and enacting a new Code of Ordinances of the City of Monett. A second reading and public comment was set for May 20, 2014.

RESOLUTION 8283 LEASE AGREEMENT W/HIGHSPEED INTERNET

City Council approved and passed a resolution approving and authorizing a lease agreement between the City and Total Highspeed Internet LLC. The site lease agreement offered provisions, terms, conditions and covenants between the City and the company for the installation of broadband service antennas upon the City water towers. Motion was made by Mayor Orr, and a second by Commissioner Brownsberger approving the agreement. The following vote was recorded: Orr-yes, Brownsberger-yes, and Dierker-absent.

RESOLUTION 8284 FUEL TANK STORAGE LEASE

City Council approved and passed a resolution authorizing the execution of a fuel storage tanks lease agreement with Jack Henry and Associates, Inc. for service at the Monett Regional Airport. Mayor Orr commented the agreement was renewing the contract with the same terms. Motion was made by Commissioner Brownsberger to approve the lease. Mayor Orr seconded the motion, and the following vote was recorded: Orr-yes, Brownsberger-yes, and Dierker-absent.

BILL 8285 EMERGENCY LEGISLATION/2005 SERIES A AND SERIES B REFINANCING

City Council agreed to the suspension of the rules of procedure in consideration of Bill 8285 deeming it an emergency legislation. The bill 8285 authorized approval of the refinancing of Series 2005 A and B Bonds, acknowledging receipt of a preliminary report proposing a structure for the refunding, engaging the firm of Yates, Mauck, Bohrer, Elliff and Fels, PC to act as bond counsel for the refund structuring, authorizing instructions for the calling of the bonds, appropriations for the series 2014 refunding bonds, and other actions in connection with the issue. Dennis Pyle, City Administrator briefed the audience on the issue. Commissioner Brownsberger made the motion to approve the bill. Mayor Orr seconded the motion, and the following vote was recorded: Orr-yes, Brownsberger-yes, and Dierker-absent. Motion having been made and seconded, and the vote taken, the bill was duly adopted as an ordinance of the City of Monett. Said bill was signed by the Mayor and attested to by the City Clerk.

RESOLUTION 8286 ADDITIONAL GRANT FUNDING FOR SAFE ROOM

The City Council authorized the execution of grant application paperwork, requesting additional funding available from the Federal Emergency Management Agency through the Hazard Mitigation Grant Program for a City of Monett Safe Room Project. Pyle explained the course of obtaining the additional funding and other details regarding the project. Motion was made by Mayor Orr authorizing the filing of the application for the additional funding. A second was heard from Commissioner Brownsberger. The following vote was recorded: Orr-yes, Brownsberger-yes, and Dierker-absent.

RESOLUTION 8287 GOLF COURSE EQUIPMENT FINANCING

City Council accepted a finance proposal from United Missouri Bank for a four year lease with 2.25% interest to finance golf course equipment. Council reviewed requested proposals received in relation to the financing of the equipment. The purchase amount for the equipment was estimated at \$159,000.00. Motion was made Mayor Orr to accept the four year proposal from UMB for the lease purchase, and authorize the signing of documents by Mayor, Mayor-Pro-Tem or City Administrator to complete the transaction. Second was made by Commissioner Brownsberger. The following vote was taken: Orr-yes, Brownsberger-yes, and Dierker-absent.

GOLF COURSE EQUIPMENT PURCHASE

City Council approved the purchase of equipment for the Monett Windmill Golf Course. Council authorized the purchase of the following items from VanWall: John Deere: Tri-Plex-\$33,199.76, Aerifier-\$25,205.73, Rough Mower-\$45,374.91, Trim Mower-\$31,519.76, Fairway Mower \$22,500.00, VGM Fee-\$500.00 for a total of \$159,300.16. The proposal for the equipment purchase also included a member rebate of \$914.25 and a parts credit of \$3407.00. Upon review of the specifications and equipment to be purchased, Commissioner Brownsberger made the motion authorizing the purchase. Mayor Orr seconded the motion, and the following vote was recorded: Orr-yes, Brownsberger-yes, and Dierker-absent.

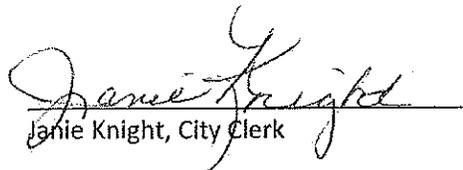
April 21, 2014

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SPRENKLE AND ASSOCIATES/A DIVISION OF ANDERSON ENGINEERING/RATE REVIEW

City Council reviewed current rates with Sprenkle and Associates, a division of Anderson Engineering. Kevin Sprenkle was in attendance to address the Council regarding the requested 3% increase in rates. He expressed his appreciation for their long relationship with the City. The current contract specified that any increase in current rates would be approved by the City. The current contract would expire December 31, 2014. Motion was made by Commissioner Brownsberger to accept the 3% increase in rates. Mayor seconded the motion, and the following vote was recorded: Orr-yes, Brownsberger-yes, and Dierker-absent.

Department Heads in attendance gave their monthly reports. Having no further business, the meeting was adjourned with a motion by Commissioner Brownsberger, and a second from the Mayor. A unanimous yes by both members present was recorded.


Janie Knight, City Clerk

BILL NO. 8285

ORDINANCE NO. 8285

AN ORDINANCE ACCEPTING THE RECOMMENDATION OF THE TIF COMMISSION ADVISING THAT INTEREST COST SAVINGS ARE AVAILABLE TO THE CITY FROM REFUNDING THE OUTSTANDING PRINCIPAL OF THE SERIES A & B 2005 BONDS; ACKNOWLEDGING RECEIPT OF A PRELIMINARY REPORT OF CREWS & ASSOCIATES, INC., PROPOSING A STRUCTURING FOR THE REFUNDING BONDS; AGREEING TO PROCEED WITH A STRUCTURING USING SUCH PROPOSED TERMS; ENGAGING THE LAW FIRM OF YATES, MAUCK, BOHRER, ELLIFF & FELS, P.C. AS BOND COUNSEL TO ASSIST THE CITY IN STRUCTURING THE REFUNDING; DIRECTING THE BUDGET OFFICER, UPON APPROVAL AND ACCEPTANCE OF PRICING, TO INCLUDE IN THE BUDGET FOR THE CITY FOR FISCAL 2015 AN APPROPRIATION FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE SERIES 2014 REFUNDING BONDS; AUTHORIZING GIVING OF INSTRUCTIONS TO THE TRUSTEE TO CALL FOR EARLY REDEMPTION OF THE OUTSTANDING SERIES A & B 2005 BONDS ON JULY 1, 2014; AUTHORIZING AND DIRECTING THE TRUSTEE TO GIVE NOTICE TO THE BOND HOLDERS OF THE CALL FOR OPTIONAL REDEMPTION OF THE SERIES A & B 2005 BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE FOREGOING.

WHEREAS, the City of Monett, Missouri (the "City") has implemented tax increment financing pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, inclusive, of the Revised Statutes of Missouri, as amended (the "Act"), and has issued bonds for the purpose of providing funds to finance the costs of certain redevelopment projects and to pay certain costs related to the issuance of such bonds; and

WHEREAS, the City, pursuant to the authority of the Act, formed the Tax Increment Financing Commission of the City (the "TIF Commission") to assist the City Council with recommendations and suggestions regarding TIF actions to be taken on behalf of the City; and

WHEREAS, in furtherance of such purpose the TIF Commission conducted a public hearing and thereafter considered and recommended to the City Council, the adoption of Ordinance No. 7585 authorizing the issuance of the Series A 2005 and the Series B 2005 Bonds to pay the costs of construction and expansion of U.S. Highway 60 from the Western city limits east to the western boundary of Chappell Drive of within the Area described in the Plan all to fulfill the redevelopment objectives set forth in the Plan; and

WHEREAS, Section 401 (c) of the Ordinance provides that the City may call the Series A & B 2005 Bonds for redemption beginning on July 1, 2010 and the City Council has determined to

accept the recommendation of the TIF Commission and exercise the option contained in Section 401(c) of the Ordinance to call for redemption of the aggregate outstanding principal amount of \$3,510,000 Series A & B 2005 Bonds being composed of \$975,000 of the Series A 2005 to be redeemed at 100% on July 1, 2014, and \$2,535,000 of the Series B 2005 to be redeemed at 100% on July 1, 2014.

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

Section 1. Crews Refunding Proposal. The City Council acknowledges receipt of a preliminary proposal from Crews & Associates showing anticipated terms for an issuance of refunding bonds by the City and determining that the City would benefit from structuring a refunding to attempt to secure the objectives set forth in that proposal.

Section 2. Authorizing Step to Amend the Budget of the City For Fiscal Year 2015. The City Council authorizes as a part of the structuring budget adjustments allocating to the budget for Fiscal Year 2015: (a) an amount equal to the proceeds received by the City from the Special Allocation Fund which is on deposit with the Trustee for the purposes set forth herein; and (b) \$1,324,511 of the funds on deposit with the Trustee in other accounts including the Debt Service Reserve Fund which when added to the proceeds of the Refunding Bonds will represent the amount necessary to redeem the portions of the Series 2005 Bonds herein to be called for redemption. The Budget Officer is hereby authorized to adjust the accounts of the City in accordance with amounts in this budget adjustment.

Section 3. Redemption of the Series 2005 Bonds. Subject to receipt of acceptable terms of purchase offer for the refunding bonds, the City Council authorizes the giving of instructions to the Trustee of Notice of Redemption of the Series 2005 Bonds by providing the notice to registered holders of the Outstanding Series 2005 Bonds. The City Council authorizes and approves the prepayment and redemption of \$3,510,000 principal amount of the outstanding Series 2005 Bonds on July 1, 2014 by exercising its option to call for redemption: (i) the Series 2005A Bonds at a redemption price equal to 100% of the aggregate outstanding principal amount of \$975,000 plus accrued interest; and (ii) the Series 2005B Bonds at a redemption price equal to 100% of the aggregate outstanding principal amount of \$2,535,000 plus accrued interest thereon. A form of the Notice of Redemption is attached to this Ordinance as Exhibit "A."

Section 4. Approval of Letter of Instruction To Redeem Bonds. The City Council approves the giving of the Irrevocable Letter of Instructions to the Trustee to Redeem Bonds which shall direct the Trustee to implement the redemption of the Series 2005 Bonds. The Mayor is hereby authorized and directed to date and execute the Letter of Instructions to Redeem and to cause the same to be delivered to the Trustee on behalf of the City. A form of such Letter of Instructions is attached to this Ordinance as Exhibit "B."

Section 5. Engagement of Bond Counsel. The City Council approves the engagement of the law firm of Yates, Mauck, Bohrer, Elliff & Fels, P.C. to represent the City as Bond Counsel in documenting and structuring the refunding of the Series A & B 2005 Bonds and the Mayor is authorized to execute an engagement letter with that firm for such services. A copy of the Engagement Letter is attached as Exhibit "C."

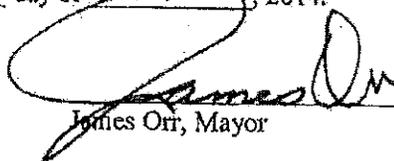
Section 6. Further Authorization. The Mayor of the City is hereby authorized and directed to execute and deliver for and on behalf of the City, and the City Clerk is hereby authorized and directed where appropriate to attest, all certificates, documents, agreements or other instruments, and the Mayor of the City or his designated representative are hereby authorized and directed to take any and all actions, as may be necessary, desirable, convenient or proper to carry out and comply with the provisions of all agreements or contracts, necessary or reasonably incidental to the implementation of this Ordinance.

Section 7. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 8. Repeal of Conflicting Ordinances. All prior Ordinances of the City Council or any parts thereof in conflict with any or all of the foregoing ordinance are hereby repealed to the extent of such conflict.

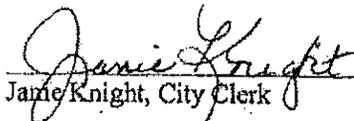
Section 9. Effective Date. This Ordinance shall take effect and be in full force and effect from and after its passage by the City Council.

PASSED AND APPROVED this 21 day of April, 2014.


James Orr, Mayor

[SEAL]

ATTEST:


Jamie Knight, City Clerk

May 30, 2014

The Monett City Council met in special session, Friday, May 30, 2014 at 9:00 a.m. in the Monett City Hall Council room, 217 5th Street, Monett, Missouri. Attendance was as follows: Mayor-James Orr, Commissioners-Jerry Dierker and Mike Brownsberger, City Administrator-Dennis Pyle, Utilities Superintendent-Skip Schaller, City Clerk-Janie Knight, representatives of Allgeier, Martin, and Associates, Attorney and Bond Counsel-Carl Yates, TIF Chairman-Mark Nelson, and media representative-Murray Bishoff of the Monett Times.

Mayor Orr called the session to order.

BILL 8297 TIF SERIES 2014 REFUNDING SERIES 2005 A & B

Bill 8297 was introduced and read by title only, representing an ordinance authorizing \$2,510,000.00 annual appropriation supported-tax increment and sales tax refunding revenue bonds, Series 2014, refunding Series 2005 A & B tax increment allocation bonds for the East US Highway and RPA1 infrastructure projects. Carl Yates, Attorney and Bond Counsel for the issue presented the bill and briefed the City Council on the specifics and terms of the transaction. Upon conclusion of the presentation and introduction of the bill, the Mayor called for a second reading. Bill 8297 was read for the second time, and the session was then opened for public discussion on the matter. Discussion was held and questions were addressed on the issue. Mark Nelson, Chairman of the TIF Commission spoke in favor of the transaction. Discussion being ended, Mayor Orr called for a third reading of the bill. Bill 8297 was read for a third and final reading. Motion was heard from Commissioner Dierker approving the bill. Second to the motion was made by Commissioner Brownsberger. The following vote was taken: Orr-yes, Dierker-yes, and Brownsberger-yes. Motion having been made and seconded, and the vote taken, the bill was duly adopted and became an ordinance of the city. Said bill was signed by the Mayor and attested to by the City Clerk.

ELECTRIC RATE STUDY

Representatives of Allgeier, Martin and Associates were in attendance to present preliminary results of an electric rate study for the City of Monett Utilities Department. City Administrator explained the process initiating the study. The study contents were explained by the representatives of the engineering firm Allgeier, Martin and Associates, Inc. City Administrator, Dennis Pyle proposed to Council further review of the study, and possible preparations to amend electric rates in the near future.

Having no further business, the meeting was adjourned with a motion by Commissioner Dierker and a second from Commissioner Brownsberger. The following vote was taken: Orr-yes, Dierker-yes, and Brownsberger-yes.


Janie Knight, City Clerk

Resolution No. 2014-1

RESOLUTION OF THE TERMS COMMITTEE SUPPLEMENTING ORDINANCE NO. 8297, AUTHORIZING THE ISSUANCE OF THE CITY'S ANNUAL APPROPRIATION – SUPPORTED SALES TAX AND TAX INCREMENT REFUNDING REVENUE BONDS, SERIES 2014, AND RELATED MATTERS.

The City of Monett, Missouri (the “**City**”) acting by its City Commission (the “**City Council**”) adopted Ordinance Number 8297 on May 30, 2014 (the “**Bond Ordinance**”), which in Section 301 permits the issuance of bonds of the City for the purpose of, among other things, providing funds for refunding all its Series 2005 Bonds then outstanding, including the payment of accrued interest thereon and any expenses in connection with such refunding. The City Council wishes to implement the refunding of the Series 2005 Bonds through the issuance of refunding bonds pursuant to Section 301 of the Ordinance (the “**Refunding Bonds**”), subject, however, to the Refunding Conditions, as hereinafter defined.

In connection with the offering of the Bonds, there was presented to the City Council at the time of the adoption of the Ordinance, the following: (i) a proposed Preliminary Official Statement describing the Bonds, the security therefor, and the City and its operations (the “**Preliminary Official Statement**”), (ii) the form of the Bond Purchase Agreement, (iii) the form of a Continuing Disclosure Agreement as set forth in an Appendix to the Preliminary Official Statement, and (iv) the form of the Trust Indenture between the City and UMB Bank, NA as Trustee (the “**Trustee**”) (the “**Indenture**”) (collectively, the “**Bond Documents**”).

Crews & Associates, Inc., Little Rock, Arkansas, (the “**Underwriter**”) has presented to the City Council the form of a proposed Bond Purchase Agreement between the Underwriter and the City, by which the Underwriter anticipates making a proposal to purchase the Refunding Bonds proposed to be offered for the sale by the City, and purchase by the Underwriter, under the Bond Purchase Agreement, a copy of which proposal when accepted by a signed Terms Committee Certificate adopted by the Terms Committee, hereinafter defined, will be attached to the Bond Purchase Agreement as Schedule 1 (the “**Bond Purchase Agreement**”).

The City Council in the Ordinance duly reviewed, considered and approved the forms of the Bond Documents and has determined that each is in acceptable form.

The City Council has found and determined that the issuance and sale of the Bonds on the terms contemplated hereby are in conformity with the purposes of the City set forth in the Act (as defined in the Ordinance) and are in the public interest and otherwise beneficial to the City, the County of Barry, Missouri (the “**County**”) the Monett R-1 School District (the “**School District**”) and the Barry County 911 Board (the “**911 Board**”).

Section 205 of the Ordinance contemplates that by a Term Committee Resolution the City Council will fix or provide for the aggregate principal amount of such Refunding Bonds, their maturity dates, interest rates, redemption provisions and other details thereof, and will provide for the application of the proceeds thereof.

The City Council has determined that it is necessary to delegate to the Terms Committee composed of the Mayor of the City, the City Administrator of the City and the Chairman of the Tax Increment Financing Commission of the City of Monett, Missouri (the “**TIF Commission**”) the authority to approve the sale of the Refunding Bonds and such details of the Refunding Bonds as cannot be determined except under actual

market conditions as they exist at the time of the sale of the applicable Refunding Bonds to the Underwriter, but subject to the parameters established by this Terms Committee Resolution.

NOW THEREFORE IT IS RESOLVED by the City Council of the City, as follows:

Section 1. Authorization of Bonds. (a) The City is authorized to issue the Refunding Bonds pursuant to Section 301 of the Ordinance for the purpose of providing funds, with other funds of the City as may be available therefor, for currently refunding the Series 2005 Bonds in full, including the payment of any accrued interest thereon; paying costs of issuance of the Refunding Bonds; and as necessary, funding reserves for the payment of principal of and interest on the Refunding Bonds, subject, however, to the following conditions (the “**Refunding Conditions**”):

- (i) The aggregate principal amount of the Refunding Bonds shall not exceed \$2,700,000; and
- (ii) The Refunding Bonds shall bear interest at rates per annum no one of which shall exceed five percent (5.0%) per annum.
- (iii) The Refunding Bonds will be issued in fully registered form, in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York (“**DTC**”), and immobilized in the custody of DTC or otherwise as may be permitted by DTC’s rules. One Refunding Bond will be issued for the original principal amount of each maturity of the Refunding Bonds. Beneficial owners will not receive physical delivery of the Refunding Bonds. *Individual* purchases of Refunding Bonds may be made in book entry form only in original principal amounts of \$5,000 and integral multiples of \$5,000.

Payments of the principal of and premium, if any, and interest on the Refunding Bonds will be made to DTC or its nominee as registered owner of the Bonds on the applicable payment date.

So long as Cede & Co., or its successor, as nominee, is the registered owner of the Refunding Bonds, references in the Ordinance or this Terms Committee Resolution to the Holders of the Refunding Bonds mean Cede & Co. and do not mean the beneficial owners of the Refunding Bonds.

Replacement Refunding Bonds (the “**Replacement Bonds**”) will be issued directly to beneficial owners of Bonds rather than to DTC, or its nominee, but only in the event that:

- a. DTC determines not to continue to act as securities depository for the Refunding Bonds;
- b. the City has advised DTC of its determination that DTC is incapable of discharging its duties; or
- c. the City has determined that it is in the best interests of the beneficial owners of the Refunding Bonds not to continue the book-entry system of transfer.

Upon occurrence of the events described in clause (1) or (2), the City will attempt to locate another qualified securities depository. If DTC makes the determination described in clause (1) and the City fails to

locate another qualified securities depository to replace DTC, the City will execute, and the Bond Registrar will authenticate and deliver to the Participants (as defined in DTC's rules), the Replacement Bonds to which such Participants are entitled. In the event the City makes the determination described in clause (2) or (3) (the Bond Registrar has no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any such determination), and if the determination under clause (2) has also been made, and the City has failed to locate another qualified securities depository and has made provisions to notify the beneficial owners of the Refunding Bonds by mailing an appropriate notice to DTC, the City will execute, and the Bond Registrar will authenticate and deliver to the Participants, the appropriate Replacement Bonds to which Participants are entitled. The Bond Registrar is entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Bonds.

The Refunding Bonds will be issued substantially in the form set forth in Section 501 of the Ordinance, with appropriate variations, omissions and insertions as may be permitted or required by the Ordinance and this Terms Committee Resolution. There may be endorsed on the Refunding Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law.

Subject to the Refunding Conditions, the Refunding Bonds shall be issued in such principal amount; shall be dated a date that is on or before the date of their delivery; shall be Current Interest Serial Bonds and/or Term Bonds; shall mature, subject to mandatory sinking fund redemption with such Amortization Requirements and to the right of prior redemption in accordance with Section 2 hereof, on January 1 of such years not later than 2028; and shall bear interest payable on January 1 and July 1 in each year commencing not later than January 1, 2015 (or such other date as may be approved in the Terms Certificate), at such rates per annum; all as may be determined by the Terms Certificate which shall be attached to this Terms Committee Resolution signed by the Mayor, the City Administrator and the Chairman of the TIF Commission delivered at the Closing.

(i) Pursuant to the Ordinance, the City hereby makes or confirms the following appointments and authorizes the following: Crews & Associates, Inc (as "**Underwriter**"), as the underwriter for the Bonds; and

(ii) UMB Bank, N.A. as Trustee under the Ordinance and Paying Agent and Bond Registrar for the Refunding Bonds in accordance with the Trust Indenture between the City and the Trustee as Trustee (the "**Trustee**").

Section 2. Optional Redemption. The Refunding Bonds shall be subject to the right of prior redemption at the option of the City, from any moneys that may be made available for such purpose, either in whole or in part, on any date, the first such date to be not more than 10 ½ years after the dated date of the Refunding Bonds, and at Redemption Prices no one of which shall exceed 103%. Notice of any such optional redemption shall be provided in the manner described in the Ordinance and may include a statement that such redemption is conditioned on the event or events specified in such notice. The Trustee is hereby authorized to issue a conditional notice at the written direction of the City, and any such notice shall be subject to rescission at the written direction of the City.

Section 3. Terms of Purchase. The Terms Committee is hereby authorized to accept an offer of the Underwriter in the form of the Bond Purchase Agreement, to purchase all the applicable Refunding Bonds

at a price representing a discount from the initial public offering prices of the applicable Series of Bonds equal to the sum of:

- (i) the amount of original issue discount and original issue premium, if any, and
- (ii) the amount of the underwriters' discount, not to exceed two and one-half percent (2.5%) of the face amount of the Refunding Bonds, plus accrued interest, if any, and resulting in a true interest cost to the City not in excess of five percent (5%), upon the terms and conditions set forth in the Bond Purchase Agreement.

Section 4. Approval of Bond Purchase Agreement. The form of the Bond Purchase Agreement presented to the City Council on May 30, 2014 and with Schedule 1 completed as presented at this meeting relating to the offering and sale of the applicable the Refunding Bonds to the Underwriter and the execution and delivery thereof by the City are hereby authorized, and if the Terms Committee shall accept the offer(s) of the Underwriter, the Bond Purchase Agreement shall be executed in the manner therein set forth to evidence the acceptance by the City of such offer(s), with such changes, insertions and omissions as may be approved by the Terms Committee, the execution of the Bond Purchase Agreement by the Chairman of the Terms Committee to be conclusive evidence of the City's approval of any such changes, insertions and omissions.

Section 5. Approval of Official Statement. The Preliminary Official Statement in the form presented to the City Council is approved. The use and distribution by the Underwriter of the Preliminary Official Statement in connection with the offering of the Refunding Bonds, prior to the availability of the Official Statement, is hereby authorized. The Terms Committee is hereby authorized to deem the Preliminary Official Statement final for purposes of Rule 15c212 of the Securities and Exchange Commission, and the distribution of such Preliminary Official Statement shall be conclusive evidence that the City has deemed such Preliminary Official Statement final. The Terms Committee of the City is hereby authorized and directed to execute and deliver to the Underwriter for its use and distribution in making a public offering of the Refunding Bonds (but only upon the terms and conditions set forth herein and in the Bond Purchase Agreement) a final Official Statement, together with any amendment or supplement to such final Official Statement as may be necessary to comply with the Bond Purchase Agreement, which in the case of such final Official Statement shall be substantially in the form of the Preliminary Official Statement approved by the City Council, with such changes, insertions and omissions as the Terms Committee may approve, and which in the case of any such amendment or supplement shall be in such form as the Mayor as the Chairman of the Terms Committee may approve. The execution and delivery by the Terms Committee of the final Official Statement or any such amendment or supplement thereto shall be conclusive evidence that the City has approved any such changes, insertions and omissions, amendment or supplement, as the case may be.

Section 6. Execution of the Bonds. The Refunding Bonds shall be executed with the original or facsimile signature of the Mayor and the original signature of the City Clerk of the City, and the seal of the City shall be impressed, or a facsimile of the seal of the City shall be imprinted, on the applicable Bonds. The Refunding Bonds shall be authenticated by the Bond Registrar and shall be delivered by the Trustee to or for the account of the Underwriter upon receipt of the purchase price set forth in the Bond Purchase Agreement accepted by the Terms Committee.

Section 7. Application of Refunding Bond Proceeds.

(a) The proceeds of the Refunding Bonds shall be applied by the Trustee as follows:

(i) an amount equal to accrued interest, if any, received upon the delivery of the Refunding Bonds shall be deposited to the Debt Service Fund held by the Trustee under the Indenture;

(ii) an amount equal to the Reserve Requirement for the Refunding Bonds shall be deposited to the Debt Service Reserve Fund; provided that in lieu thereof, such amount, or any lesser amount, may be used to acquire any instrument permitted by the Ordinance to satisfy such Reserve Requirement;

(iii) an amount necessary to pay the Cost of Issuance shall be deposited into the Cost of Issuance Fund to be used to pay Cost of Issuance; and

(iv) the balance of the proceeds shall be transferred by the Trustee to the Current Refunding Fund for deposit, together with other available funds as set forth in paragraph (b) below, in the Current Refunding Fund and shall be applied by the Trustee as required by the Indenture or used by the City for costs of issuance of the Refunding Bonds.

(b) Simultaneously with the application of the proceeds of the Refunding Bonds as provided above, the Trustee shall take the following actions regarding funds held by the Trustee under the 2005 Indenture:

(i) the amount, if any, held in the Debt Service Fund for the payment of principal and interest due on July 1, 2014, on the Series 2005 Bonds shall be transferred to the Current Refunding Fund.

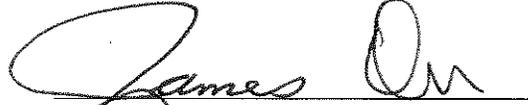
(ii) the amount held in the Debt Service Reserve Fund shall be transferred to the Current Refunding Fund to be used with moneys from the Debt Service Fund and a portion of the proceeds of the Refunding Bonds to refund the Series 2005 Bonds.

Section 8. Ratification; Further Action. The actions previously taken by the officers and staff of the City are hereby ratified and confirmed. The officers and staff of the City, any of whom may act, are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in connection with the issuance of the Refunding Bonds.

Section 9. Other Definitions. All terms not otherwise defined herein shall have the meanings given to such terms in the Ordinance.

Section 10. Effective Date. This Terms Committee Resolution shall take effect immediately upon its adoption.

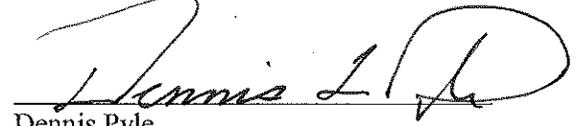
PASSED AND ADOPTED this 20th day of June, 2014.



James Orr
Mayor and Chairman



Mark Nelson
Chairman TIF Commission



Dennis Pyle
City Administrator

CERTIFICATION OF TERMS COMMITTEE

The undersigned hereby certifies and represents to the Underwriter, **Crews & Associates, Inc.** (the "**Underwriter**"), as original purchaser, that they are the Mayor of the **City of Monett, Missouri** (the "**City**"), the Chairman of the TIF Commission of the City and the City Administrator of the City and are authorized to execute and deliver this Certificate and further certify on behalf of the City to the Underwriter as follows:

1. The City Council of the City established this Terms Committee pursuant to an Ordinance adopted by the City Council on May 30, 2014 (the "**Ordinance**"), in connection with the offering and sale of \$2,510,000 aggregate principal amount of Annual Appropriation Supported Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East US Highway 60 Improvement and RPA1 Infrastructure Redevelopment Projects) (the "**Bonds**") issued by the City.

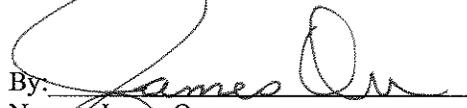
2. The Terms Committee was organized by the City Council for the purpose of establishing for the Bond Purchase Agreement the appropriate terms for the sale of the Bonds.

3. The most appropriate terms include a best judgment determination of the principal amount of the Bond(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, identity of any additional purchaser and other terms of the Bonds depending on such matters, all with respect to the Bonds. A copy of the offer prepared by Crews & Associates, Inc. showing each of such terms is attached hereto as Schedule 1 and is incorporated herein with our approval.

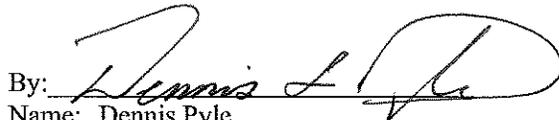
4. This certificate shall take effect and be in full force and effect immediately upon its adoption by the vote of the Terms Committee.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of June, 2014.

CITY OF MONETT, MISSOURI

By: 
Name: James Orr
Title: Mayor

By: 
Name: Mark Nelson
Title: Chairman of TIF Commission

By: 
Name: Dennis Pyle
Title: City Administrator

TRUST INDENTURE

**By and Between the
CITY OF MONETT, MISSOURI
and
UMB BANK, N.A.,
as Trustee**

Dated as of June 1, 2014

**\$2,430,000
City of Monett, Missouri
Annual Appropriation-Supported Tax Increment and
Sales Tax Refunding Revenue Bonds
Series 2014
(East US Highway 60 and RPA1 Infrastructure Improvement & Redevelopment Projects)**

*YATES, MAUCK, BOHRER, ELLIFF & FELS, P.C.
2121 S. Eastgate Ave
Springfield, Missouri 65809
883-7411
Bond Counsel*

TRUST INDENTURE

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TRUST INDENTURE

THIS TRUST INDENTURE (the "**Indenture**"), dated as of June 1, 2014, is between the City of Monett, Missouri, (the "**City**"), a third class city and municipal corporation located in Barry County, Missouri, (the "**County**") and UMB Bank, N.A., St. Louis, Missouri, a national association, duly organized and existing under the laws of the United States of America and authorized to originate, accept and execute trusts of the character herein set out under the laws of the State of Missouri (the "**State**"), as trustee (the "**Trustee**").

WITNESSETH:

WHEREAS, the City is a third class city and municipal corporation of the State duly organized and existing under the Constitution and laws of the State and is authorized, pursuant to the provisions of Sections 99.800 through 99.865 RSMo. as amended (the "**Act**") to designate an area within the corporate limits of the City, upon satisfying certain conditions, as a blighted area under the terms of the Act; and

WHEREAS, the City Commission of the City (the "**City Council**") pursuant to the Act created a tax increment financing commission (the "**TIF Commission**"), for the purposes of conducting public hearings and making recommendations concerning matters pursuant to the Act to the City Council including the proposed designation of areas as blighted, adopting a proposed plan for redevelopment to overcome the conditions and findings of the designated area and the consideration of proposed redevelopment projects to overcome the conditions prior to approval by the City Council in accordance with the Act; and

WHEREAS, having given public notice as required by Section 99.830 of the Act, the TIF Commission duly conducted a public hearing on February 21, 2005, at 5:30 p.m., at which hearing persons desiring to be heard and giving the opportunity to present their views concerning the proposed redevelopment area (the "**RPA 1**"), pursuant to the redevelopment plan (the "**2005 Plan**") and the proposed improvements to the street, sewer, utility and water improvements (the "**2005 Projects**") and, subsequently, made its recommendations to the City Council; and

WHEREAS, the City adopted Ordinance No. 7533 on March 2, 2005 approving the 2005 Plan, designating the boundaries of the RPA 1 in the 2005 Area, determining the reasonable or necessary costs to be incurred or estimated to be incurred by the City, the incidental costs anticipated to be incurred with reference to the execution of the 2005 Plan (proposed to reduce or eliminate the blight conditions and enhance the tax base of the City) and determining the sources of the funds required to pay the costs of executing the 2005 Plan, determining the nature and term of the obligations to be issued for the payment of a portion of the cost of developing the 2005 Project, determining the most recent assessed valuation of the RPA 1 within the 2005 Area and an estimate as to the equalized assessed valuation after redevelopment and the general land uses to be applied in the RPA 1 in the 2005 Area, the covenants and agreements to be made by the City to facilitate the development of the 2005 Plan and an estimate of the costs of the 2005 Projects and the designation of Lowes Home Centers, Inc. A North Carolina corporation licensed to do business in the State as the developer (the "**Developer**"); and

WHEREAS, the City, pursuant to and in accordance with the provisions and in furtherance of the purposes of the Act and the 2005 Plan agreed to finance a portion of the costs of the 2005 Projects, including necessary expenses incidental thereto, by the issuance, sale and delivery by the City of tax increment allocation bonds in a total aggregate principal amount of \$4,165,000 to be issued in two series, one in the

aggregate principal amount of \$1,630,000 City of Monett, Missouri, Tax Increment Allocation Bonds (East Highway 60 Infrastructure Project) Series 2005A (the "**Series 2005A Bonds**") and a second series of parity bonds with the Series 2005A Bonds issued in the aggregate principal amount of \$2,535,000 City of Monett, Missouri, Tax Increment Allocation Bonds (RPA # 1 Infrastructure Improvements Project) Series 2005 B (the "**Series 2005B Bonds**") (the Series 2005A Bonds and the Series 200511 Bonds are sometimes collectively referred to herein as the "**2005 Bonds**"); and

WHEREAS, pursuant to Ordinance No. 7585 (the "**Ordinance**") adopted by the City Council on August 4, 2005, the City authorized (i) the issuance and sale of the 2005 Bonds and agreed to secure the repayment and sale of the 2005 Bonds by executing and delivering the Trust Indenture (the "**2005 Indenture**") under which the proceeds of the sale of the 2005 Bonds were deposited and disbursed by the Trustee, (ii) the assignment of the Revenues received by the City for deposit into the Special Allocation Fund and the sums on deposit and to be deposited therein pursuant to the Ordinance funds to be delivered to the Trustee for deposit by the Trustee into the Revenue Fund, (iii) the assignment of the collections (the "**PILOTs Revenues**") after receipt from the County Collector to the Trustee for deposit in the County PILOTs Account and the School District PILOTs Account; (iv) subject to annual appropriation by the City Council, the assignment of the collections (the "**EATs Revenues**") after receipt from the Director of Revenue of the State and appropriation by the City Council and (v) subject to annual appropriation, after the receipt from the Director of Revenue of the non-captured portion of the City Sales Taxes from RPA1 and a reasonable determination of an expected shortfall of Revenues on deposit in the Special Allocation Fund for payment of debt service on the Bonds (the "**City Revenues**") (collectively, all the PILOTs Revenue, the EATs Revenue and the City Revenue being the "**Trust Estate**") to the Trustee for the benefit of the owners of the 2005 Bonds; and

WHEREAS, the City has considered and determined to follow the recommendation of the TIF Commission, by issuing the Bonds to refund the outstanding principal amount of the Series 2005 Bonds with the Bonds to be issued under the Ordinance and secured under the Indenture, which Bonds are not to be or constitute a debt, liability or obligation of the City, the County, the 911 Board, the School District or the State, or any political subdivision thereof, or a pledge of the faith and credit of the City, the County, the 911 Board, the School District or the State, or any political subdivision thereof, but the Bonds shall be payable solely from the Revenues provided therefor and the City will not be obligated to pay the Bonds or the interest thereon except from the Revenues provided therefor and neither the faith and credit nor the taxing power of the City, the County, the 911 Board, the School District, the State, or any political subdivision thereof, will be pledged to the payment of the principal of or the interest on the Bonds; and

WHEREAS, the City Council of the City, following a recommendation of the TIF Commission on the 21st day of April 2014 adopted Ordinance Number 8285 in which the City Council found that interest cost savings could be obtained for the citizens of the City by refunding the Series 2005 Bonds and agreed to structure a refunding with maturities and security as set out in the preliminary report by Crews & Associates, Little Rock, Arkansas and engaged Bond Council to assist the City in structuring of such a refunding; and

WHEREAS, it was proposed that the proceeds of refunding bonds, together with other funds on deposit with the Trustee under the 2005 Indenture would be used to refund all of the remaining outstanding and unpaid Series 2005 Bonds; that the refunding bonds would need to be issued in the aggregate amount anticipated to be \$2,430,000 (the "**Bonds**") which were authorized to be issued under the Ordinance adopted by the City Council on the date hereof; and

WHEREAS, all acts, conditions and things necessary to make the Bonds, when executed and delivered by the City to the Trustee and authenticated by the Trustee and delivered, the legal, valid and binding limited obligations of the City in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent applicable, and to make this Indenture a valid and binding agreement for the security of Bonds authenticated and delivered under this Indenture, the legally binding limited obligations of the City, and for this Indenture to constitute a valid and legally binding pledge and assignment of the Trust Estate herein made for the security of the payment of the principal of, redemption premium, if any, and interest on the Bonds issued hereunder, have been done and performed and exist precedent to and in the execution and delivery of this Indenture, and the assignment of the Trust Estate, have happened, exist and have been performed as so required and all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, legal and binding limited obligations of the City, and to constitute this Indenture a valid, legal and binding pledge and assignment of the property and revenues herein made for the security of the payment of the principal of, redemption premium, if any, and interest on the Bonds issued hereunder, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the City, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created and the sum of \$1.00 duly paid to the City by the Trustee at or before the execution and delivery of these presents, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby, subject to the terms and provisions of this Indenture and the Ordinance, bargain, sell, convey, mortgage, assign, pledge and grant, without recourse and irrevocably in trust, a security interest unto the Trustee, and its successors in trust and its assigns, forever, with power of sale, as security for the performance of the obligations of the City hereinafter set forth, all and singular, the Trust Estate described in paragraphs 1 and 2 below, to-wit:

1. All right, title and interest of the City in, to and under the Special Allocation Fund created under the Ordinance and in the Revenue Fund, herein created (except the City's rights to indemnity under the Ordinance and further excepting Rebate Payments under Section 148 of the Internal Revenue Code of 1986, as amended), including, but not limited to the right to enforce any of the terms thereof, and all payments, revenues and receipts derived by the City pursuant to the Ordinance (reserving to the City the right to reimbursement and payment of costs and expenses and to receive money for its own account under the Ordinance);

2. All moneys and securities, including proceeds, from time to time held by the Trustee under the terms of this Indenture and the Ordinance, and any and all other property, real, mixed or personal, of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder by the City or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof, except for (i) the interest of the Trustee in such cash, moneys, securities and investments as may otherwise appear in this

Indenture, and (ii) moneys on deposit in the Rebate Fund for payment rebatable arbitrage, whether or not held in the Rebate Fund; and

3. The proceeds from the sale by the City of all Bonds issued under the Ordinance and secured by this Indenture (other than any amount deposited in the Rebate Fund).

TO HAVE AND TO HOLD all and the singular, the Trust Estate with all rights and privileges whether now owned or hereafter acquired, with all rights and privileges hereby conveyed, pledged and assigned, or agreed or intended so to be, to the Trustee and its successors and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, subject to the conditions herein set forth, for the equal and proportionate benefit, protection and security of all Bondowners from time to time of the Bonds issued and Outstanding under this Indenture, without preference, privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds, except as expressly provided in or permitted by this Indenture;

PROVIDED, HOWEVER, that if the City, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of, redemption premium, if any, and interest on all of the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds, respectively, according to the true intent and meaning thereof, or shall provide for the payment thereof (as provided in the Ordinance), and shall pay or cause to be paid to the Trustee all other sums of money due or to become due to it in accordance with the terms and provisions hereof, and shall well and truly keep, perform and observe all of the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee and any Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then, upon such final payments, or deposits as herein provided, this Indenture and the rights hereby granted shall cease, conclude and be void; otherwise, this Indenture shall be and remain in full force and effect. In connection with the foregoing transfer, pledge and assignment, the City has delivered to, and deposited the proceeds of the issuance and sale of the Bonds with the Trustee for the purposes as herein set forth and the Trustee hereby acknowledges receipt of the proceeds, and acknowledges receipt of a copy of the Ordinance, whereby the City, upon the exercise of the options contained in the Ordinance and the appropriation of the sums necessary to make the payments of the principal of and interest on the Bonds, is required to make certain payments and deliver certain documents to the Trustee and the Trustee hereby agrees to each and all of the obligations, terms and provisions set forth in this Indenture applicable to it.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Trust Estate thereof is to be held, dealt with and disposed of, and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, uses and purposes of, this Indenture as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective Bondowners, from time to time, of the Bonds as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere in this Indenture and the Ordinance, unless the context shall clearly indicate some other meaning, the following words and terms as used in this Indenture and the Ordinance shall have the respective meanings specified in this Section, to-wit:

“**Account**” means any of the accounts established in Article VI hereof or in Section 3.01 of this Indenture.

“**Act**” means the “Real Property Tax Increment Allocation Redevelopment Act” or the “Act” contained in Sections 99.800 through 99.865 of Missouri Revised Statutes, 1994, as amended.

“**Ad Valorem Tax**” means a tax based upon the assessed value of real property.

“**Annual Financial and Operating Information**” means certain financial information which shall be based on financial statements prepared by the City in accordance with generally accepted accounting principals (“**GAAP**”) for governmental units as prescribed by the Governmental Accounting Standards Board (“**GASB**”), and certain operating data with respect to the City and the RPA1, provided at least annually, which Annual Financial and Operating Information may, but is not required to, include Audited Financial Statements.

“**2005 Area**” means the economic development area defined in the 2005 Plan consisting of real estate included in the city limits of the City as of the date of the adoption of the 2005 Plan designated for redevelopment.

“**Audited Financial Statements**” means the City's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

“**Authorized City Representative**” means the Mayor or Administrator of the City or such other person at the time designated by resolution of the City Council to act on behalf of the City as evidenced by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the City by its Mayor. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized City Representative.

“**Base Year**” means the calendar year 2004 for the 2005 Plan.

“**Beneficial Owner**” means any person for which a Participant acquires an interest in any Bond.

“**Blighted Area**” means an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provisions of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use.

"911 Board" means the Barry County 911 Board which is public board, created by the County which operates an emergency call or dispatch center for the County.

"911 Board EATs Account" means the account by that name created in the Special Allocation Fund into which shall be deposited the Captured 911 Board EATs collected from the 2005 Area based upon the 911 Board Sales Tax.

"911 Board Sales Tax" means the sales tax approved by the voters of the County and levied and collected for the 911 Board on retail sales within the 2005 Area.

"Bond" or **"Bonds"** means the City of Monett, Missouri, Annual Appropriation-Supported Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East US Highway 60 and RPA1 Infrastructure Redevelopment Projects) issued pursuant to the Ordinance in the aggregate principal amount of \$2,430,000 authenticated and delivered by the Trustee under and pursuant to this Indenture, the proceeds of which are to be used in part by the City to redeem and retire the Series 2005 Bonds.

"Bond Counsel" means Yates, Mauck, Bohrer, Elliff & Fels, P.C. or an attorney or firm of attorneys with experience in matters relating to the issuance and tax exemption of obligations by states and political subdivisions, selected and accepted by the City.

"Bondowner" or **"Owner"** or any similar term, when used with reference to a Bond or Bonds Outstanding, means any person who shall be the registered owner of any Bond or Bonds Outstanding.

"Bond Payment Date" means each date on which interest on, or both principal of and interest on, all or any of the Bonds shall be due and payable in accordance with their terms, whether at Stated Maturity or by acceleration or by call for redemption, so long as any of the Bonds shall be Outstanding.

"Bond Register" or **"Register"** means the books for the registration, transfer and exchange of Bonds kept in the office of the Bond Registrar.

"Bond Registrar" means the Trustee, and any successors, assigns or delegates designated pursuant to this Indenture.

"Business Day" means a day other than a Saturday, Sunday or holiday on which the Trustee shall be scheduled in the normal course of its operation to be open to the public for the conducting of business.

"Captured EATs" means 50% of the EATs resulting from incremental increase in economic activity in the 2005 Area which is captured resulting from adoption of the 2005 Plan derived from collections of EATs in RPA1 of the 2005 Area (or defined part thereof) and specified as captured in the Act.

"Cede & Co." means Cede & Co., as nominee of The Depository Trust Company, New York, New York.

"City" means the City of Monett, Missouri, a third class city and political subdivision of the State and its successors and assigns.

“**City Clerk**” means the person duly appointed by the City Council to act as the clerk and as the custodian of the official records of the City.

“**City Council**” means the duly elected City Commission as the legislative body of the City.

“**City EATs Account**” means the account by that name created in the Special Allocation Fund into which shall be deposited the Captured EATs collected from the 2005 Area based upon the City Sales Tax.

“**City Revenue**” means the amount annually appropriated by the City Council from non-captured City Sales Tax collections in RPA1 appropriated by the City for payment of shortfalls in Revenues on deposit with the Trustee in the Revenue Fund and available to pay debt service on the Bonds.

“**City Sales Tax**” means the sales tax levied and collected by the City on all retail sales within RPA1 of the City.

“**Code**” means the Internal Revenue Code of 1986, as amended. References to the Code, or Sections of the Code, shall include any applicable regulations and proposed regulations thereunder and any successor provisions to those Sections, regulations or proposed regulations.

“**Condemnation**” means the taking of title to, or use of the property under the exercise of eminent domain by any governmental entity or any other person acting under governmental authority.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement, dated as of June 1, 2014, executed by the City and the Trustee, a copy of which is attached as Appendix E to the Official Statement.

“**Cost of Issuance Fund**” means the Issuance Expense Fund ordered to be created and established with the Trustee in Section 604 of the Ordinance and acknowledged in Section 3.01 of this Indenture.

“**Costs of Issuance**” means all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, issuance and sale of the Bonds, including printing costs, costs of preparation and reproduction of documents, filing and recording fees and charges of the Trustee and the City, legal fees of parties to the transaction and other initial fees and disbursements contemplated by the Ordinance and this Indenture.

“**County**” means Barry County, Missouri, a body corporate and political subdivision of the State.

“**County Commission**” means the Barry County Commission as the governing body of the County.

“**County EATs Account**” means the account by that name created in the Special Allocation Fund into which the EATs Revenues collected from the County Sales Tax shall be deposited.

“**County PILOTs Account**” means the account by that name created in the Special Allocation Fund into which is deposited the County PILOTs.

“**County Sales Tax Account**” means the account by that name created in the Special Allocation Fund.

“County Sales Tax” means the sales tax levied by the County on all retail sales in RPA1 collected by the Missouri Department of Revenue for the County.

“CPA Group a Professional Corporation” means the firm of Certified Public Accountants that conducted the annual audit of the City for fiscal year end March 30, 2013.

“Debt Service Fund” means the fund by that name created pursuant to **Section 602** of the Ordinance and an account by that name maintained with the Trustee in the Revenue Fund pursuant to this Indenture containing a Principal Account, an Interest Account and an Extraordinary Redemption Account.

“Debt Service Reserve Fund” means the fund by that name created pursuant to **Section 603** of the Ordinance and an account by that name maintained with the Trustee in the Revenue Fund pursuant to this Indenture into which is deposited from the proceeds of the Bonds an amount equal to the Debt Service Reserve Requirement,

“Default” or **“Event of Default”** means any occurrence or event specified in **Article VIII** of this Indenture.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Dissemination Agent” means, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation under the Continuing Disclosure Agreement.

“EATs” means the total additional revenues produced from imposition of taxes on economic activities within the 2005 Area (or applicable defined part thereof) by all taxing jurisdictions levying sales taxes on economic activities in the RPA1 of the 2005 Area (or applicable defined part thereof) (which on the date of the adoption of the 2005 Plan including the City Sales Tax, the County Sales Tax and the 911 Board Sales Tax over the amount of revenues from taxes generated on economic activity within the RPA1 of the 2005 Area (or applicable defined part thereof) in the applicable Base Year (excluding revenues produced by the imposition of taxes on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes) other than PILOTs, which shall be allocated to and paid by the collecting officer to the City who shall deposit such moneys in the Special Allocation Fund in the account specified for deposit from that source.

“Extraordinary Redemption Account” means the Extraordinary Redemption Account in the Debt Service Fund established in **Section 3.02** of this Indenture.

“Fiscal Year” means any period of 12 consecutive months adopted by the City as its fiscal year for financial accounting and reporting purposes, which, as of the execution of the Indenture, commenced on October 1 and ended on September 30.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States of America.

“Indenture” means this Trust Indenture by and between the City and UMB Bank, N.A., as Trustee, dated as of June 1, 2014, under which the Bonds are authenticated and delivered and under which a Trust Estate is created which secures the repayment of the principal of and interest on the Bonds, as from time to time amended and supplemented by supplemental Trust Indentures in accordance with the provisions of **Article X** of this Trust Indenture.

“Interest Payment Date” means the Stated Maturity of an installment of interest on any Bond.

“Investment Securities” means any of the following securities, if and to the extent the same are at the time legal for investment of the City’s funds:

(a) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any agency or instrumentality thereof to the extent they are unconditionally guaranteed by the United States of America;

(b) direct and general obligations of the State, the payment of the principal of and interest on which are secured by a pledge of the full faith and credit of such state, provided that at the time of their purchase such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency;

(c) certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, including the Trustee, provided that such certificates of deposit shall be either (i) continuously and fully insured by the Federal Deposit Insurance Corporation, or (ii) continuously and fully secured by such securities as are described above in subparagraphs (a) and (b), inclusive, which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit, and the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured shall furnish the Trustee an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking; and

(d) any other security in which the City’s funds may legally be invested pursuant to the TIF Act.

“Issue Date” means June 26, 2014,

“Material Event” means any of the events listed in **Section 2(c)** of the Continuing Disclosure Agreement.

“Material Event Notice” means written or electronic notice of a Material Event.

“MSRB” means the Municipal Securities Rulemaking Board established in accordance with Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Net Proceeds” means all moneys on deposit (including investment earnings thereon) in (i) the PILOTs Account of the Special Allocation Fund, (ii) subject to annual appropriation by the City, City EATs,

County EATs and 911 Board EATs of the Special Allocation Fund, and (iii) subject to annual appropriation, any City Revenues on deposit in the Special Allocation Fund. Net Proceeds do not include (I) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, and (ii) any sum which is subject to a suit or other claim which suit or claim challenges the collection of such sum.

“Obligations” means bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the City to carry out a redevelopment project or to refund outstanding obligations.

“Official Statement” means collectively, the Preliminary Official Statement dated May 30, 2014 and the the Official Statement dated June 26, 2014 relating to the issuance of the Bonds and provided to furnish information in connection with the offering and sale of the Bonds.

“Opinion of Counsel” means a written opinion of an attorney or firm of attorneys addressed to the Trustee, for the benefit of the Trustee and the Owners of Bonds, who may be (except as otherwise expressly provided in the Indenture) counsel to the City, the Owners of the Bonds or the Trustee, and who is acceptable to the Trustee.

“2005 Ordinance” means Ordinance No. 7585 of the City pursuant to which the 2005 Area was defined , the 2005 Plan was adopted and the Series 2005 Bonds were issued.

“Ordinance” means the Ordinance and any other ordinance adopted by the City Council authorizing the issuance of the Bonds, the execution, delivery and performance of the documents necessary to carry out the issuance, security for and delivery of the Bonds. .

“Original Purchaser” means Crews & Associates, Inc., Little Rock, Arkansas.

“Other Taxing Districts” means those taxing districts or jurisdictions which have taxing authority and which overlap the City, more specifically the County, the Monett R-1 School District, the Barry County Health Department, the Barry County Ambulance District, the Barry County Board for Developmentally Disabled, the Barry County 911 Board and the State of Missouri.

“Outstanding” or **“Bonds Outstanding”** or **“Outstanding Bonds”** means all Bonds which have been authenticated and delivered by the Trustee under the Ordinance and this Indenture, except:

- (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (b) Bonds for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Trustee in trust for the Owners of such Bonds, provided that, if such Bonds are to be redeemed prior to the maturity thereof, irrevocable notice of such redemption shall have been duly given pursuant to this Ordinance and the Indenture, to the satisfaction of the Trustee, or waived;
- (c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Ordinance;
- (d) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in **Section 308** of the Ordinance; and

(e) Bonds for the payment of the principal (or redemption price) of and interest on which cash or Government Securities, or both, are held by the Trustee or other bank or trust company with the effect specified in Section 1201 of the Ordinance.

“Owner” means the same as Bondowner or Registered Owner.

“Participant” means any broker, dealer, bank or other financial institution from time to time for which the Securities Depository holds Bonds.

“Paying Agent” means the Trustee, or any successor authenticating agent or trustee pursuant to Section 9.12 of this Indenture.

“Payments in Lieu of Taxes” or “PILOTs” means the payments imposed pursuant to the Act, which are equal to the excess, if any, of (i) the current Ad Valorem Taxes and which could be levied in the absence of the 2005 Plan by applying the current Ad Valorem Tax levy to the current equalized assessed valuation of real property in the Area (or applicable defined part thereof) over (ii) the Ad Valorem Taxes which could be imposed by applying the current Ad Valorem Tax levy to the initial equalized assessed valuation of real property in the Area (or applicable defined part thereof) for the applicable Base Year, as certified by the county assessor. Such payments may be imposed until the redevelopment area designation is terminated pursuant to subsection 2 of Section 99.850 of the Act. On the Date of Issuance there is being collected a County PILOT and a School District PILOT.

“Person” means an individual, partnership (including limited partnerships), joint venture, association, society, corporation, joint-stock company, limited liability company, trust (public or private) or unincorporated organization, or a government agency or political subdivision thereof.

“2005 Plan” means the Tax Increment Financing Redevelopment Plan of the City adopted in the 2005 Ordinance as the comprehensive program of the City for redevelopment of blighted areas of the City by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment project area as a blighted development area and to thereby enhance the tax bases of the taxing districts which extend into the 1992 Area and conforming to the requirements of Section 99.810 of the Act.

“Pledged Revenues” means all Net Proceeds and all moneys held by the Trustee in the Revenue Fund transferred by the City the from Special Allocation Fund for transfer to the Debt Service Fund, and the Debt Service Reserve Fund under the Indenture together with investment earnings thereon. Initially the proceeds of the issuance and sale of the Bonds, pending use for their intended purpose, shall be Pledged Revenues.

“2005 Projects” means the redevelopment projects described in the 2005 Plan and all streets, roads, proper layout, sewer, water and bridge improvements acquired and constructed pursuant to the 2005 Plan, and all of the activities or tasks of the City identified in the 2005 Plan, including all redevelopment projects developed in furtherance of the objectives of the 2005 Plan paid for, in whole or in part, from the proceeds of the sale of the Series 2005 Bonds or the proceeds of any payment by the City.

“Project Costs” means the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the 2005 Plan and the 2005 Projects or any other redevelopment.

projects. Such costs include, but are not limited to, the following: (a) costs of studies, surveys, plans, and specifications; (b) professional service costs, including but not limited to, architectural, engineering, legal, marketing, financial, planning or special services; (c) property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land; (d) costs of rehabilitation, construction, or repair or remodeling of existing buildings and fixtures; (e) initial costs for a blighted area; (f) costs of construction of public works or improvements; (g) financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of Obligations, and which may include payment of interest on any Obligations issued in accordance with the 2005 Plan accrued during the period of construction of any redevelopment project for which such Obligations are issued and for not more than 18 months thereafter, and including reasonable reserves related thereto; (h) all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or in furtherance of the objectives of the redevelopment plan and project, to the extent the City by written agreement accepted and approved such costs; and (i) relocation costs to the extent, if any, that the City determined that relocation costs would be paid or were required to be paid by federal or state law, all as more particularly described in **Section 204** of the Ordinance.

"Purchase Agreement" means the Bond Purchase Agreement by and between the City and Crews & Associates, Inc., Little Rock, Arkansas, as the Original Purchaser of the Bonds.

"Rebate Fund" means the fund by that name created in this Indenture.

"Redemption Date" when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Ordinance.

"Redemption Price" when used with respect to any Bond to be redeemed means the price at which it is to be redeemed pursuant to the terms of the Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

"Refunding Fund" means the current refunding fund by that name established with the Trustee, in accordance with the Indenture, into which the Trustee will deposit the proceeds from the issuance and sale of the Bonds after funding the Cost of Issuance Fund, the Reserve Fund and the Debt Service Fund.

"Regular Record Date" for the interest payable on any interest payment date means the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date.

"Register" means the registration books of the City kept by the Trustee to evidence the registration, transfer and exchange of Bonds.

"Registrar" means the Trustee when acting as such under this Indenture.

"Repository" means any nationally recognized municipal securities information repository within the meaning of Rule 15c2-12.

"Reserve Requirement" means, as of any computation date with respect to the Bonds, the sum of \$116,287.50 funded from the proceeds of the Bonds, provided, however, that if the Trustee shall receive an opinion of Bond Counsel to the effect that the Reserve Requirement for the Bonds must be reduced in order

for the amounts on deposit in the Reserve Fund to continue to be invested without yield restriction under the Code, the amounts held in the Reserve Fund shall be reduced in conformity with said opinion.

"Revenues" means all PILOTs, and when appropriated by the City, the Captured Portion of the EATs collected within the RPA1 and when appropriated by the City Revenue which was not captured as City EATs (or applicable defined part thereof) ("**City Revenues**"), and which are to be deposited to the Special Allocation Fund and the additional sums appropriated annually by the City for deposit in the Special Allocation Fund.

"Rule 15c2-12" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"School District" means the Monett R-1 School District, a body corporate and political subdivision of the State.

"School District PILOTs Account" means the account by that name created in the Special Allocation Fund.

"Securities Depository" means The Depository Trust Company, New York, New York or any successor Securities Depository appointed pursuant to the Indenture.

"Series 2005 Bonds" means the \$3,510,000 aggregate principal amount of Tax Increment Allocation Bonds, Series 2005 A and Series 2005 B (U.S. Highway 60 and RPA1 Infrastructure Improvement Projects).

"Series A 2005 Bonds" means the \$975,000 aggregate principal amount of Tax Increment Allocation Bonds, Series A (East US Highway 60 Improvement Project) issued and secured pursuant to the 2005 Ordinance.

"Series B 2005 Bonds" means the \$2,535,000 aggregate principal amount of Tax Increment Allocation Bonds, Series B (RPA1 Infrastructure Projects) issued and secured pursuant to the 2005 Ordinance.

"Special Allocation Fund" means the fund created in the treasury of the City, designated as "City of Monett, Missouri, Tax Increment Allocation - TIF #2 Special Allocation Fund," created pursuant to the provisions of the Act, which in accordance with the Ordinance is to be maintained and when transferred to the Trustee for deposit into the "Revenue Fund" under the Indenture. There is created in the Special Allocation Fund a City EATs Account, a City PILOTs Account, a County EATs Account, a County PILOTs Account, a 911 Board EATs Account and a School District PILOTs Account. All moneys and revenues received by the City as PILOTs and, when appropriated by the City, EATs, and which are to be used by the City for transfer to the Trustee (i) to make payments to the Debt Service Fund for the payment of the principal of and interest on the Bonds, (ii) to pay the fees and expenses of the Trustee and Paying Agent, (iii) to make the required deposits to the Reserve Fund, (iv) to call Bonds for extraordinary redemption pursuant to **Section 404** of the Ordinance, and (v) from which surplus funds on deposit will be declared to be Surplus and repaid to the City and the Other Taxing Districts as may be determined from time to time by the City in such amount as the City and the Other Taxing Districts would have otherwise received from such collections were it not for the tax increment allocation financing adopted by the City, all in accordance with this Ordinance and the 2005 Plan. Following payment in full of the Bonds, or provision for such payment having

been made in accordance with the provisions of **Section 1201** of the Ordinance, moneys in the Special Allocation Fund may be used by the City for any lawful purpose of the City.

“**Special Record Date**” for the payment of any Defaulted Interest, as defined in **Section 305**, means a date fixed by the Paying Agent pursuant to **Section 305**.

“**State**” means the State of Missouri.

“**State Information Repository**” means any appropriate state information repository for the State within the meaning of Rule 15c2-12. As of the date of the Continuing Disclosure Agreement, no State Repository has been designated in the State.

“**Stated Maturity**” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“**Surplus**” means the portion of the EATs Revenues, the PILOTs Revenues or City Revenues within the moneys on deposit with the City in the Special Allocation Fund or not yet collected, in excess of the moneys necessary to make the transfers required in **Sections 702(a) through (f)** of the Ordinance, which the City Treasurer shall, if collected, pay to the County Collector who shall immediately thereafter pay such Surplus to the Other Taxing Districts in the same manner and proportion as the rates of collection of such Other Taxing Districts by the County Collector or the City but for the tax increment allocation financing adopted by the City and means the portion of the EATs within the moneys on deposit with the City in the Special Allocation Fund or not yet collected, in excess of the moneys necessary to make the transfers required in **Sections 702(a) through (f)** of the Ordinance, which the Director of Finance of the City shall, if collected, pay to the Other Taxing Districts in the same manner and proportion as the rates of collection of such Other Taxing Districts but for the tax increment allocation financing adopted by the City. In applying this definition, the City Council shall first declare as Surplus, the PILOTs Revenues and the EATs Revenues. The amounts declared to be Surplus shall be paid to the Taxing Districts annually twenty days after the Bond Payment Date.

“**Tax-exempt**” means that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

“**Tax Compliance Agreement**” means the Tax Compliance Agreement, dated as of even date herewith, between the City and the Trustee, as from time to time amended in accordance with the provisions hereof.

“**Taxing District**” means any political subdivision of the State having the power to collect and levy taxes.

“**TIF Commission**” means the Tax Increment Financing Commission of the City created in accordance with the Act.

"2005 Trust Agreement" means the Trust Agreement dated as of August 1, 2005, between the City and the Trustee, pursuant to which the repayment of the Bonds is secured, as from time to time amended and supplemented.

"Trust Estate" means the property rights, money, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses of this Indenture.

"Trustee" means UMB Bank, N.A., Kansas City, Missouri, its successors and assigns, and any co-trustee at the time serving as such under this Indenture and any other corporation which, at the time, may be substituted in its place, pursuant to, and at the time serving as Trustee, under this Indenture.

Section 102. 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, 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. In this Indenture, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Indenture.

(b) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms refer to this Indenture, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of execution and delivery of this Indenture.

(c) Words importing the redemption of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

(d) Any fiduciary shall be deemed to have received delivery of and to hold any Government Obligation in which moneys are invested pursuant to the provisions of this Indenture, even though such Government Obligation is evidenced only by a book entry or similar record of investment.

(e) References in this Indenture to particular sections of the Code or any other legislation shall be deemed to refer also to any successor sections thereto or other redesignations for codification purposes and shall be deemed to include any related regulations.

(f) The terms "receipt," "received," "recovery," "recovered" and any similar terms, when used in this Indenture with respect to moneys or payments due, shall be deemed to refer to the passage of physical possession and control of such moneys and payments to the Trustee.

(g) The term "City" or reference to any officer of the City includes those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions.

(h) Any reference to a section or provision of the Constitution of the State, or to a section, provision or chapter of the Revised Statutes of Missouri shall include such section, provision or chapter as from time to time amended, modified, revised, supplemented or superseded; provided that no such change in said Constitution or State laws shall be applicable solely by reason of this provision if such change would constitute an impairment of the rights or obligations of the City or the Trustee under this Indenture.

The Table of Contents hereto and the headings and captions herein are not a part of this document.

ARTICLE II
ISSUANCE OF BONDS. SECURITY FOR BONDS

Section 201. Issuance of Bonds. Pursuant to the provisions of the Ordinance, the City hereby covenants and agrees that so long as any of the Bonds remain Outstanding and unpaid, the City will not issue any additional bonds or other obligations payable out of the Special Allocation Fund or any part thereof which are superior to, or on a parity with, the Bonds.

Section 202. Conditions to Securing Bonds Under this Indenture. In order for any Bonds to be secured by this Indenture, prior to or simultaneously with the later of the authentication and delivery of such Bonds or this Indenture, the Trustee shall receive the following:

(a) An original executed counterpart of a certificate (1) stating that the designated Bonds are entitled to the benefits of this Indenture, (2) directing the Trustee as to the creation of any funds and accounts to be established for such Bonds, (3) instructing the Trustee as to the amount of the anticipated PILOTs, EATs and City Revenues to be received and (4) stating the information required pursuant to Section 3.03 of the Ordinance has been satisfied; and

(b) An original executed counterpart or a copy, certified by the City under its corporate seal, of this Indenture and the Ordinance.

To the extent that any of the foregoing have been delivered to the Trustee previously or in its capacity as Trustee under the Ordinance, the Trustee need not receive duplicate counterparts or copies pursuant to this provision.

Section 203. Liability Under Bonds. Each Bond, and the interest thereon, shall be a special, limited obligation of the City secured solely by the Revenues established under the Ordinance and held hereunder. The Bonds do not constitute or create an indebtedness, liability or moral obligation of the City. Neither the faith or credit nor taxing power of the City, the County, the School District, the 911 Board or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the City, the County, the School District, the 911 Board or any political subdivision liable on the Bonds. No covenant, stipulation, obligation or agreement contained herein or in the Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future official, Alderman, employee or agent of the City in his or her individual capacity.

Section 204, Special Allocation Fund. The City in the Ordinance agreed to establish and maintain a fund to be designated as the "City of Monett, Missouri, Annual Appropriation Supported - Tax Increment and Sales Tax Refunding Revenue Bonds - TIF #2 Special Allocation Fund (the "Special Allocation Fund"). The Trustee is hereby instructed to open and maintain under this Indenture a Revenue Fund into which will be deposited the funds, after appropriation by the City Council of the EATs Revenues and any City Revenues from funds on deposit with the City in such Special Allocation Fund. There shall be established with the Trustee under the Indenture and Revenue Fund and under the Revenue Fund a City EATs Account, a County EATs Account, a 911 Board Account, a County PILOTs Account, a School District PILOTs Account and a City Revenue Account. During any year while any of the Bonds shall be Outstanding, the PILOTs, EATs

and CID Revenues which are collected by the City shall be transferred to the Trustee within 10 business days of receipt for deposit into the appropriate account of the Revenue Fund. Moneys held in the Revenue Fund shall be invested and reinvested by the Trustee upon order of the Authorized City Representative in Investment Securities maturing or subject to redemption at the option of the holder hereof prior to the date on which such moneys are expected to be needed. The Trustee shall sell and reduce to cash a sufficient amount of such Investment Securities held by the Trustee whenever the cash balance in the Revenue Fund, is insufficient for the purposes of the Revenue Fund. Any such Investment Securities shall be held by or under control of the Trustee and shall be deemed at all times to be a part of the Revenue Fund and the interest accruing thereon and any profit realized from such Investment Securities shall be credited to the Revenue Fund and any loss resulting from such Investment Securities shall be charged to the Revenue Fund. The Trustee may make any and all investments permitted by this Section through its own short-term investment department.

The City covenants that all Revenues paid and credited to the Revenue Fund shall be expended and used by the City in accordance with the provisions of the Ordinance solely for the purpose of paying the principal of and interest on the Bonds as and when they become due, making payments for fees and expenses of the Trustee and the Paying Agent, making required deposits to the Debt Service Reserve Fund, providing extraordinary redemption from excess Revenues, making payments to redeem the Bonds. The Trustee is authorized and directed to withdraw from the Revenue Fund sums required for those purposes.

Section 205. Pledge of Uncollected PILOTs. There is hereby assigned and pledged to the payment of such Bonds the collections or proceeds of all PILOTs, including uncollected PILOTs, and all moneys to be used from the sale or transfer of tax sale certificates and deeds and from the operation, sale, transfer or lease of any real estate where such certificates, deeds or real estate have, before the date of passage of the Ordinance, been acquired in connection with the enforcement of liens for taxes or PILOTs, subject, however, to all other Outstanding pledges of such certificates, deeds or moneys heretofore made. Nothing herein contained shall be so construed as to prevent the City Council of the City from making such adjustment or compromise as the City Council of the City may deem right and proper in the collection of any PILOTs herein pledged, or to prevent the City Council from making sales of any property herein pledged at such prices as may be determined reasonable by the City Council.

Section 206. Pledge of EATs. Subject to annual appropriation by the City Council, the City hereby assigns and pledges to the payment of said principal and interest on the Bonds all moneys which may be received by the City from Captured EATs. Such assignment and pledge of EATs Revenues shall be applicable whether the EATs shall be received with respect to a sales tax levied or assessed by the City, the County or the 911 Board and received by the City as an apportionment of a sales tax assessed or levied by or for the City, the County or the 911 Board.

Section 207. Pledge of City Revenues. The City hereby assigns and pledges, following appropriation by the City Council, City Revenues to the payment of said principal and interest on the Bonds.

Section 208. Statement of Revenues. On or before the tenth day of each month after the issuance of any of said Bonds, there shall be filed by the City Treasurer of the City with the Trustee, as Paying Agent for the principal and interest of the Bonds, a statement of all Revenues theretofore collected or received from any and all sources within the RPA1 and available for deposit to the Revenue Fund which has not theretofore been so reported or filed.

Section 209. Deposit of Revenues. All moneys collected or received for deposit in the Special Allocation Fund under the Ordinance shall be forthwith transferred for deposit with the Trustee which shall secure such deposit, and shall maintain the security thereof, by Investment Securities bonds or notes having a market value equal to at least the amounts so deposited or surety bond or bonds for the full amount of such deposits with a surety company or companies as surety qualified to transact business in the State and acceptable to the United States of America as surety for a like amount of governmental deposits.

Section 210. Authentication of Bonds. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Ordinance or this Indenture unless and until a certificate of authentication substantially in the form set forth in the Ordinance shall have been duly executed by a duly authorized signatory of the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under the Ordinance and this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same authorized signatory sign the certificate of authentication on all of the Bonds.

Section 211. Registration of Bonds. Under the Ordinance the Trustee was named the Bond Registrar and shall be the Bond Registrar for the Bonds. So long as any of the Bonds shall remain Outstanding, there shall be maintained and kept for the City, at the corporate trust office of the Trustee, the Bond Register for the registration and transfer of Bonds.

Each Bond shall be transferable only upon the Bond Register at the corporate trust office of the Trustee at the written request of the registered owner thereof or his legal representative duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his legal representative duly authorized in writing. Upon the transfer of any Bond, the City shall issue in the name of the transferee, in authorized denominations, one or more Bonds of the same aggregate principal amount and with the same maturity as the surrendered Bonds.

The City or the Trustee may levy a charge against the Bondowner a fee sufficient to reimburse them for any governmental charge required to be paid in the event such Bondowner fails to provide a current taxpayer identification number to the Trustee. Such charge may be deducted from an interest payment due to such Bondowner.

Section 212. Exchange and Transfer of Bonds. As long as any of the Bonds remain Outstanding, the exchange of Bonds shall be permitted at the corporate trust office of the Trustee.

Any Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Bonds of any other denomination.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the City shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Ordinance. For every such exchange or transfer of Bonds, whether temporary or definitive, the City or the Trustee may make a charge sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person

requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

Section 213. Cancellation and Destruction of Bonds. Upon the surrender to the Trustee of any temporary or mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds paid at maturity by the City, the same shall forthwith be cancelled and periodically destroyed by the Trustee, in accordance with regulatory requirements.

Section 214. Book-Entry Only Issuance. The Bonds shall initially be registered on the Bond Register maintained by the Trustee in the name of Cede & Co., and Beneficial Owners will not receive certificates representing their interest in the Bonds, except in the event of issuance of replacement bonds, as provided below. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit notices with respect to payments of principal of, premium, if any, and interest on the Bonds to the Participants until and unless the Trustee authenticates and delivers replacement bonds to the Beneficial Owners as described below.

If the City determines (a) that the Securities Depository is unable to properly discharge its responsibilities, or (b) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (c) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds or if the Trustee receives written notice from Participants having interests aggregating not less than 50% of the principal amount of all Bonds Outstanding, as shown on the records of Securities Depository (and certified to such effect by the Securities Depository), that the continuation of the book-entry system to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interest of the Beneficial Owners of the Bonds, then the Trustee shall notify the Bondowners of such determination or such notice and of the availability of bonds to Bondowners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary and appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a) or (b) above, the City, with the consent of the Trustee, may select a successor securities depository in accordance with **Section 215** hereof to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of replacement bonds, all references herein to obligations imposed upon or to be imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee to the extent applicable with respect to such replacement bonds. If the Securities Depository resigns and the City, the Trustee or Bondowners are unable to locate a qualified successor to the Securities Depository in accordance with Section 215 hereof, then the Trustee shall execute and cause delivery of replacement bonds to the Bondowners, as provided herein. The Trustee may rely conclusively on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing replacement bonds shall be paid for by the City.

Section 215. Successor Securities Depository. In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the City may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under

the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee, upon its receipt of a Bond or Bonds for cancellation, shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

ARTICLE III
ESTABLISHMENT OF FUNDS AND ACCOUNTS;
CUSTODY AND APPLICATION OF BOND PROCEEDS

Section 301. Creation and Custody of Funds and Accounts. The City hereby directs the Trustee to, in accordance with the Ordinance, to create and establish in the name of the City the following special funds and accounts, each of which shall be held by the Trustee:

- (a) Refunding Fund.
- (b) Debt Service Reserve Fund.
- (c) Debt Service Fund.
 - (i) Principal Account,
 - (ii) Interest Account, and
 - (iii) Extraordinary Redemption Account.
- (d) Revenue Fund.
 - (i) City EATs Account,
 - (ii) County EATs Account,
 - (iii) 911 Board EATs Account,
 - (iv) City Revenue Account,
 - (v) County PILOTs Account,
 - (vi) School District PILOTs Account,
- (e) Cost of Issuance Fund, and
- (f) Rebate Fund.

Each fund, account and subaccount, except as previously noted, the Rebate Fund shall be held by the Trustee solely for the benefit of the Bondowners. All such funds, accounts and subaccounts to the extent not used for the repayment of the Bonds shall be held by the Trustee for the benefit of the City. Each fund,

account and subaccount created from time to time hereunder shall have such further designations as the Trustee shall deem appropriate in order to properly account for all moneys subject to this Indenture or as shall be set forth in a bank officer's certificate.

Section 302. Disposition of Bond Proceeds.

The net proceeds received from the sale of the Bonds (including any premium) which, by the execution of this Indenture are assigned to the Trustee simultaneously with the delivery of the Bonds, (i) shall be deposited in the Interest Account of the Debt Service Fund, (ii) an amount of \$116,287.50 equal to the Reserve Requirement shall be deposited in the Debt Service Reserve Fund, and (iii) an amount equal to the Costs of Issuance shall be deposited in the Cost of Issuance Fund established with the Trustee under this Indenture, and the Trustee, pursuant to this Indenture, shall invest and expend the proceeds of the issuance of the Bonds in accordance with this Indenture.

Moneys in the Cost of Issuance Fund shall be used by the Trustee for the payment of the Costs of Issuance and confirmed to the Trustee in the Closing Certificate of the City provided to the Trustee.

ARTICLE IV RECEIPT AND APPLICATION OF FUNDS

Section 401. Revenue Fund. From and after the delivery of the Bonds, and continuing as long as any of the Bonds remain Outstanding hereunder, all of the collections derived by the City from the collection of the PILOTs, EATs and City Revenues (collectively, the "**Revenues**") after appropriation of the EATs Revenues and the City Revenues, when applicable, shall be paid over by the City and deposited with the Trustee within 10 business days of receipt pursuant to Section 204 hereof. The Revenues paid and credited to the Trustee shall be deposited into the Revenue Fund created in accordance with Section 204 hereof shall be expended and used solely for the purposes and at such times as specified in Section 204 hereof. The Trustee is authorized and directed to withdraw from the Revenue Fund sums as provided in Section 402 hereof. Pending deposit with the Trustee, the City in the Ordinance agrees said Revenues shall be segregated and kept separate and apart from all other collections, moneys, revenues, funds and accounts of the City, and be deposited into the Special Allocation Fund created pursuant to the Ordinance, and shall not be commingled with any other collections, moneys, revenues, funds and accounts of the City. The Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in the Ordinance and this Indenture.

Notwithstanding the foregoing, there shall be excluded from the moneys on deposit in the Revenue Fund available for application pursuant to Section 402 hereof any amounts which have been declared as necessary for deposit into the Rebate Fund by the City Council of the City.

All moneys in the Revenue Fund, after reserving therefrom a sufficient amount for the payment of principal and interest on any Bonds at their Stated Maturity and Bonds theretofore called for payment before Stated Maturity under the provisions of the Ordinance, may be applied by the City to the purchase of any Bonds issued hereunder at any price not exceeding 100% of the outstanding principal amount of such Bonds plus accrued interest, not exceeding their market value; provided, however, that no such purchase shall be made except in accordance with the provisions of the Ordinance.

Section 402. Application of Moneys in Funds and Accounts. The City covenants and agrees in the Ordinance that from and after delivery of the Bonds and continuing so long as any of the Bonds shall remain Outstanding, the City will administer and allocate all of the moneys in the Special Allocation Fund on the dates and in the amounts as follows:

(a) There shall first be paid and credited to the Trustee for credit to the Interest Account of the Debt Service Fund to the extent necessary to pay the interest on the Bonds when due at Stated Maturity, beginning July 1, 2014 and continuing on or before the first day of each month thereafter, to and including the January 1, 2016 monthly deposit, an equal pro rata portion of the amount of interest becoming due on the Bonds on January 1, 2015; and thereafter, beginning with the August 1, 2014 monthly deposit and continuing on or before the first day of each month thereafter as long as any of the Bonds shall remain Outstanding and unpaid, an amount not less than 1/6 of the amount of interest that will become due on the Bonds on the next succeeding Bond Payment Date; payments to the Interest Account with respect to the Bonds shall be reduced by an amount equal to the money remaining in such Interest Accounts after the payment of the principal of and interest on the Bonds on a Bond Payment Date, and amounts to be deposited to the Interest Account with respect to the Bonds and shall be reduced by the amount of moneys on hand in such Interest Accounts due to accrued interest deposited in such Interest Account by reason of accrued interest received from the sale of the Bonds.

(b) There shall next be paid to the Trustee and any Paying Agent on each Bond Payment Date an allocable portion of the Trustee and Paying Agent fees for the services of the Trustee and the Paying Agent for the next annual period.

(c) After all payments and credits at the time required to be paid under the provisions of paragraphs (a) and (b) above have been made, there shall next be paid and credited on or before the first day of each month in the event the Trustee has withdrawn moneys from the Debt Service Reserve Fund (other than investment earnings), beginning with the first day of each month after such withdrawal and continuing on the first day of each month thereafter, all remaining moneys in the City EATs Account, the County EATs Account and the 911 Board Account of the Revenue Fund until the Debt Service Reserve Fund is restored to an amount equal to the Reserve Requirement.

(d) After all payments and credits at the time required to be paid under the provisions of paragraphs (a) through (c) above have been made, there shall next be paid and credited on or before January 1 of each year to the Extraordinary Redemption Account of the Debt Service Fund the remaining moneys in the City EATs Account, the 911 Board EATs Account, the County EATs Account, the County PILOTs Account and the School District PILOTs Account, or the City's Revenue Account of the Revenue Fund for use in redeeming Bonds pursuant to the provisions of the Ordinance.

The City authorizes and directs the Trustee to withdraw sufficient moneys from the appropriate accounts in the Debt Service Fund to pay the principal of premium, if any, and interest on the Bonds, as the same become due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal of, premium, if any, and interest on the Bonds. The City may also first cause such excess moneys in the Extraordinary Redemption Account of the Debt Service Fund or such part thereof or other moneys of the City, as the City may direct, to be applied by the Trustee for the purchase of Bonds in the open market for the purpose of cancellation, at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of delivery for cancellation. After payment in full of the principal of, premium, if any, and interest on the Bonds (or provision being made for the payment thereof as specified in

this Indenture), and the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be paid under this Indenture and the Ordinance, all amounts remaining in the Debt Service Fund shall be paid to the City.

Section 403. Return of Funds to City. If, through lapse of time, or otherwise, the Bondowners of Bonds shall no longer be entitled to enforce payment of their obligations, it shall be the duty of the Trustee forthwith to return said funds to the City. All moneys deposited with the Trustee shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Ordinance.

Section 404. Rebate Fund Requirements. The Trustee, at the expense of the City, shall annually engage and furnish information to an independent certified public accounting firm, designated by the Authorized City Representative and approved by the Trustee, to calculate excess investment earnings in accordance with the Tax Compliance Agreement. If a deposit to the Rebate Fund is required, pursuant to such calculations, the Trustee shall notify the City within 15 days of the date such determination is made that an rebate payment is due under the Ordinance, and the City shall deposit moneys from its general fund to the Rebate Fund in such amount.

The Trustee shall obtain and keep such records of the computations made pursuant to this Section as are required under Section 148(f) of the Code.

ARTICLE V

USE OF MONEYS IN FUNDS AND ACCOUNTS

Section 501. Repayment to the City from the Debt Service Funds.

Any amounts remaining in the Debt Service Fund (i) after all of the Outstanding Series 2005A Bonds shall be deemed to have been paid and discharged under the provisions of this Indenture, and (ii) after payment of all fees, charges and expenses of the City, the Paying Agent, the Bond Registrar and the Trustee and all of other amounts required to be paid under this Indenture and the Ordinance, shall be paid to the City to the extent that those moneys are in excess of the amounts necessary to effect the payment and discharge of the Outstanding Bonds.

Section 502. Disbursements from Rebate Fund. Not later than 30 days after the end of the fifth bond year and every five (5) years thereafter, the Trustee shall pay to the United States of America 90% of the amount required to be deposited in the Rebate Fund as of such payment date and 100% of the amount earned on the investment thereof as of such payment date, as such amounts are specified to the Trustee in a certificate of an Authorized City Representative. Not later than 60 days after the final retirement of the Bonds, the Trustee shall pay to the United States of America 100% of the balance required to be deposited in the Rebate Fund as of such payment date with respect to the Bonds and 100% of the amount earned on the investment thereof, as evidenced by a certificate of an Authorized City Representative. Each payment shall be accompanied by such documents as may be required by then applicable Treasury Regulations and by a statement prepared by an Authorized City Representative and furnished to the Trustee summarizing the determination of the amount to be paid to the United States of America. Any amounts remaining in the Rebate Fund after payment in full of the principal of, premium, if any, and interest on the Bonds, the fees, charges and expenses of the Trustee and all other amounts required to be paid hereunder, including any

amounts due the United States of America under Section 148 of the Code, shall be paid immediately to the City.

Section 503. Use of Moneys in the Reserve Fund. All amounts deposited in the Reserve Fund from the proceeds of the Bonds and any amounts deposited in the Reserve Fund from any other sources (including moneys deposited in the Reserve Fund pursuant to transfers made by the City under the Ordinance) shall be used solely to prevent any Default in the payment of the principal of, or interest or redemption premium, if any, on the Bonds, if moneys in the Principal Account and Interest Account of the Debt Service Fund to the extent such moneys are available for such purposes, are insufficient to pay the same as they become due. The Trustee shall make a valuation of the value of the cash and Investment Securities in the Reserve Fund, on an annual basis, no later than 90 days after the last day of each Fiscal Year of the City and at such other times as the City or the Trustee deems appropriate (the "**Valuation Date**"). If, on such Valuation Date, the amount on deposit in the Reserve Fund is less than the Reserve Requirement, the City shall be required to make monthly deposits to the Trustee for payment from the Special Allocation Fund into the Reserve Fund in the manner provided in **Section 402(d)** hereof until the amount of such deficiency is restored to equal the Reserve Requirement.

In determining the amount on deposit in the Reserve Fund for purposes of this Section, Investments Securities therein shall be valued at the lesser of (i) their fair market value, or (ii) the cost at which they were purchased for the Reserve Fund.

Moneys in the Reserve Fund shall, at all times, be maintained in an amount not less than the Reserve Requirement. Whenever the moneys in the Reserve Fund, on any Valuation Date, are in excess of the Reserve Requirement for all Outstanding Bonds, such excess shall be deposited first to the Redemption Account of the Debt Service Fund and then to the Redemption Account of the Debt Service Fund and thereafter to the Principal Account of the Debt Service Fund. If, on any Bond Payment Date, no Bonds remain Outstanding other than Bonds maturing less than one (1) year from such Bond Payment Date, all cash and Investment Securities in the Reserve Fund shall be transferred to the Debt Service Fund to provide funds to pay the principal of, and interest and any premium on, the Bonds. In addition, on the date that the last of the Bonds come due, all moneys in the Reserve Fund shall be transferred by pro rata portion to the Principal Account of the Debt Service Fund, as needed or appropriate, to provide funds sufficient to make the deposits required to be made to the various accounts of the Debt Service Fund to provide funds sufficient to make the deposits required to be made to the various accounts of the Debt Service Fund.

ARTICLE VI

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 601. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for the account of the Reserve Fund, the Debt Service Fund and the Revenue Fund under any provision of this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of the Ordinance, shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture, and, except as provided in the Granting Clauses, shall constitute part of the Trust Estate and be subject to the lien hereof until used or applied as herein provided. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

Section 602. Investments of Moneys in Various Funds. Except as otherwise provided in this Indenture, moneys held in the Debt Service Reserve Fund, Debt Service Fund and the Revenue Fund, and each of the accounts under such Funds, shall, pursuant to written direction of the City, signed by an Authorized City Representative, be separately invested and reinvested by the Trustee therefor in Investment Securities which mature or are subject to redemption prior to the date when such moneys will be needed; provided, however, that such moneys shall not be invested in such manner as will violate the provisions of Section 604 hereof. Any such Investment Securities shall be held by or under the control of the Trustee for the fund or account of which such investment is a part and shall be deemed at all times a part of the fund or account in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Investment Securities shall be credited to such fund or account, and any loss resulting from such Investment Securities, shall be charged to such fund or account.

The Trustee may make any and all investments permitted by the provision of this Section through its own bond department or short-term investment department, provided the Trustee, in doing so, complies with the investment instructions provided by the City.

Section 603. Valuation of Investments. In determining the amount held in any fund or account under any of the provisions of this Indenture, obligations in which moneys have been invested shall be valued at the purchase price or the fair market value thereof, whichever is lower. Except with respect to the disposition of excess moneys in the Debt Service Reserve Fund as provided in **Section 503(a)** hereof, if and when the amount held in any fund or account shall be in excess of the amount required by the provisions of the Ordinance and this Indenture, the City may direct that such excess be paid and credited by pro rata portion to the Extraordinary Redemption Account of the Debt Service Fund to be used on the earliest date to redeem the Bonds.

Section 604. Arbitrage and Tax Covenant. The City covenants and agrees that it will cause the proceeds of the Bonds to be used as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued, and the City and the Trustee covenant and agree that no part of the proceeds of the Bonds nor any moneys or funds created by or controlled under this Indenture shall be invested in any investment property except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Bonds, would have caused any of the Bonds to be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations of the Treasury Department. The City covenants to adopt such other resolutions and to take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to preserve the tax-exempt status of the interest on the Bonds, to the extent any such actions can be taken by the City Council of the City.

The City shall at all times do and perform all acts and things permitted by law, including, without limitation, actions to enforce the provisions of the Ordinance and necessary or desirable in order to assure that interest paid by the City on the Bonds shall, for the purposes of federal income tax, be exempt from all income taxation under any valid provision of law.

ARTICLE VII
PARTICULAR COVENANTS AND PROVISIONS

Section 701. Payment of Principal, Premium, if any, and Interest. The City covenants and agrees that it will, but solely from the Revenues and other revenues and receipts derived under the Ordinance, promptly pay or cause to be paid the principal of, redemption premium, if any, and interest on, every Bond issued under the Ordinance, and which are secured by the lien created under this Indenture, at the place, on the dates and in the manner provided herein and in the Bonds, provided that the principal of, premium, if any, and interest shall be payable by the City solely and only from the Trust Estate, and nothing in the Bonds or this Indenture shall be considered as assigning or pledging any other funds or assets of the City other than the Trust Estate, and to this end the City covenants and agrees that it will use its best efforts to cause the Projects to be continuously and sufficiently maintained and operated so that, should there be a Default under the Bonds, the City shall fully cooperate with the Trustee and with the Bondowners to the end of fully protecting the rights and security of the Bondowners.

Section 702. City to Execute Indenture and Issue Bonds. The City covenants that it is duly authorized under the Ordinance and the Constitution and laws of the State, including specifically the Act , to execute this Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken under the Ordinance; and that the Bonds in the hands of the Bondowners thereof are and will be valid and enforceable obligations of the City according to the import thereof.

Section 703. Performance of Covenants. The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions set forth in this Indenture and the Ordinance in any and every Bond authenticated and delivered hereunder and in all of its proceedings pertaining hereto at the expense of the City. The City represents, warrants and covenants that it is duly authorized under the Constitution and laws of the State, including particularly the Act, to issue the Bonds authorized hereby and to execute this Indenture; to adopt the Ordinance; to assign the Revenues and amounts payable thereunder to the extent assigned hereby, and to pledge the amounts hereby pledged in the manner and to the extent herein set forth. The City further represents, warrants and covenants that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken, and that the Bonds in the hands of the Bondowners are and will be valid and enforceable obligations of the City.

Section 704. Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better assuring, pledging and assigning unto the Trustee the property and revenues herein described to the payment of the principal of, redemption premium, if any, and interest on the Bonds. The City covenants and agrees that, except as provided herein and in the Ordinance, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Trust Estate hereby pledged. Nothing contained herein shall prevent the City from creating a lien on the Trust Estate junior to the lien of this Indenture. The City agrees that the Trustee may defend its rights to the payments and other amounts due under the Ordinance to the extent assigned by this Indenture to the Trustee, for the benefit of the Bondowners of the Bonds, against the claims and demands of all persons whomsoever.

Section 705. Recording and Filing. The City directs the Trustee to cause to be filed all necessary financing statements and other documents to perfect the security interests contemplated by this Indenture and all supplements hereto at the expense of the City. The Trustee shall file or cause to be filed all necessary financing statements and other documents as the trustee shall be advised by Bond Counsel are necessary to protect and preserve such security interests.

Section 706. Subordination of this Indenture to the Ordinance. This Indenture and the rights and privileges hereunder of the Trustee and the Bondowners of the Bonds are specifically made subject and subordinate to the rights and privileges of the City (as long as no Default by the City is continuing) set forth in the Ordinance. The Trustee, at the request of the City, will execute and deliver any instrument necessary or appropriate to grant or confirm such subordination.

Section 707. Corporate Existence and Tax Exempt Status. The City will at all times maintain its corporate existence or assure the assumption of its obligations under this Indenture by any public body succeeding to its powers, and it will use its best efforts to maintain, preserve and renew all of its rights and powers; and it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to this Indenture or the Ordinance.

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES

Section 801. Defaults; Events of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default" under this Indenture:

- (a) the City shall fail to make due and punctual payment of any interest on any Bond;
- (b) the City shall fail to make due and punctual payment of the principal of, or premium on, any Bond, whether at the stated maturity thereof, accelerated maturity, or when the same is scheduled to be called for redemption;
- (c) the City shall fail to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in this Indenture, the Ordinance or in the Bonds, which failure shall have continued for a period of 60 days after written notice, by registered or certified mail, to the City specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Bondowners of not less than 25% in aggregate principal amount of Bonds then Outstanding or, unless the Trustee, or the Trustee and Bondowners of an aggregate principal amount of Bonds not less than the aggregate principal amount of Bonds the Bondowners of which requested such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the Bondowners of such principal amount of Bonds, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the City, or the Trustee on behalf of the City, within such period and is being diligently pursued;
- (d) the City shall file a voluntary petition in bankruptcy, or the City shall fail to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on its operation, or City shall be adjudicated as a bankrupt, or the City shall make assignment for the

benefit of creditors, or the City shall enter into an agreement of composition with creditors, or a court of competent jurisdiction shall approve a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy law, or under any similar acts which may hereafter be enacted.

Section 802. Acceleration.

(a) Upon the occurrence of an Event of Default, the Trustee may and shall upon direction of 25% of the Bondowners by written notice to the City, declare the principal of all Bonds then Outstanding to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Indenture or the Bonds to the contrary notwithstanding.

(b) Unless otherwise provided herein, any such declaration shall be by notice in writing to the City and, upon said declaration, principal of and interest on all Bonds shall become and be immediately due and payable. The Trustee immediately upon such declaration shall give notice thereof in the same manner and within the same time period as provided herein with respect to the redemption of the Bonds. Such notice shall specify the date on which payment of principal and interest shall be tendered to the Bondowners of the Bonds. Upon any declaration of acceleration hereunder, the Trustee shall immediately exercise such rights as it may have hereunder to declare all payments thereunder to be immediately due and payable.

(c) If, at the time of such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal of and interest on the Bonds, together with the reasonable and proper expenses of the Trustee and all other sums then payable by the City under this Indenture shall either be paid or provision satisfactory to the Trustee shall be made for such payment, then and in every such case the Trustee shall, but only with the approval of the Bondowners of not less than a majority in aggregate principal amount of the Bonds Outstanding, rescind such declaration of acceleration.

(d) The provisions of the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement hereunder (after an opportunity for hearing by the City):

- (i) all sums payable hereunder (except the principal of and interest on Bonds which have not reached their stated maturity dates but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds in respect of which the Default shall have occurred, shall have been duly paid or provision shall have been duly made therefor by deposit with the Trustee or the Paying Agent, and
- (ii) all existing Events of Default shall have been cured, then, and in every case, the Trustee shall waive the Event of Default and its consequences and shall rescind and annul that declaration. No waiver or rescission and annulment shall extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.
- (iii) In case of any rescission, then and in every such case the City, the Trustee and the Bondowners shall be restored to their former position and rights hereunder

respectively, but no such rescission shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Notwithstanding any provision in this **Section 802** to the contrary, as long as the Bonds are Outstanding, the Trustee shall not, without the consent of the Bondowners of a majority in aggregate principal amount of the Bonds, declare a default with respect to the Bonds or otherwise enforce the provisions of this Indenture securing the Bonds.

Section 803. Exercise of Remedies by the Trustee.

(a) If an Event of Default shall have occurred and be continuing, at the direction of the Bondowners of not less than 25% in aggregate principal amount of the Bonds then Outstanding and after being indemnified as provided in **Section 901** hereof, the Trustee shall pursue and exercise any available remedy, including without limitation actions at law or in equity by suit, action, mandamus or other proceedings or exercise of one or more of the rights and remedies conferred by this Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondowners, to enforce the payment of Bond payments or the observance and performance of any other covenant, agreement or obligation under this Indenture, the Ordinance or any other instrument providing security, directly or indirectly, for the Bonds, to enforce the payment of principal of, premium, if any, and interest on the Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the City as herein set forth.

(b) All rights of action (including the right to file proofs of claim) under this Indenture or under the Ordinance may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity & joining as plaintiffs or defendants any Bondowner of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Bondowners of the Outstanding Bonds subject to the provisions of this Indenture.

No remedy conferred upon or reserved to the Trustee (or to the Bondowners) by this Indenture is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or otherwise to the Trustee or to the Bondowners, or now or hereafter existing.

No delay in exercising or omission to exercise any remedy, right or power accruing upon any Default or Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any Default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

No waiver of any Default or Event of Default hereunder, whether by the Trustee or by the Bondowners, shall extend to or shall affect any subsequent Default or Event of Default or shall impair any remedy, right or power consequent thereon.

As the assignee of all right, title and interest of the City in and to the Revenues under the Ordinance (except for the unassigned rights of the City), the Trustee is empowered to enforce each remedy, right and power granted to the City under the Ordinance. In exercising any remedy, right or power thereunder or

hereunder, the Trustee shall take any action which would best serve the interests of the Bondowners in the judgment of the Trustee, applying the standards described in **Article IX** hereof.

Section 804. Limitations on Rights and Remedies of Bondowners of Bonds. No Bondowner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a Default has occurred of which the Trustee has been notified as provided in **Section 901(h)** hereof or which, by such subsection, it is deemed to have notice, (b) such Default shall have become an Event of Default, (c) the Bondowners of not less than 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies, rights and powers granted herein or to institute such action, suit or proceeding in its own name, and shall have offered to indemnify the Trustee as provided in **Section 901(l)** hereof, and (d) the Trustee shall thereafter fail or refuse to exercise the remedies, rights and powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are conditions precedent in every case to the institution of and suit, action or proceeding described above; it being understood and intended that no one or more Bondowners shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the owners of all Bonds Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondowner to payment of the principal of and interest on any Bond at and after the maturity thereof or the obligation of the City to pay principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective Bondowners thereof at the time, place, from the source and in the manner herein and in the Bonds expressed.

Section 805. Application of Money.

(a) All money held by the Trustee under this Indenture pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances incurred or made by the Trustee, be deposited in the appropriate accounts of the Debt Service Fund and shall be applied by the Trustee to and only to the payment of principal of or interest on the Bonds as follows:

- (i) Unless the principal of all the Bonds shall have become or have been declared due and payable, all such money shall be deposited in the Debt Service Fund and shall be applied:

FIRST - To payment to the Bondowners of the Bonds entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amount due on that installment, to the Bondowners of the Bonds entitled thereto, without any discrimination or privilege, except as to any difference in respective rates of interest specified in the Bonds; and

SECOND - To payment to the Bondowners of the Bonds entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than

Bonds previously called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), whether at stated maturity, by redemption or pursuant to any sinking fund requirements, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they became due at the rates specified in those Bonds, and, if the amount available is not sufficient to pay in full all Bonds due on any particular date together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Bondowners of the Bonds entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

- (ii) If the principal of all the Bonds shall have become or have been declared due and payable pursuant to this Article, all moneys deposited into the Debt Service Fund shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, or interest over principal, or any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Bondowners entitled thereto, without any discrimination or privilege; except as to any difference in the respective rates of interest specified in the Bonds.
- (iii) If the principal of all of the Bonds shall have been declared to be due and payable pursuant to this Article, and if that declaration thereafter shall have been rescinded and annulled under the provisions of **Section 807** hereof, subject to the provisions of paragraph (ii) of this Section in the event that the principal of all of the Bonds shall become due and payable later, the moneys shall be deposited in the Debt Service Fund and shall be applied in accordance with the provisions of paragraph (i) of this Section, subject to **Article V** hereof.
- (iv) Whenever money is to be applied pursuant to the provisions of this Section, such money shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be the earliest date practicable) upon which such application is to be made, and upon such date interest on the amounts of principal, if any, to be paid on such date shall cease to accrue on the amount of principal, if any, to be paid on that date, provided the moneys are available therefor. The Trustee shall give notice of the deposit with it of any moneys and of the fixing of that date, all consistent with the requirements of the Ordinance for the establishment of, and for giving notice with respect to, a date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of and any premium on a Bond to the Bondowner thereof until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.
- (v) Notwithstanding any provision in this **Section 805** to the contrary, the Trustee shall apply no moneys held by it pursuant to this Section to the payment of principal or

interest on the Bonds so long as any principal or interest due on the Bonds remains unpaid.

Section 806. Remedies Cumulative. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondowners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by the Trustee or by the Bondowners, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

In case the Trustee shall have proceeded to enforce any right, remedy or power under this Indenture in any suit, action or proceedings by the appointment of a receiver or otherwise, and such suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the City, the Trustee and the Bondowners of the Bonds shall be restored to their former position and rights hereunder, respectively, with regard to the property herein subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 807. Waivers of Events of Default. Except as hereinafter provided, the Trustee may at any time, in its discretion, waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of the Bonds. The Trustee shall do so upon the written request of the Bondowners of at least a majority in aggregate principal amount of all the Bonds then Outstanding. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned or determined adversely to it, the City, the Trustee and the Bondowners shall be restored to their former positions and rights hereunder, respectively. No waiver or annulment and rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been undertaken.

Section 808. Notice of Defaults Under Section 801(c); Opportunity of the City and the Trustee to Cure Such Defaults. Anything herein to the contrary notwithstanding, no Default under Section 801(c) hereof shall constitute an Event of Default until actual notice of such Default by first class mail (postage prepaid) shall be given to the City by the Trustee or by the Bondowners of not less than 25% in aggregate principal amount of all Bonds Outstanding and the City shall have had 60 days after receipt of such notice to correct such Default or cause such Default to be corrected, and shall not have corrected such Default or caused such Default to be corrected within the applicable period; provided, however, if the Default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the City or the Trustee within the applicable period and diligently pursued until the Default is corrected.

With regard to any alleged Default concerning which notice is given to the City and the Trustee under the provisions of this Section, the City hereby grants the Trustee full authority for the account of the City to perform any covenant or obligation alleged in such notice to constitute an Event of Default, in the

name and stead of the City with full power to do any and all things and acts to the same extent that the City could do and perform any such things and acts and with power of substitution.

Section 809. Waiver of Stay or Extension Laws. To the extent that such rights may lawfully be waived, neither the City nor anyone claiming through it or under it shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture. The City, for itself and for all who may claim through or under it, hereby waives and renounces, to the extent it lawfully may do so, the benefit of all such laws and all right of appraisalment and redemption to which it may be entitled under the laws of the State.

ARTICLE IX **THE TRUSTEE**

Section 901. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform such trusts, as a Trustee ordinarily would perform said Trusts under this Indenture, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has mewed (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereunder and perform any of its duties either directly or by or through attorneys, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorneys (who may be the attorney or attorneys for the City or the City), approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital other than its own contained herein, or in the Bonds, (except with respect to the certificate of authentication of the Trustee endorsed on the Bonds) or for the recording or re-recording, filing or re-filing of this Indenture or any security agreements in connection therewith, or for the validity of the execution by the City of this Indenture or of any supplements thereto or instruments of further assurance or for the security for the Bonds. Except as otherwise provided in this Indenture or in the Ordinance, the Trustee shall perform all of the duties of the City under the Ordinance.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated and delivered by it in accordance with the provisions herein. The Trustee may become the Bondowner of Bonds secured hereby with the same rights which it would have if not the Trustee.

(e) The Trustee shall be protected in acting upon or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, direction, notice, request, consent, order, affidavit, letter, telegram or other paper or document provided for under this Indenture and believed to be genuine and correct and to have been signed, presented or sent by the proper person or persons. The Trustee shall not withhold unreasonably its consent, approval or action to any reasonable request of the City. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Bondowner of any Bond, shall be conclusive and binding upon all future Bondowners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceedings, or whenever in the administration of this Indenture, the Trustee shall be entitled to rely upon a certificate signed by an Authorized City Representative as sufficient evidence of the facts therein contained, and prior to the occurrence of a Default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by such subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may, at its discretion, secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized City Representative under the City seal to the effect that a resolution in the form therein set forth has been adopted by the City, as conclusive evidence that such ordinance or resolution has been duly adopted, and is in full force and effect.

(g) Nothing herein contained shall relieve the Trustee from liability for its own negligent action or failure to act or its own willful misconduct, except that the Trustee shall not incur any liability (i) for any error of judgment made in good faith by a responsible officer or responsible officers thereof, unless it shall be proved that it was negligent in ascertaining the pertinent facts, or (ii) in respect of any action taken or omitted to be taken by it in good faith in accordance with the direction of the owners of the percentage of the Bonds specified herein relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this Indenture.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default except an Event of Default (i) described in subsection (a) or (b) of Section 801, (ii) as to which it has actual notice or (iii) as to which it has been specifically notified in writing by the City or by the Bondowners of at least 25% in aggregate principal amount of Bonds then Outstanding delivered to the corporate trust office of the Trustee.

(i) At any and all reasonable times, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the property herein conveyed, including all books, papers and records of the City pertaining to the revenues and receipts under or with respect to the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, or the taking of any action whatsoever within the purview of this Indenture, the delivery of any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action deemed desirable by the Trustee for the purpose of establishing the right of the City to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking the action referred to in **Section 802, 803, 804 or 805** of this Indenture, the Trustee may require that the Bondowners furnish an indemnity bond satisfactory to the Trustee for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(m) All money received by the Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which it was received, but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any money received hereunder except such as may be agreed upon.

(n) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

Section 902. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment of and/or reimbursement for reasonable fees for its ordinary services rendered hereunder and all advances, agent and counsel fees and other ordinary expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services and, in the event that it should become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent for the Bonds and as Bond Registrar. Pursuant to the terms hereof, the City has agreed to pay to the Trustee all fees, charges and expenses of the Trustee under this Indenture. The Trustee agrees that the Bondowners shall have no liability for any fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the City for the payment of all fees, charges and expenses of the Trustee and any Paying Agents as provided in the Ordinance. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a lien with right of payment prior to payment on account of principal of, redemption premium, if any, or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing advances, fees, costs and expenses incurred.

Section 903. Covenant of the Bond Registrar to Keep Records of Beneficial Interests of Bondowners of Bonds in Trust Estate. The Bond Registrar covenants to keep all such records of the Bondowners of Bonds and the beneficial interests thereof in the Trust Estate.

Section 904. Notice to Bondowners of Bonds if Defaults Occurs. If a Default occurs of which the Trustee is by **Section 901(h)** hereof required to take notice, or if notice of Default be given as provided in

Section 901(h) hereof, then the Trustee or the Bond Registrar, upon instruction by the Trustee, shall, unless the Event of Default theretofore shall have been cured or waived, promptly give written notice thereof by first class mail to the last known Bondowners of all Bonds then Outstanding.

Section 905. Intervention by the Trustee. In any judicial proceeding to which the City is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Bondowners of the Bonds, the Trustee may intervene on behalf of Bondowners and shall do so if requested in writing by the Bondowners of at least 25% of the aggregate principal amount of Bonds then Outstanding, provided that the Trustee shall first have been offered such reasonable indemnity as it may require against the costs, expenses and liabilities which it may incur in or by reason of such proceeding.

Section 906. Successor Trustee. Every successor to the Trustee appointed pursuant to this Section shall be a trust company or bank in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$5,000,000. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto shall be and become successor to the Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, duties, powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 907. Resignation by Trustee or the Bond Registrar. The Trustee or the Bond Registrar and any successor to either may at any time resign from the trusts hereby created by giving 45 days written notice by registered or certified mail to the City and by first class mail (postage prepaid) to the Bondowners of each Bond; provided, however, that such resignation shall not take effect and the Trustee shall not resign or in any way cease the performance of its duties hereunder until the appointment of a successor to the Trustee by the Bondowners of the Bonds or by the City pursuant to the provisions of this Indenture. In the event that no successor trustee or bond registrar is appointed within 45 days of the giving of such notice, the resigning Trustee or Bond Registrar may petition any court of competent jurisdiction for the appointment of a successor trustee or bond registrar acceptable to the City.

Section 908. Removal of the Trustee or the Bond Registrar. Either the Trustee or the Bond Registrar may be removed at any time by the City for any reason including breach of the trusts set forth herein or for failure or refusal to act as trustee or bond registrar, respectively, or by the Bondowners of more than 50% in aggregate principal amount of Bonds then Outstanding, in either case by an instrument or concurrent instruments delivered to the Trustee or the Bond Registrar, as applicable. The Trustee or the Bond Registrar so removed thereupon shall give notice of such removal in the manner specified in **Section 907** of this Indenture; provided, however, that such removal shall not take effect and neither the Trustee nor the Bond Registrar shall in any way cease the performance of its duties until the appointment of a successor in the manner prescribed by this Indenture.

Section 909. Appointment of Successor Trustee by the Bondowners of Bonds; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the process of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor

acceptable to the City may be appointed by the Bondowners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Bondowners, or by their attorneys-in-fact, duly authorized and a copy of which shall be delivered personally or sent by registered mail to the City and the Bond Registrar. Nevertheless, in case of such vacancy, the City, by resolution of the City, shall appoint a temporary successor to the Trustee to fill such vacancy until a successor to the Trustee shall be appointed by the Bondowners of the Bonds in the manner above provided; and any such temporary successor to the Trustee so appointed by the City shall immediately and without further act be superseded by the successor to the Trustee so appointed by such Bondowners of the Bonds. Notice of the appointment of a successor to the Trustee shall be given in the same manner as provided by Section 907 hereof with respect to the resignation of the Trustee. Every such Trustee appointed pursuant to the provisions of this Section 909 shall be a qualified as set forth in Section 906 hereof.

Section 910. Vesting of Trust Estate in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting such appointment hereunder, and thereupon such successor shall become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor; but such predecessor shall, nevertheless, on the written request of the City, execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

Section 911. Designation and Succession of Bond Registrar. The Trustee is hereby appointed as Bond Registrar. The Trustee, however, may delegate certain of its responsibilities relating to bond registration; provided, however, that, notwithstanding such delegation, the Trustee will remain liable for the performance of any such delegated functions and for the fees and expenses of its delegate. Any bank or trust company with which or into which the Bond Registrar may be merged or consolidated, or to which the assets and business of such Bond Registrar may be sold, shall be deemed the successor of such Bond Registrar for the purposes of this Indenture. If the position of Bond Registrar shall become vacant for any reason, the Trustee shall, within 30 days hereafter, appoint a bank or trust company to fill such vacancy. The Bond Registrar shall enjoy the same protection provisions in the performance of its duties hereunder as are specified in Section 901 hereof with respect to the Trustee insofar as such provisions may be applicable.

Notice of the appointment of a successor Bond Registrar shall be given in the same manner as provided by Section 909 hereof with respect to the appointment of a successor Trustee.

Section 912. Designation and Succession of Trustees and Paying Agents.

(a) Any bank or trust company With which or into which any Trustee may be merged or consolidated, or to which the assets and business of such Trustee may be sold, shall be deemed the successor of such Trustee for the purposes of this Indenture. If the position of Trustee shall become vacant for any reason, the Trustee shall, within 30 days thereafter, appoint a bank or trust company located in the same city as such Trustee to fill such vacancy. Other Trustees or trustees may be appointed pursuant to Article IX hereof by the Trustee if in its discretion additional Trustees or trustees are deemed advisable.

The Trustees shall enjoy the same protection provisions in the performance of their duties hereunder as are specified in **Section 901** hereof with respect to the Trustee insofar as such provisions may be applicable.

Notice of the appointment of additional Trustees or fiscal agents shall be given in the same manner as provided by **Section 909** hereof with respect to the appointment of a successor Trustee.

(b) Any bank or trust company with which or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Indenture. Any Paying Agent may resign and be discharged of its duties and obligations under this Indenture by giving at least 60 days written notice to the Trustee, the Bond Registrar and the other Paying Agents, if any. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Bond Registrar and signed by the Trustee. If the position of the Paying Agent shall become vacant for any reason, the Trustee shall, within 30 days thereafter and with the prior consent of the City, appoint a bank or trust company located in the same city as such Paying Agent to fill such vacancy; provided, however, that if the Trustee shall fail to appoint such Paying Agent within such period, the Bond Registrar shall make the appointment. Other Paying Agents may be appointed pursuant to **Article IX** of this Indenture by the Trustee, with the prior consent of the City, if in the Trustee's opinion the appointment of additional Paying Agents is deemed advisable.

- (i) The Paying Agent shall enjoy the same protection provisions in the performance of their duties hereunder as are specified in **Section 901** of this Indenture with respect to the Trustee insofar as such provisions may be applicable.
- (ii) Notice of the appointment of additional Paying Agents shall be given in the same manner as provided by **Section 909** of this Indenture with respect to the appointment of a successor Trustee.
- (iii) Each Paying Agent shall have power to act, on behalf and in the name of the Trustee and subject to the Trustee's direction, in the receipt, authentication and delivery of Bonds in connection with transfers, exchanges and registrations under the Ordinance as fully to all intents and purposes as though such Paying Agent had been expressly authorized by such Ordinance to receive, authenticate and deliver the Bonds. For all purposes of this Indenture, the receipt, authentication and delivery of Bonds by the Paying Agent pursuant to this **Section 912** shall be deemed to be the receipt, authentication and delivery of such Bonds by the Trustee.

Section 913. Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as the Trustee in such jurisdiction. It is recognized that, in case of litigation under this Indenture, the Ordinance and, in particular, in case of the enforcement thereof on Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction, it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the City be required by a separate or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. In case any separate or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate or co-trustee.

Section 914. Transfer of Properties. In the event of the resignation or removal of any Trustee, Paying Agent or Bond Registrar, such Fiduciary shall pay over, assign and deliver any moneys, records and other property held by it as such Fiduciary to its successor or, if there be no successor, to the Trustee.

Section 915. Right of Trustee to Pay Taxes, Insurance and Charges. In case any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the Projects are not paid as required herein, the Trustee may pay such tax, assessment or governmental charge or insurance premium, without prejudice, however, to any rights of the Trustee or the Bondowners hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate equal to the interest rate for advances shall become an additional obligation secured by this Indenture, and the same shall be given a preference in payment over any payment of principal of, redemption premium, if any, or interest on the Bonds, and shall be paid out of the proceeds of Revenues, revenues and receipts derived by the City pursuant to the Ordinance, if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the Bondowners of at least 51% of the aggregate principal amount of Bonds then Outstanding and shall have been provided adequate funds for the purpose of such payment.

Section 916. Annual Accounting. The Trustee shall render an annual accounting to the City and to any Bondowner requesting the same, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period and the balance in any funds or accounts created by this Indenture as of the beginning and close of such accounting period.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 1001. Supplemental Indentures Not Requiring Consent of Bondowners. The City and the Trustee may from time to time, without the consent of or notice to any of the Bondowners, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof and as shall not adversely affect the interests of the Bondowners, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture or to correct or supplement any provision herein which may be inconsistent with any other provision herein;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondowners or the Trustee or either of them;
- (c) To subject to the pledge and lien of this Indenture additional revenues, properties or collateral;
- (d) To more precisely identify the Projects in accordance with the Ordinance or to substitute or add additional property thereto;
- (e) To modify, amend or supplement this Indenture, or any indenture supplemental hereto, in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute;
- (f) To evidence the appointment of a separate Trustee, co-trustee or Bond Registrar or the succession of a new Fiduciary hereunder;
- (g) To make any other change not prejudicial to the Bondowners; and,
- (h) To evidence the appointment of a separate trustee or a co-trustee or the succession of a new trustee.

Section 1002. Supplemental Indentures Requiring Consent of Bondowners. Exclusive of Supplemental Indentures covered by Section 1001 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Bondowners of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the City and the Trustee of such other Indenture or Indentures Supplemental hereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing contained in this Section shall permit, or be construed as permitting, without the consent of the Bondowners of all Outstanding Bonds: (a) an extension of the maturity date of the principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (e) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding hereunder, or (f) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee.

If at any time the City shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to

expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each Bondowner of a Bond. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondowners of the Bonds. If, within 60 days or such longer period as shall be prescribed by the City following the mailing of such notice, the Bondowners of not less than two-thirds in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Bondowner of any Bond shall have any right to object to any of the terms and provisions contained herein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, this Indenture shall be deemed to be modified and amended in accordance therewith.

Section 1003. City's Consent to Supplemental Indenture. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article which affects any rights of the City shall not become effective unless and until the City shall have consented in writing to the execution and delivery of such Supplemental Indenture, provided that receipt by the Trustee of a Supplemental Ordinance adopted by the City in connection with the issuance of additional bonds shall be deemed to be the consent of the City to the execution of a Supplemental Indenture pursuant hereto.

Section 1004. Reliance by Trustee. The Trustee shall be entitled to rely upon an opinion of counsel stating that a Supplemental Indenture is authorized before execution and delivery, of any Supplemental Indenture the Trustee shall be furnished with an opinion of Bond Counsel stating that the provisions of such Supplemental Indenture will not adversely effect the tax-exempt status of the interest on the Bonds.

ARTICLE XI

SATISFACTION AND DISCHARGE OF INDENTURE

Section 1101. Satisfaction and Discharge of this Indenture. When the principal of, redemption premium, if any, and interest on all the Bonds shall have been paid in accordance with their terms, or provisions have been made for such payment as provided in **Section 1102** hereof, and provisions shall also be made for paying all other sums payable hereunder, including the fees and expenses of the Trustee to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect hereof shall thereupon cease, determine and be void, and thereupon the Trustee shall cancel, discharge and release the lien of this Indenture and shall execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge of the lien of this Indenture, and shall assign and deliver to the City any property and revenues at the time subject to this Indenture which may then be in its possession, except amounts in the Debt Service Fund required to be paid to the City under **Section 501** hereof and except funds or securities in which such funds are invested, held by the Trustee for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

The Trustee is hereby authorized to accept a certificate by the City that the whole amount of the principal, redemption premium, if any, and interest so due and payable upon all of the Bonds then Outstanding has been paid or such payment provided for in accordance with **Section 1102** hereof as evidence of satisfaction of this Indenture.

Section 1102. Bonds Deemed to be Paid. Bonds shall be deemed to be paid within the meaning of this Article and Article XII of the Ordinance when payment of the principal of and the applicable redemption premium, if any, on such Bond, plus interest thereon to the due Redemption Date as provided in this Indenture, or otherwise, either (a) shall have been made or caused to be made in accordance with the terms thereof, or (b) shall have been provided for by depositing with the Trustee, in trust irrevocably set aside, exclusively for such payment, Government Obligations in such amount and at such times as will insure the availability of sufficient moneys to make such payment. At such time as any Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefit of this Indenture, except for the purpose of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (b) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been mailed in accordance with the Ordinance or irrevocable instructions shall have been given to the Trustee to give such notice.

Notwithstanding any provision of any other Section of this Indenture which may be contrary to the provisions of this Section, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of Bonds (including redemption premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1201. Consents and Other Instruments by Bondowners. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agents appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of the Bonds and the amount or amounts, numbers and other identification of Bonds, and the date of ownership shall be proved by the registration books of the City maintained by the Bond Registrar pursuant to the Ordinance.

In determining whether the Bondowners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the City or any affiliate of the City shall be disregarded and deemed not to be Outstanding under

this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. For purposes of this paragraph, the word "affiliate" means any person directly or indirectly controlling or controlled by or under direct or indirect common control with the City; and for the purposes of this definition, "control" means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City or any affiliate of the City.

Section 1202. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company, other than the parties hereto and the Bondowners of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondowners of the Bonds as herein provided.

Section 1203. Payments Due on Sundays and Holidays. If the date for payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the corporate trust office of the Trustee, any Paying Agent or the Bond Registrar is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Section 1204. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given or filed with the City, the Trustee, or Bondowners if the same shall be duly mailed by registered or certified mail addressed:

- (a) To the City: City of Monett, Missouri
217 5th Street
Monett, Missouri 65708

or to such other address as the City may from time to time file with the Trustee.

- (b) To the Trustee: UMB Bank, N.A.
1010 Grand Boulevard, 4th Floor
Kansas City, MO 64106-2271
Attention: Corporate Trust Division

or to such other address as the Trustee may from time to time file with the City.

- (c) To the Bondowners if the same shall be duly mailed by registered or certified mail addressed to each of the Bondowners of Bonds at the time Outstanding as shown by the list of Bondowners required by the Ordinance to be kept at the corporate trust office of the Trustee.

(d) A copy of any notice sent, pursuant to the foregoing shall also be sent to the Original Purchaser:

Crews & Associates, Inc.
First Security Center, Suite 800
521 President Clinton Avenue
Little Rock, Arkansas 72201
Attention: Marshall Hughes

Section 1205. Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

Section 1206. Captions. The captions and headings in this Indenture are for convenience only and in no way define, limit or describe the scope or interest of any provisions or sections of this Indenture.

Section 1207. Execution of Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1208. Applicable Provisions of Law. This Indenture shall be governed by and construed in accordance with the laws of the State. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future elected or appointed official, agent or employee of the City in his or her individual capacity, and neither the officials of the City nor any official executing the Bonds shall be liable personally on the Bonds nor shall they be subject to any personal liability or accountability by reason of the issuance thereof.

IN WITNESS WHEREOF, the City has caused this Indenture to be executed on its behalf by its Mayor Pro Tem and attested by its City Clerk, and the seal of the City to be hereunto affixed and duly attested; the Trustee, to evidence its acceptance of the trusts created hereunder, has caused this Indenture to be executed in its name by its duly authorized officers and its corporate seal to be hereunto affixed; and the Trustee has approved and accepted its appointment as Bond Registrar and Paying Agent under this Indenture and the obligations set forth herein and has caused this Indenture to be executed in its name by its duly authorized officer and its seal to be hereunto affixed, all as of the day and year first above written.

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UMB BANK, N.A.

By: Lara L Stevens
Name: LARA L. STEVENS
Title: VICE PRESIDENT

By: Tremaine B. Duarte
Name: Tremaine B. Duarte
Title: Asst. Secretary

STATE OF MISSOURI)
) ss.
COUNTY OF Jackson)

On this 30 day of June, 2014, before me appeared Lara L Stevens and Tremaine B Duarte, to me personally known, who, being by me duly sworn, did say that they are the V. President and Asst Secretary, respectively, of UMB Bank, N.A., a national association, duly organized and existing with full power and authority to accept and to execute trusts and that the seal affixed to the foregoing instrument is the official seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors and said individuals acknowledged said instrument to be the free act and deed of said corporation by said individuals.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County last above written.

Theresa Wright
Notary Public

[SEAL]

My Commission Expires:

3-8-17

THERESA WRIGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires: Mar 08, 2017
Commission # 13759240

BOND PURCHASE AGREEMENT

**\$2,430,000
CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION SUPPORTED TAX INCREMENT AND SALES TAX
REFUNDING REVENUE BONDS
SERIES 2014
(EAST US HIGHWAY 60 AND RPA1 REDEVELOPMENT PROJECTS)**

June 26, 2014

BOND PURCHASE AGREEMENT

City Council
City of Monett, Missouri
Monett, Missouri
Ladies and Gentlemen:

On the basis of the representations, warranties and covenants, and upon the terms and conditions contained in this Bond Purchase Agreement (the "**Purchase Agreement**"), the undersigned, Crews & Associates, Inc. (the "**Underwriter**"), hereby offers to purchase from you \$2,430,000 aggregate principal amount of Annual Appropriation Supported Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East US Highway 60 and RPA1 Infrastructure Improvements Projects) (the "**Bonds**"), to be issued by the City of Monett, Missouri (the "**City**"), under and pursuant to Ordinance No. 8297, dated May 30, 2014 (the "**Ordinance**") and a Trust Indenture dated as of June 1, 2014 (the "**Indenture**"), between the City and UMB Bank, N.A., Kansas City, Missouri, as trustee (the "**Trustee**").

Section 1. City's Representations, Warranties and Agreements. By the City's acceptance hereof, the City hereby represents and warrants to and agrees with the Underwriter that:

(a) The City is a third class city duly created, organized and existing under the laws of the State of Missouri. The City is authorized pursuant to Sections 99.800 through 99.865 RSMo., 1994, as amended, (the "**Real Property Tax Increment Allocation Redevelopment Act**" or the "**Act**") to (i) designate an area within the corporate limits of the City as a blighted area (the "**Area**"), provide for the redevelopment of the Area by the construction of infrastructure improvements consisting of highway, street, sewer and utility improvements (the "**Projects**"); and (ii) issue the Bonds, for the purpose of refunding the City's outstanding Tax Increment Allocation Bonds, Series A 2005 Bonds (East Highway 60 Infrastructure Project) and Series B 2005 (RPA # 1 Infrastructure Improvement Project) (collectively, the "**Series 2005 Bonds**") in an aggregate principal amount not to exceed \$2,510,000, payable solely from and secured as to the payment of principal and interest by a pledge of the revenues derived by the City from the special allocation payments which are deposited in the City's special allocation fund (the "**Fund**"), pursuant to the Act.

(b) The City has agreed that it will faithfully and punctually perform all duties and obligations with respect to the development of the Projects, including all extensions thereto, now or hereafter imposed upon it by the constitution and laws of the State and the provisions of the Ordinance; and will comply with the provisions of the Act relating to the excludability of the interest on the Bonds from gross income for

federal income tax purposes and will adopt such other ordinances and take such other actions as may be necessary to comply with the Act and with all other applicable future laws, regulations, published rulings and judicial decisions in order to preserve the tax exempt status of the interest on the Bonds, to the extent any such action can be taken by the City.

(c) The City has complied with all provisions of the Constitution and the laws of the State of Missouri, including the Act, and has full power and authority to consummate all transactions contemplated by this Purchase Agreement, the Bonds, the Trust Indenture, the Continuing Disclosure Agreement dated as of June 1, 2014, between the City and the Trustee, the Ordinance and the City's Preliminary Official Statement, dated June 19, 2014, relating to the Bonds (the "**Preliminary Official Statement**") and any and all other agreements or statements relating thereto (collectively referred to as the "**Financing Documents**").

(d) The information contained in the Official Statement (as defined in Section 8(a) hereof) as of the respective dates thereof and as of the Closing Date (hereinafter defined in Section 2), does not and will not contain any untrue statement of a material fact and does not omit and will not omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) The City has duly authorized all necessary actions to be taken by the City for (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Financing Documents; (ii) the execution and delivery of the Trust Agreement, providing for the issuance of and security for the Bonds (including the pledge and assignment by the City of the Revenues (as defined in the Ordinance) sufficient to pay the principal of, premium, if any, and interest on the Bonds) and appointing the Trustee, Paying Agent and Bond Registrar; (iii) approval of the Official Statement; (iv) the refunding of the Series 1995 Bonds; (v) the execution, delivery, receipt and due performance of this Purchase Agreement, the Bonds and the Trust Agreement and any and all such other agreements and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement; and (vi) the carrying out, giving effect to and consummation of the transactions contemplated hereby and by the Financing Documents. Executed counterparts of the Financing Documents will be delivered to the Underwriter by the City on the Closing Date.

(f) Other than disclosed in the Official Statement, there is no action, suit, proceeding, or investigation at law or in equity involving the City before or by any court, public board or body pending or, to the knowledge of the elected officials of the City, threatened wherein an unfavorable decision, ruling, or finding would: (i) affect the creation, organization, existence or powers of the City or the titles of its officials to their offices, (ii) enjoin or restrain the issuance, sale and delivery of the Bonds, the execution and delivery of any of the Financing Documents, the refunding of the Series 2005 Bonds or the collection of any of the taxes identified in the Ordinance, (iii) in any way question or affect any authority for the issuance of the Bonds or the validity or enforceability of the Bonds or the Financing Documents, (iv) in any way question or affect any of the Financing Documents or the transactions contemplated thereby, or (v) have a material adverse effect on the financial condition of the City.

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

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

(i) Any certificate signed by any of the authorized officials of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(j) The City will furnish such information, execute such instruments, and take such other action in cooperation with Underwriter, as the Underwriter may reasonably request, to qualify the bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate and will assist, if necessary therefor, in the continuance of such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the City shall not be required to qualify as a foreign corporation or to file any general consents to service of process under the laws of any state.

Section 2. Purchase, Sale and Delivery of the Bonds. On the basis of the representations, warranties and covenants contained herein and in the other agreements referred to herein, and subject to the terms and conditions herein set forth, at the Closing Date the Underwriter agrees to purchase from the City and the City agrees to sell to the Underwriter the Bonds at a purchase price equal to \$2,375,325 after Underwriter's discount of two and one quarter percent (2.25%) less a discount of \$36,979 for a total purchase price of \$2,338,345.

The Bonds shall be issued under and secured as provided in the Ordinance and the Indenture and the Bonds shall have the maturities and interest rates and be subject to redemption as set forth in the Trust Agreement, the Official Statement and as set forth on Exhibit A attached hereto. Payment for the Bonds 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 the offices of the Trustee, at 11:00 a.m., local time, on June 26, 2014, or such other place, time or date as shall be mutually agreed upon by the City and the Underwriter. The date and time of such delivery and payment is herein called the "Closing Date." The delivery to the Underwriter of the Bonds shall be in book-entry form through the facilities of The Depository Trust Company ("DTC") in New York, New York. The certificates for the Bonds shall be in the form of one or more printed or typewritten bonds in fully registered form, in the aggregate principal amount of the Bonds, and registered in the name of Cede & Co., as nominee of DTC. A certificate or certificates representing the bonds will be delivered to DTC on the last business day preceding the Closing Date.

Section 3. Conditions to the Underwriter's Obligations. The Underwriter's obligations hereunder shall be subject to the due performance by the City of its obligations and agreements to be performed hereunder at or prior to the Closing Date and to the accuracy of and compliance with the City's representations and warranties contained herein, as of the date hereof and as of the Closing Date and are also subject to the following conditions:

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

(b) The Underwriter shall have received:

(i) The opinion, in form and substance satisfactory to the Underwriter, dated as of the Closing Date, of Yates, Mauck, Bohrer, Elliff, & Fels, P.C., Bond Counsel, relating to the due organization and existence of the City, the valid authorization and issuance of the Bonds, the due authorization, execution and delivery by the City of the Trust Agreement, the tax exempt status of the Bonds and certain other matters; and

(ii) A certificate, satisfactory to the Underwriter, of the City, executed by the Mayor and City Clerk, dated as of the Closing Date, to the effect that: (A) the City has duly performed all of its obligations to be performed at or prior to the Closing Date and that each of the City's representations and warranties contained herein and in the other Financing Documents is true as of the Closing Date; (B) the City has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Bonds and the Financing Documents and any and all such agreements and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated hereby; (C) no litigation is pending, or to the City's knowledge threatened, to restrain or enjoin the issuance or sale of the Bonds; or, in any way, affecting any authority for or the validity of the Bonds or the Financing Documents; or the City's existence or powers; or the City's right to use the proceeds of the Bonds to refund the Series 1995 Bonds; (D) the execution, delivery, receipt and due performance of the Bonds, the Financing Documents and the Official Statement, under the circumstances contemplated thereby, and the City's compliance with the provisions thereof, will not conflict with or constitute on its part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which it is subject or by which it is or may be bound; and (E) to the best of his or her knowledge, neither the Official Statement nor any amendment or supplement thereto, as of their issue dates, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; and

(iii) A supplemental opinion of Bond Counsel, dated the Closing Date, in form and substance satisfactory to the Underwriter, to the effect that, (i) this Agreement and the Continuing Disclosure Agreement have been duly authorized, executed, and delivered by the City and, assuming due execution by the Underwriter, and except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and by general principles of equity, constitute valid and binding agreements enforceable in accordance with their terms, (ii) the City has ratified the distribution of the Preliminary Official Statement; (iii) the Ordinance and the Trust Agreement conform as to form and tenor with the terms and provisions thereof as summarized and set out in the Official Statement, and (iv) the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Ordinance and the Trust Agreement are exempt from qualification under the Trust Indenture Act of 1939, as amended. In addition, such counsel shall state in the opinion or in a separate letter, or letters, dated the Closing Date and addressed to the Underwriter, that based upon the examinations which they have made as Bond Counsel and in reliance on the opinion of Underwriter's Counsel, nothing has come to their attention which would lead them to believe that the Official Statement (except for the statistical data and information regarding the Bond Insurer included in the Official Statement, as to which no view need be expressed) contains an untrue statement of a material fact

or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(iv) Such additional certificates, opinions and other documents as the Underwriter may reasonably request to evidence performance or compliance with the provisions hereof and the transactions contemplated hereby and by the Financing Documents and the Official Statement, all such certificates and other documents to be satisfactory in form and substance to the Underwriter.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter and its counsel. The performance of any and all obligations of the City under this Purchase Agreement and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in its sole discretion.

Section 4. Conditions to the City's Obligations. The City's obligations hereunder are subject to the Underwriter's performance of its obligations hereunder.

Section 5. The Underwriter's Right to Cancel. The Underwriter shall have the right to cancel its obligations hereunder to purchase the Bonds (such cancellation shall not constitute a default for purposes of Section 7 hereof) by notifying the City, in writing or by telegram of its election to make such cancellation prior to the Closing Date, if, at any time prior to the Closing Date:

(a) A committee of the House of Representatives or the Senate of the Congress of the United States shall have pending before it legislation which, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the City or by any similar body, or upon interest received on obligations of the general character of the Bonds, or the Bonds, which, in the Underwriter's opinion, could materially adversely affect the market price of the Bonds.

(b) A tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or a decision by a court established under Article III of the Constitution of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States, or the Internal Revenue Service, shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation, upon revenues or other income of the general character to be derived by the City or by any similar body or upon interest received on obligations of the general character to be derived by the City or by any similar body or upon interest received on obligations of the general character of the Bonds, or the Bonds, which, in the Underwriter's opinion, could materially and adversely affect the market price of the Bonds;

(c) Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by the legislature of the State of Missouri, or by any other governmental body, department or agency of the State of Missouri, or a decision by any court of competent jurisdiction within the State of Missouri shall be rendered, which, in the Underwriter's opinion, materially and adversely affect the market price of the Bonds,

or litigation challenging the Act under which the Bonds are to be issued shall be filed in any court in the State of Missouri;

(d) A stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering of sale of obligations of the general character of the Bonds, or the issuance, offering of sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provisions of the federal securities laws, the Securities Act of 1933, as amended and as then in effect, or the registration provisions of the Securities Exchange Act of 1934, as amended, and as then in effect, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect;

(e) Legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, including all the underlying obligations, are not exempt from registration under or from other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Trust Agreement is not exempt from qualifications under, or other requirements of, the Trust Indenture Act of 1939, as amended and as then in effect;

(f) Any event shall have occurred, or information become known, which, in the Underwriter's opinion, makes untrue in any material respect any statement or information contained in the Official Statement as originally circulated, or has the effect that the Official Statement, as originally circulated, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(g) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(h) The New York Stock Exchange or any other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter;

(i) Any general banking moratorium shall have been established by federal, New York, Arkansas or Missouri authorities; or

(j) A war involving the United States shall have been declared or any conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the Underwriter's opinion, materially adversely affect the market price of the Bonds.

Section 6. Representations, Warranties and Agreements to Survive Delivery. All of the City's representations, warranties and agreements shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter on its own behalf and shall survive delivery of the Bonds to the Underwriter.

Section 7. Payment of Expenses. Whether or not the Bonds are sold by the City to the Underwriter (unless such sale be prevented at the Closing Date by the Underwriter's default), the Underwriter shall be under no obligation to pay any expenses incident to the performance of the City's obligations hereunder. If the Bonds are sold by the City to the Underwriter, all expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds (including, without limitation, the premium due the Bond Insurer; the fees and disbursements of Yates, Mauck, Bohrer, Elliff, & Fels, P.C., as Bond Counsel; the fees and disbursements of Underwriter's Counsel; the fees and disbursements of the Trustee and its counsel; the fees and disbursements of the Underwriter, in connection with the offering, sale and delivery of the Bonds and the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Bonds, the Official Statement, this Purchase Agreement and all other agreements and documents contemplated hereby) and the refunding of the Series 1995 Bonds shall be paid by the City out of the proceeds of the Bonds. If the Bonds are not sold by the City to the Underwriter (unless such sale be prevented at the Closing Date by the Underwriter's default), the aforesaid fees and disbursements shall be paid by the City.

Section 8. Official Statement.

(a) The City hereby ratifies and confirms the Underwriter's use of the Preliminary Official Statement; and authorizes the use of, and will make available, promptly after the City's acceptance hereof, two executed copies of the Official Statement for the use by the Underwriter in connection with the sale of the Bonds, substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter (such Preliminary Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto, together with such amendments or supplements thereto as are adopted by the City in accordance herewith, subsequent to the acceptance of this Purchase Agreement by the City, being herein called the "**Official Statement**").

(b) The City authorizes the use by the Underwriter of copies of the Official Statement and the Financing Documents delivered on the Closing Date to the Trustee for the account of the City, all in connection with the public offering and sale of the Bonds. The City hereby ratifies and consents to the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement, in connection with the public offering of the Bonds.

(c) The City hereby represents and warrants that the Preliminary Official Statement heretofore delivered to the Underwriter is deemed final by the City as of the date hereof, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

(d) The City hereby covenants and agrees that within seven business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the City shall cause a final printed form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission and the rules of the Municipal Securities Rulemaking Board.

(e) If, after the date of this Purchase Agreement and until the earlier of (i) 90 days after the "end of the underwriting period," or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the "end of the underwriting period," any event shall occur that might cause the Official Statement to contain

any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City hereby agrees to notify the Underwriter (and, for the purposes of this paragraph, to provide the Underwriter with such information as it may from time to time request), and, if in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, at the City's expense to supplement or amend the Official Statement in a form and manner approved by the Underwriter and furnish to the Underwriter a reasonable number of copies of such supplement or amendment. The "end of the underwriting period" shall mean the later of (i) the date of the delivery of the Bonds by the City to the Underwriter, or (ii) the date the Underwriter no longer retains (directly or as a syndicate member) an unsold balance of the securities for sale to the public. The Underwriter agrees to notify the City in writing when the underwriting period has ended and if no such notification is given within 90 days after the Closing Date, the City may assume that the underwriting period ended on the Closing Date.

Section 9. Notice. Any notice or other communication to be given to the City under this Purchase Agreement may be given by mailing or delivering the same in writing to City of Monett, Missouri, Office of the City Clerk, 217 5th Street, Monett, Missouri 65708; and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Crews & Associates, Inc., First Security Center, Suite 800, 521 President Clinton Avenue, Little Rock, Arkansas 72201.

Section 10. Applicable Law; Non-Assignability. This Purchase Agreement shall be governed by the laws of the State of Missouri. This Purchase Agreement shall not be assigned by the City.

Section 11. Execution of Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase Agreement, all as of the day and year first above mentioned.

Very truly yours,

CREWS & ASSOCIATES, INC.

By: 

Name: Edmond Hurst

Title: Senior Managing Director

Accepted and agreed to as of the date first above written.

CITY OF MONETT, MISSOURI

By: _____

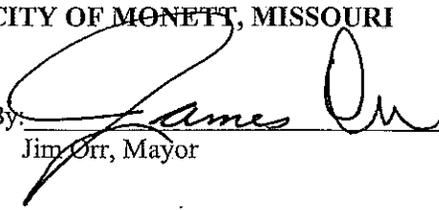

Jim Orr, Mayor

Exhibit A

Sources and Uses of Funds

Sources of Funds:

Par Amount of Bonds	\$2,430,000.00
Transfers from Prior Issue DSR Funds	418,862.84
2005 A/B PILOTs EATs	403,820.83
2005 A/B County EATs	399,185.20
Transfers from Prior Issue Debt Service Funds	178,151.64
2005 A/B City EATs	21,759.05
2005 A/B CID Revenue Fund	85.62
Original Issue Discount (OID)	(36,979.60)
Total Sources	\$3,814,885.58

Uses of Funds:

Deposit to Current Refunding Fund	\$3,600,918.75
Deposit to Debt Service Reserve Fund (DSRF)	116,287.50
Total Underwriter's Discount (2.250%)	54,675.00
Bond Counsel	33,950.00
Trustee and Counsel Fees	3,600.00
Miscellaneous	2,500.00
Rounding Amount	1,954.33
DAC Fee	1,000.00
Total Uses	\$3,814,885.58

Maturity Schedule

<u>Maturity</u>	<u>Type of Bond</u>	<u>Coupon</u>	<u>Yield</u>	<u>Maturity Value</u>	<u>Price</u>	<u>Dollar Price</u>
01/01/2016	Term 1 Coupon	2.000%	2.000%	200,000.00	100.000%	200,000.00
01/01/2020	Term 2 Coupon	3.100%	3.100%	650,000.00	100.000%	650,000.00
01/01/2021	Serial Coupon	3.500%	3.500%	175,000.00	100.000%	175,000.00
01/01/2028	Term 3 Coupon	3.500%	3.750%	1,405,000.00	97.368%	1,368,020.40
Total	-	-	-	\$2,430,000.00	-	\$2,393,020.40

Term Bonds Maturing January 1, 2016

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2015	50,000
2016	150,000

Mid-Term Bonds Maturing January 1, 2020

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2017	155,000
2018	160,000
2019	165,000
2020	170,000

Long-Term Bonds Maturing January 1, 2028

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2022	180,000
2023	185,000
2024	195,000
2025	200,000
2026	210,000
2027	215,000
2028	220,000

TAX COMPLIANCE AGREEMENT

Between the

CITY OF MONETT, MISSOURI

and

**UMB BANK, N.A.,
as Trustee**

Dated June 26, 2014

Relating to

\$2,430,000

City of Monett, Missouri

**Annual Appropriation - Supported Tax Increment and Sales Tax Revenue Refunding Bonds
Series 2014**

(East U.S. Highway 60 and RPA 1 Infrastructure Redevelopment Projects)

*YATES, MAUCK, BOHRER, ELLIFF & FELS, P.C.
2121 S. Eastgate Ave
Springfield, Missouri 65809
(417) 883-7411
Bond Counsel*

TAX COMPLIANCE AGREEMENT

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TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT (the "**Agreement**") is made and entered into as of the 26th day of August, 2014 by and between the City of Monett, Missouri (the "**City**") and UMB Bank, NA., Kansas City, Missouri (the "**Trustee**").

WITNESSETH:

WHEREAS, this Agreement is being executed and delivered in connection with the issuance by the City of its Annual Appropriation - Supported Tax Increment and Sales Tax Revenue Refunding Bonds (East U.S. Highway 60 and RPA1 Infrastructure Redevelopment Projects) in the aggregate principal amount of \$2,430,000 (the "**Bonds**") under Ordinance No. 8297 adopted by the City on May 30, 2014 (the "**Ordinance**") for the purpose of providing funds for certain purposes as described herein and in the Ordinance; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "**Code**"), and the regulations and the rulings promulgated by the U.S. Treasury Department with respect thereto (the "**Regulations**"), impose certain limitations on the Bonds, the activities of the City, the application, uses and investments of proceeds of the Bonds and of certain other moneys relating to the Bonds and the use of the Projects (hereinafter defined) and the conditions under which interest on the Bonds will be excluded from gross income for federal income tax purposes and compliance with the proceedings in this Agreement, the Indenture (hereinafter defined) and the Ordinance is required in order to insure that the provisions of the Code are and will continue to be met; and

WHEREAS, the City and the Trustee are entering into this Agreement in order to set forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Bonds and of certain other moneys relating thereto, in order to establish and maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes and to provide guidance and establish procedures to be followed in compliance with Section 148(f) and certain other sections of the Code to preserve the exclusion from federal income of the interest on the Bonds; and

WHEREAS, the Trustee agrees (i) to perform or to engage (at the City's expense) a Rebate Analysis (hereafter defined) to perform the computations necessary to determine the Rebate Amount and (ii) to make payments, but solely from amounts in the Rebate Fund or from moneys provided by the City, to the United States of America in the amounts and at the times specified herein; and

WHEREAS, the City agrees, to the extent funds are available for that purpose, to make payments to the Trustee as necessary to comply with the arbitrage rebate requirements of Section 148(f) of the Code.

ARTICLE I **DEFINITIONS**

Section 1.01. Words and Terms. Except as otherwise herein defined or unless the context requires otherwise, the terms defined in the Indenture and in the Ordinance shall for all purposes of this Agreement have the meanings therein specified and the following words and phrases shall have the meanings assigned by Section 148 of the Code:

"Agreement" means this Tax Compliance Agreement between the City and the Trustee, as originally executed and as it may from time to time be amended and supplemented in accordance with the terms hereof.

"Bona Fide Debt Service Fund" means a fund, which may include proceeds of the Bonds, that is:

(1) used primarily to achieve a proper matching of revenues with principal and interest payments on the Bonds within each Bond Year; and

(2) is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of (A) the earnings on the fund for the preceding Bond Year, or (B) one-twelfth of the principal and interest payments on the Bonds for the preceding Bond Year.

"Bond" or **"Bonds"** means collectively any bond or bonds of the Annual Appropriation - Supported Tax Increment and Sales Tax Revenue Refunding Bonds (East U.S. Highway 60 RPA1 Infrastructure Projects) Series 2014, of the City, authenticated and delivered under and pursuant to the Ordinance.

"Bond Counsel" means an attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing and in matters relating to arbitrage under Section 148 of the Code, approved by the City and acceptable to the Trustee.

"Bond Year" means a one year period beginning on the Issue Date and ending on the day previous to the anniversary date of the Issue Date. The first Bond Year begins on the Issue Date and ends on the one year anniversary date thereof.

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

"Code" means the Internal Revenue Code of 1986, including, where appropriate, the statutory predecessor of the Code and all applicable Regulations (whether proposed, temporary or final) under the Code and the statutory predecessor of the Code, and any successor provisions to the provisions of the Code and those Regulations and any official rulings, announcements, notices, procedures and judicial determinations under the foregoing applicable to the Bonds. References to the Code or Sections of the Code shall include any applicable Regulations and proposed Regulations thereunder and any successor provisions to those Sections, Regulations or proposed Regulations.

"Computation Date" means each date on which arbitrage rebate for the Bonds is computed. The City may treat any date as a Computation Date, subject to the following limits: (1) the first Computation Date cannot be later than five years after the Issue Date; (2) each subsequent rebate installment payment must be made for a Computation Date not later than five years after the previous Computation Date for which an installment payment was made; and (3) the date the last Bond is discharged is the final Computation Date.

"Event of Taxability" means the final adoption of legislation or regulations, or the issuance of a statutory notice of deficiency or a ruling by the IRS, or a final decision of a court of competent jurisdiction, which holds in effect that the interest payable on any Bond is not excludable from the gross income of a bondowner for federal income tax purposes.

"Final Computation Date" means the date the last Bond is discharged.

"Gross Proceeds" means those amounts described in Section 148(f)(6)(B) of the Code and in Section 1.148-1(b) of the Regulations.

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

"Indenture" means the Trust Indenture as originally executed by the City and the Trustee dated as of even date herewith, as from time to time amended and supplemented by supplemental indentures in accordance with the provisions of the Indenture.

"Investment" means any security, obligation, annuity contract or other investment-type property which is purchased directly with, or otherwise allocated to, Gross Proceeds. Such term does not include obligations the interest on which is excluded from federal gross income, except for "specified private activity bonds" as such term is defined in Section 57(a)(5)(C) of the Code.

"IRS" means the United States Internal Revenue Service.

"Issue Date" means June 26, 2014.

"Minor Portion" means the lesser of \$100,000 or 5% of the sale proceeds of the Bonds.

"Net Proceeds" means the sale proceeds of the Bonds (excluding pre-issuance accrued interest), less any proceeds deposited in a reasonably required reserve or replacement fund, plus all investment earnings on such sale proceeds.

"Nonpurpose Investments" means any property, other than property described in Section 148(b)(2)(A)(B)(C) or (E) which was not acquired to carry out the governmental purpose of the Bonds and which is held principally as a passive vehicle for the production of income, including a hedge contract with a significant investment element and an agreement to prepay for property or services other than on commercial terms generally available in transactions which do not involve tax exempt financing.

"Ordinance" means Ordinance No. 8297 adopted by the City on May 30, 2014, pursuant to which the Bonds are issued.

"Projects" has the meaning given to such term as defined in the Indenture.

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

"Rebate Analyst" means an independent certified public accountant, or such other person or firm selected by the Trustee to compute arbitrage rebate.

"**Regulations**" means all regulations issued by the U.S. Treasury Department to implement the tax-exempt bond provisions requirements of Sections 103 and 141 through 150 of the Code and applicable to the Bonds.

"**State**" means the State of Missouri.

"**Transcript**" means the Transcript of Proceedings relating to the authorization and issuance of the Bonds.

"**Trustee**" means UMB Bank, N.A., and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to and at the time serving as trustee under the Indenture.

"**Underwriter**" means Crews & Associates, Inc., Little Rock, Arkansas, as Purchaser.

"**Yield**" means yield computed under Section 1.148-4 of the Regulations with respect to the Bonds and computed under Section 1.148-5 of the Regulations with respect to an investment.

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

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

(a) *Organization and Authority.* The City (1) is a third class city duly organized and existing under the laws of the State, and (2) has lawful power and authority to issue the Bonds for the purposes set forth in the Ordinance, to enter into, execute and deliver the Indenture, and this Agreement and to carry out its obligations thereunder and hereunder, and (3) by all necessary actions has been duly authorized to execute and deliver the Ordinance, the Indenture and this Agreement, acting by and through its duly authorized officers.

(b) *Tax-Exempt Status of Bonds.* The City (to the extent within its power or direction) will not take any action and will refrain from whatever action necessary to comply with the applicable requirements of the Code, use any money on deposit in any fund or account maintained in connection with the Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other source, in a manner that would cause the Bonds to be "arbitrage bonds," within the meaning of Section 148 of the Code, and will not (to the extent within its power or direction) otherwise use or permit the use of any proceeds of the Bonds or any other funds of the City, directly or indirectly, in any manner, or take or permit to be taken any other action or actions, that would cause interest on the Bonds to be included in gross income for federal income tax purposes.

(c) *Limit on Private Business Use.*

(1) Not more than 10% of the proceeds of the Bonds will be used for any private business use. The City understands that use of the facilities financed with Bond proceeds is treated as use of such proceeds, and use as a member of the general public ("general public use") is not

private business use. The Projects are intended to be available, and will be reasonably available, for use on the same basis by natural persons not engaged in a trade or business. The City understands further that, under the Code and the Regulations

(A) In general, use under an arrangement that conveys priority rights or other preferential benefits is not general public use.

(B) Arrangements providing for use that is available to the general public at no charge or on the basis of rates that are generally applicable and uniformly applied do not convey priority rights or other preferential benefits. For this purpose, rates may be treated as generally applicable and uniformly applied even if different rates apply to different classes of users, such as volume purchasers, if the differences in rates are customary and reasonable.

(2) In connection with the issuance of the Bonds the City has determined the percentage of anticipated private business use in the Projects based on (i) the cost of construction of space expected to be used exclusively in a private business use and (ii) a percentage of the time the Projects are expected to be used in a private business use for that portion of the Projects expected to be used both in a private business use and for public use. In performing this analysis, the City has (i) based the percentage of time of private business use based on its reasonable estimate of the time the Projects will be available both for private business use and public use, (ii) determined that the private business use and the public use are not expected to have significantly different market values and (iii) allocated a portion of common costs to public use and private business use of the Projects. The City expects to allocate less than 10% of the net proceeds of the Bonds to the cost of the Projects to be used in a private business use. The City will allocate other funds to finance the remaining cost of the Projects to be used in a private business use. Not later than 18 months following the completion of the Projects the City will make a written allocation of the proceeds of the Bonds to the cost of the Projects in connection with the computation of rebate on the Bonds as described in Section 4.5 of this Agreement.

(d) *Governmental Bonds -- Private Security or Payment.* The payment of principal and interest on the Bonds will not be (under the terms of the Bonds or any underlying arrangement) directly or indirectly:

(1) secured by (i) any interest in property used or to be used for a private business use, or (ii) any interest in payments in respect of such property; or

(2) to be derived from payments (whether or not such payments are made to the City) in respect of property, or borrowed money, used or to be used for a private business use.

For purposes of the forgoing, taxes of general application, are not treated as a private payment or as private security.

(e) *Governmental Bonds -- No Private Loan.* None of the net proceeds of the Bonds will be loaned directly or indirectly to any person or entity that is not a State or local governmental unit.

(f) *IRS Form 8038-G.* Attached hereto as Exhibit A is a copy of IRS Form 8038-G filed with the IRS as required by Section 148 of the Code in connection with the issuance of the Bonds.

(g) *Registered Bonds.* The Indenture requires that all of the Bonds will be issued and held in registered form within the meaning of Section 149(a) of the Code.

(h) *Hedge Bonds.* The City expects that all of the net sale proceeds of the Bonds will be used (1) to early out the governmental purpose of the Bonds within three years after the Issue Date, and (2) not more than 50% of the proceeds of the Bonds will be invested in investments having a substantially guaranteed yield for four years or more.

(i) *City Reliance on Other Parties.* The expectations, representations and covenants of the City concerning uses of Bond proceeds and certain other moneys described in this Agreement and other matters are based in whole or in part upon covenants, representations and certifications of the City and other parties set forth in this Agreement or exhibits hereto. Although the City has made no independent investigation of the representations of other parties, the City is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representation made in this Agreement or exhibits hereto.

(j) *Offering Prices of the Bonds.* The City is issuing, selling and delivering the Bonds to the Underwriter thereof pursuant to a Bond Purchase Agreement, dated June 26, 2014, between the City and the Underwriter simultaneously with the delivery of this Agreement in exchange for the payment of the purchase price of 100% of the principal amount thereof.

(k) *Purpose of Issue.* The Bonds are being issued for the purpose of funding the cost of certain highway and utility improvements of the City (the "Projects").

(l) *Bonds Not Federally Guaranteed.* The City will not take any action or permit any action to be taken which would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(m) *Arbitrage Certifications.* The facts, estimates and expectations recited in Article III of this Agreement are true and accurate as of the Issue Date; and the City believes that the estimates and expectations recited in such Article are reasonable as of the Issue Date. The Trustee, Yates, Mauck, Bohrer, Elliff & Fels, P.C., Bond Counsel, and the Underwriter may rely on such statements and expectations. The City does not expect that the Bond proceeds will be used in a manner that would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code; and to the best of the City's knowledge and belief, there are no other facts, estimates or circumstances that would materially change such expectations.

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

(o) *Only Tangible Real and Tangible Personal Property Financed.* Except for a de minimis amount, not in excess of \$5,000, all of the original proceeds and investment proceeds of the Bonds will be used to provide tangible real or tangible personal property, the proceeds of which were used only to provide tangible real or tangible personal property. Proceeds are considered to provide tangible property only if the proceeds are (a) used to finance costs that a taxpayer must charge to the property's capital account, may elect to charge to the property's capital account instead of deducting, or may elect to deduct instead of charging to the property's capital account or (b) used to fund a reserve fund.

Section 2.3. Representations and Covenants of the Trustee. The Trustee represents and covenants to the City as follows:

(a) The Trustee will comply with the provisions of this Agreement that apply to it as Trustee and any written letter or Opinion of Bond Counsel which sets forth any action necessary to comply with any statute, regulation or ruling that may apply to it as Trustee hereunder and relating to reporting requirements or other requirements necessary to preserve the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

(b) The Trustee, acting on behalf of the City, may from time to time cause a firm of attorneys, consultants or independent accountants or an investment banking firm to provide the Trustee with such information as it may request in order to determine all matters relating to (a) the Yield on the Bonds as it relates to any data or conclusions necessary to verify that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code, and (b) compliance with arbitrage rebate requirements of Section 148(f) of the Code. All costs and expenses incurred in connection with supplying the foregoing information will be paid by the City.

Section 2.4. Survival of Representations and Covenants. All representations, covenants and certifications of the City and the Trustee contained in this Agreement or in any certificate or other instrument delivered by the City or the Trustee pursuant to this Agreement, shall survive the execution and delivery thereof and the issuance, sale and delivery of the Bonds, as representations of facts existing as of the date of execution and delivery of the instruments containing such representations. The foregoing covenants of this Section shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to Article XI of the Indenture or any other provision of the Indenture, until the final maturity date of all Bonds Outstanding and payment thereof.

ARTICLE III **ARBITRAGE CERTIFICATIONS AND COVENANTS**

Section 3.1. General. The purpose of this Article is to certify, pursuant to Section 1.148-2(b) of the Regulations, the City's expectations as to the sources, uses and investment of proceeds of the Bonds and other money, in order to support the City's conclusion that the Bonds are not arbitrage bonds. The person executing this Agreement on behalf of the City is an officer of the City responsible for issuing the Bonds.

Section 3.2. Reasonable Expectations. The facts, estimates and expectations set forth in this Article are based upon and in reliance upon the City's understanding of the documents and certificates that comprise the Transcript, including (a) the Indenture, (b) this Agreement, (c) covenants, representations and certifications of the City contained in this Agreement and in the closing certificate of the City, (d) representations, warranties and certifications contained in the certificate of the Underwriter, (e) representations contained in the City's Closing Certificate, and (f) representations, warranties and certifications of the Trustee contained in the Trustee's Closing Certificate. To the City's knowledge, the facts and estimates set forth in this Agreement are accurate, and the expectations of the City set forth in this Agreement are reasonable. The City has no knowledge that would cause it to believe that the representations, warranties and certifications described herein are unreasonable or inaccurate or may not be relied upon.

Section 3.3. Authority and Purpose for Bonds. The City is issuing and delivering the Bonds simultaneously with the execution of this Agreement, pursuant to the laws of the State, the Ordinance adopted by the City and the Indenture. The Bonds are being issued for the purpose of providing funds to (a) finance and reimburse the costs of highway and utility improvements of the City, (b) pay certain costs associated with the issuance of the Bonds, (c) fund debt service reserve funds for the Bonds and (d) fund capitalized interest on the Bonds. The expected sources of funds, including the proceeds of the Bonds, and the expected application thereof for the purposes set forth above as of this date are as set forth in the Official Statement.

Section 3.4. Funds and Accounts. The following funds and accounts have been created and are held:

- (a) Refunding Fund.
- (b) Debt Service Reserve Fund.
- (c) Debt Service Fund.
 - (i) Principal Account,
 - (ii) Interest Account, and
 - (iii) Extraordinary Redemption Account.
- (d) Revenue Fund.
- (e) City EATs Account,
- (f) County EATs Account,
- (g) 911 Board EATs Account,
- (h) City Revenue Account,
- (i) County PILOTs Account,
- (j) School District PILOTs Account,
 - (i) Cost of Issuance Fund, and
 - (ii) Rebate Fund.

Section 3.5. Amount and Use of Bond Proceeds and Other Money. On the Issue Date, the Trustee shall deposit the proceeds received from the sale of the Bonds as follows:

- (a) in the Debt Service Reserve Fund, the sum of \$116,287.50;
- (b) in the Refunding Fund the Sum of \$3,600,918.75; and
- (c) in the Cost of Issuance Fund, the sum of \$42,404.33.

Section 3.6. No Over-Issuance. The sale proceeds of the Bonds, together with expected investment earnings thereon and other money contributed by the City, do not exceed the cost of the governmental purpose of the Bonds as described above.

Section 3.7. Ordinance The City is providing the proceeds of the Bonds to the Trustee under the Indenture. Under the Ordinance, the City is required to make periodic payments to the Trustee in amounts sufficient to pay the principal of and interest on the Bonds. Except for the Debt Service Fund, the City has not established nor expects to establish any sinking fund or other similar fund that is expected to be used to pay principal of or interest on the Bonds. The Debt Service Fund is used primarily to achieve a proper matching of revenues with principal and interest payments on the Bonds within each Bond Year, and the City expects that the Debt Service Fund will qualify as a Bona Fide Debt Service Fund is used primarily to achieve a proper matching of revenues with principal and interest payments on the Bonds within each Bond Year.

Section 3.8. Replacement and Pledged Funds. None of the proceeds of the Bonds will be used as a substitute for other funds that were intended or earmarked to pay Costs of the Projects, and that have been or will be used to acquire higher yielding investments. Except for the Debt Service Fund, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest on the Bonds if the City encounters financial difficulty.

Except for Debt Service Fund, there are no replacement proceeds of the Bonds (i.e., amounts that have a sufficient direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for the governmental purpose of the proceeds of the Bonds were not used or to be used for the governmental purpose).

Except for the Debt Service Fund, there are to be no funds or amounts held by or derived from a substantial beneficiary of the Bonds (e.g., the City and any related party to the City) that constitute with respect to the Bonds any sinking fund (i.e., a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal or interest on the Bonds that provides reasonable assurance that the amount will be available to pay principal or interest on the Bonds, even if the City encounters financial difficulty).

All moneys deposited in the Debt Service Fund will be expended within 13 months from the date of deposit. The Debt Service Fund will be fully depleted at least once a year (except for an amount not to exceed the greater of (a) the lesser of one year's earnings on the Debt Service Fund or (b) one-twelfth of the annual debt service on the Bonds).

There is no agreement to maintain an amount at a particular level for the direct or indirect benefit of the Bondowners.

Section 3.10. Yield.

(a) *Offering Prices.* The City is issuing, selling and delivering the Bonds to the original purchaser thereof pursuant to a Bond Purchase Agreement, dated June 26, 2014, between the City and the Underwriter simultaneously with the delivery of this certificate in exchange for the payment of the purchase price of 100% of the principal amount thereof.

(b) *Bond Yield.* The Yield on the Bonds for arbitrage purposes is 3.648634%, as computed by the Underwriter.

Section 3.11. Miscellaneous Arbitrage Matters.

(a) *Expected Use.* The City expects to use the Projects for activities which do not constitute "unrelated trades or businesses," determined by applying Section 513 of the Code.

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

(c) *Single Issue; No Other Issues.* The Bonds constitute a single "issue" under Section 1.1501(c) of the Regulations. No other obligations of the City (1) are being sold within 15 days of the sale of the Bonds; (2) are being sold under the same plan of financing as the Bonds; and (3) are expected to be paid from substantially the same source of funds as the Bonds (disregarding guarantees from unrelated parties, such as bond insurance).

Section 3.12. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Agreement, the City does not expect that the proceeds of the Bonds will be used in a manner that would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the Regulations.

ARTICLE IV

ARBITRAGE INVESTMENT AND REBATE INSTRUCTIONS

Section 4.1. Rebate Covenants. The Trustee will (a) engage, at the expense of the City, a Rebate Analyst to compute arbitrage rebate on the Bonds in accordance with the Regulations, and (b) pay to the United States of America, but solely from amounts held in the Rebate Fund or money provided by the City, all such arbitrage rebate in accordance with this Agreement and the Regulations. The City will make payments to the Trustee as necessary to comply with the rebate requirements of Section 148(f) of the Code and the Regulations.

Section 4.2. Temporary Periods/Yield Restriction. Except as described below, Gross Proceeds must not be invested at a yield greater than the yield on the Bonds:

(a) *The Cost of Issuance Fund.* Bond proceeds deposited in the Cost of Issuance Fund and investment earnings on such proceeds may be invested without yield restriction for three years after the Issue Date. If any unspent proceeds remain in the Cost of Issuance Fund after three years, such amounts may continue to be invested without yield restriction so long as the City pays to the IRS all yield reduction payments in accordance with Section 1.148-5(c) of the Regulations. These payments are required whether or not the Series 2005A Bonds are exempt from the arbitrage rebate requirements of Section 148 of the Code.

(b) *Debt Service Fund.* To the extent that the Debt Service Fund qualifies as a bona fide debt service fund, money in such account may be invested without yield restriction for 13 months after the date

of deposit. Earnings on such amounts may be invested without yield restriction for one year after the date of receipt of such earnings. Amounts on deposit in the Debt Service Fund in excess of the amount constituting a bona fide debt service fund may be invested at an unrestricted yield for up to three years after the Issue Date.

(c) *Reserve Fund.* Money in the Reserve Fund may be invested without yield restriction up to the least of (A) 10% of the stated principal amount of the Bonds, (B) the maximum annual principal and interest requirements on the Bonds (determined as of the issue date), or (C) 125% of the average annual principal and interest requirements on the Bonds (determined as of the issue date). If the aggregate initial offering price of the Bonds to the public is less than 98% or more than 102% of par, such offering price must be used in clause (i) in lieu of the stated principal amount. To the extent the amount on deposit in the Reserve Fund exceeds the least of these amounts and no other exception to yield restriction exists, the excess may be invested without yield restriction so long as the City pays to the IRS all yield reduction payments in accordance with Section 1.148-5(c) of the Regulations. These payments are required whether or not the Bonds are exempt from the arbitrage rebate requirements of Section 148 of the Code.

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

Section 4.3. Fair Market Value.

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

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

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

(d) *Guaranteed Investment Contracts.* The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met—

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

(A) The bid specifications are in writing and are timely forwarded to potential providers.

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

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

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

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

(F) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (Le., a last look) before providing a bid.

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

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

(A) The City or the Trustee receives at least three bids from providers that were solicited as described above and that do not have a "material financial interest" in the issue. For this purpose, (a) a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue; (b) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue; and (c) a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

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

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

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

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

(5) Records. The Trustee retains the following records with the bond documents until three years after the last outstanding Bond is redeemed:

(A) A copy of the Guaranteed Investment Contract.

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

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

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

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

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

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

Section 4.4. Spending Exceptions.

(a) *General*. Each of the following exceptions may apply to exempt a portion of the Gross Proceeds of the Bonds from rebate. Such exceptions may not apply with respect to all Gross Proceeds of the Bonds and do not otherwise effect the application of the investment limitations described in Section 4.2. Unless specifically noted herein, the obligation to compute, and if necessary, pay rebate as set forth in Section 4.5 shall apply notwithstanding that all or a portion of the gross proceeds of the Bonds is exempt from the rebate requirement. To the extent all or a portion of the Bonds is exempt from Rebate the Rebate

Analyst may account for such fact in connection with its preparation of a Rebate Report specified in Section 4.5.

(b) *Six-Month Exception.*

(1) The obligation to pay arbitrage rebate to the United States of America will be treated as satisfied if:

(A) the Gross Proceeds (as modified below) are allocated to expenditures for the governmental purposes of the Bonds within six months after the Issue Date; and

(B) rebate is paid in accordance with Section 148 of the Code on all Gross Proceeds not required to be spent as provided in paragraph (1) (other than amounts in a bona fide debt service fund). Normally, this will include only Gross Proceeds in a reasonably required reserve or replacement fund.

(2) For purposes of paragraph (1)(A) above, Gross Proceeds do not include amounts in a bona fide debt service fund or a reasonably required reserve or replacement fund, or amounts that become Gross Proceeds after the end of the six-month spending period, but were not anticipated as of the Issue Date. The Bonds meet the six-month spending test even if, at the end of the six-month period, Gross Proceeds not exceeding 5% of the sale proceeds of the Bonds remain unspent, so long as such Gross Proceeds are spent within one year after the Issue Date. But the use of Gross Proceeds to pay principal of any Bond cannot be treated as an expenditure of Gross Proceeds for the purpose of the spending exception.

(c) *Eighteen-Month Exception.*

(1) The obligation to pay arbitrage rebate to the United States of America will be treated as satisfied with respect to the Project Portion if:

(A) the Gross Proceeds (as modified below) are allocated to expenditures for the governmental purposes of the Bonds in accordance with the following schedule:

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

and;

(B) rebate is paid in accordance with Section 148 of the Code on all Gross Proceeds not required to be spent in accordance with the 18-month spending schedule (other than amounts in a bona fide debt service fund). Normally, this will include only Gross Proceeds in a reasonably required reserve or replacement fund.

(2) For purposes of paragraph (1)(A) above, Gross Proceeds do not include amounts in a bona fide debt service fund or a reasonably required reserve or replacement fund, or amounts that become Gross Proceeds after the end of the 18-month spending period, but were not anticipated as of the Issue Date. The Bonds meet the 18-month spending test even if, at the end of the 18-month period, Gross Proceeds not exceeding a Reasonable Retainage remain unspent, so long as such proceeds are allocated to expenditures within 30 months after the Issue Date. In addition, the failure to satisfy the final spending requirement at the end of the 18-month period is disregarded if the City uses due diligence to complete the Projects and the amount of the failure does not exceed the lesser of 3% of the aggregate issue price of the Project Portion or \$250,000. But the use of Gross Proceeds to pay principal of any Bond cannot be treated as an expenditure of Gross Proceeds for the purpose of the spending exception.

(d) *Two-year Exception for Construction Issue.*

(1) Spending Test.

(A) The obligation to pay arbitrage rebate to the United States of America will be treated as satisfied with respect to the Available Construction Proceeds of the Bonds if all of such Available Construction Proceeds are allocated to expenditures for the governmental purposes of the Bonds within two years after the Issue Date, in accordance with the following schedule:

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

(B) The Bonds meet the two-year spending test even if, at the end of the two-year period, Available Construction Proceeds not exceeding a Reasonable Retainage remain unspent, so long as such Reasonable Retainage is spent within three years after the Issue Date. In addition, the failure to satisfy the final spending requirement at the end of the two-year period is disregarded if the City uses due diligence to complete the Projects and the failure does not exceed the lesser of 3% of the aggregate issue price of the Bonds, the Project Portion or \$250,000. But the use of Gross Proceeds to pay principal of any Bond cannot be treated as an expenditure of Gross Proceeds for the purpose of the spending exception.

(2) Payment of Arbitrage Rebate on Other Gross Proceeds. Meeting the spending test for Available Construction Proceeds does not relieve the City of the obligation to pay arbitrage rebate generated on Gross Proceeds which are not Available Construction Proceeds, except as follows:

(A) If the two-year spending requirements are met, then earnings on a bona fide debt service fund cannot be taken into account in computing arbitrage rebate.

(B) No rebate is payable on earnings in a reasonably required reserve or replacement fund until the earlier of the close of the two-year spending period or the date construction of the Projects is substantially completed. But if the City elected under Section 148(f)(4)(C)(vi)(IV) of the Code to exclude earnings on a reasonably required reserve or replacement fund from Available Construction Proceeds, then such earnings are subject to rebate beginning on the Issue Date.

Section 4.5. Computation and Payment of Arbitrage Rebate.

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

(b) *Initial Allocation of Proceeds of the Bonds to Expenditures. Computation of Rebate Amount.*

(1) Not later than 90 days following the completion of the Projects, the City or the Trustee will engage the Rebate Analyst to assist the City in making a final allocation of proceeds of the Bonds to expenditures for the Projects and to make a preliminary calculation of rebate on the Bonds using such allocation. In the event the City shall fail to make such an allocation, it shall be deemed to have elected to allocate proceeds of the Bonds to the construction of the Projects along with other available moneys in a manner such that not more than 10% of the proceeds of the Bonds are allocated to the cost of constructing that portion of the Projects used in a private business use.

(2) Not later than each Computation Date the Trustee will engage a Rebate Analyst (at the expense of the City) to compute arbitrage rebate generated on all Investments, in accordance with the Regulations. Such computation must be completed within 45 days after the Computation Date. Upon each computation of arbitrage rebate, the Trustee will give written notice to the City by first class mail, postage prepaid, including a copy of such computation, showing the rebate amount, the value of all prior payments of rebate, the amount then on deposit in the Rebate Fund, and the amount then payable to the United States of America, together with an opinion or certificate of the Rebate Analyst stating that arbitrage rebate was determined in accordance with the Regulations. If the amount on deposit in the Rebate Fund is less than the amount due, the City will, within 50 days after such Computation Date, pay to the Trustee the amount of the deficiency for deposit into the Rebate Fund. If the sum of (A) the amount on deposit in the Rebate Fund, plus (2) the value of all prior payments of rebate, is greater than the rebate amount, the Trustee will transfer such surplus from the Rebate Fund to the Series 2005A Debt Service Fund and the Series 2005B Debt Service Fund, as the case may be. After the last Bond is discharged, any money left in the Rebate Fund will be paid to the City and may be used for any purpose not prohibited by law.

(c) *Exception for Debt Service Fund.* To the extent that the Debt Service Fund qualifies as a bona fide debt service fund, investment earnings in such account cannot be taken into account in computing arbitrage rebate, because the weighted average maturity of the Bonds is at least five years and all of the Bonds bear interest at rates that do not vary during the term of the Bonds.

(d) *Rebate Payments.* Within 60 days after each Computation Date, the Trustee will pay to the United States of America (but solely from money in the Rebate Fund or provided by the City) the rebate amount then due, determined in accordance with the Regulations. Each rebate payment must be (1)

accompanied by IRS Form 8038-T and such other forms, documents or certificates as may be required by the Regulations, and (2) mailed or delivered to the IRS at the address shown below, or to such other location as the IRS may direct:

Internal Revenue Service Center
Ogden, Utah 84201

Section 4.6. Records. The Trustee will retain detailed records with respect to each computation of arbitrage rebate and each Investment, including: (a) purchase date, (b) purchase price, (c) information establishing the fair market value on the date such investment was allocated to the Bonds, (d) any accrued interest paid, (e) face amount, (f) coupon rate, (g) frequency of interest payments, (h) disposition price, (i) any accrued interest received, and (j) disposition date. The Trustee will retain all such records until six years after the final Computation Date.

Section 4.7. Filing Requirements. The Trustee and the City will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with an Opinion of Bond Counsel addressed and delivered to such parties.

Section 4.8. Survival after Defeasance. Notwithstanding anything in the Indenture to the contrary, the obligation to pay arbitrage rebate to the United States of America will survive the payment or defeasance of the Bonds.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of this Agreement. This Agreement will be effective concurrently with the issuance and delivery of the Bonds and will continue in force and effect until the principal of, redemption premium, if any, and interest on all Bonds have been fully paid and all such Bonds are cancelled; provided that, the provisions of Article IV of this Agreement regarding payment of arbitrage rebate and all related penalties and interest will remain in effect until all such amounts are paid to the United States of America.

Section 5.2. Amendments. This Agreement may be amended from time to time by the parties to this Agreement without notice to or the consent of any of the Bondowners, but only if such amendment is in writing and is accompanied by an Opinion of Bond Counsel to the effect that, under then existing law, assuming compliance with this Agreement as so amended and the Indenture, such amendment will not cause any Bond to be an arbitrage bond under Section 148 of the Code or otherwise cause interest on any Bond to be included in gross income for federal income tax purposes. No such amendment will become effective until the City and the Trustee receive an Opinion of Bond Counsel that such amendment will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

Section 5.3. Opinion of Bond Counsel. The City and the Trustee may deviate from the provisions of this Agreement if furnished with an Opinion of Bond Counsel to the effect that the proposed deviation will not adversely affect the validity of the Bonds or cause an Event of Taxability to occur. The City and the Trustee further agree to comply with any further or different instructions provided in an Opinion of Bond Counsel to the effect that the further or different instructions need to be complied with in order to maintain the validity of the Bonds or the exclusion from gross income of interest on the Bonds.

Section 5.4. Reliance. In delivering this Agreement, the City and the Trustee are making only those certifications, representations and agreements as are specifically attributed to them in this Agreement. The balance of the certifications, representations and agreements contained in this Agreement, except those made by the Underwriters in the Underwriters' Closing Certificate, are those of the City, and the Trustee are relying on the City with respect to them. The Trustee is not aware of any facts or circumstances which would cause it to question the accuracy of the facts, circumstances, estimates or expectations of the City or the Underwriter and, to the best of its knowledge, those facts, circumstances, estimates and expectations are reasonable.

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

Section 5.6. Benefit of Agreement. This Agreement is binding upon the Trustee and the City and their respective successors and assigns, and inures to the benefit of the parties to this Agreement and the owners of the Bonds. Nothing in this Agreement or in the Indenture or the Bonds, express or implied, gives to any Person, other than the parties to this Agreement and their successors and assigns, and the owners of the Bonds, any benefit or any legal or equitable right, remedy or claim under this Agreement. The certifications and representations made in this Agreement and the expectations presented in this Agreement are intended, and may be relied upon, as a certification of an officer of City given in good faith described in Section 1.148-2(b)(2) of the Regulations. The City understands that its certifications in this Agreement and in its Closing Certificate will be relied upon by the City in the issuance of the Bonds and execution of this Agreement. The City understands that such certification will be relied upon by the law firm of Yates, Mauck, Bohrer, Elliff & Fels, P.C., in rendering its opinion as to the validity of the Bonds and the exclusion from federal gross income of the interest on the Bonds.

Section 5.7. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed will be deemed to be an original, but all such counterparts will together constitute the same instrument.

Section 5.8. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State.

Section 5.9 Inconsistent Provisions. The parties acknowledge that they have made other general tax covenants, representations and agreements regarding the use and investment of the proceeds of the Bonds otherwise covered in this Agreement. To the extent any such covenants, representations and agreements are inconsistent in any way with the terms of the provisions of this Agreement, the parties agree that the specific requirements of this Agreement shall govern.

THE PARTIES TO THIS TAX COMPLIANCE AGREEMENT have caused this Tax Compliance Agreement to be duly executed by their duly authorized officials and officers as of the day and year first above written.

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CITY OF MONETT, MISSOURI

By: *Mike Brownsberger*
Name: Mike Brownsberger
Title: Mayor Pro Tem

UMB BANK, N.A., as Trustee

By: RARA R. STEVENS
Name: LARA L. STEVENS
Title: Vice President

**REGISTERED
NUMBER R-1**

**REGISTERED
\$200,000**

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION SUPPORTED-TAX INCREMENT AND SALES TAX
REFUNDING REVENUE BONDS
SERIES 2014
(EAST U.S. HIGHWAY AND RPA1 INFRASTRUCTURE PROJECTS)**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
2.000%	January 1, 2016	June 26, 2014	60934C AA6

REGISTERED HOLDER: Cede & Co.

PRINCIPAL AMOUNT: TWO HUNDRED THOUSAND DOLLARS

THE CITY OF MONETT, MISSOURI, a third class municipal corporation in the County of Barry, State of Missouri (the "City"), for value received, promises to pay, but only from the sources and in the manner hereinafter described, to the Registered Owner identified above on the Maturity Date shown above, unless called for redemption prior to maturity, the Principal Amount identified above and to pay interest thereon from said sources at the Interest Rate per annum specified above from the most recent interest payment date to which interest has been paid in full or, if no interest has been paid, from the Dated Date, said interest being payable semiannually on July 1 and January 1 of each year, beginning January 1, 2015. The Principal Amount, redemption premium, if any, and interest (computed on the basis of a 360-day year of twelve 30-day months) on this Bond are payable in such coin or currency of the United States of America as at the time is legal tender for the payment of public and private debts. Interest on this Bond will be paid by check or draft mailed to the person in whose name this Bond (or one or more predecessor Bonds) is registered in the Bond Register maintained by the Paying Agent as Bond Registrar at the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date"). Interest not punctually paid will be paid as otherwise provided in the Ordinance, hereinafter described. The Principal Amount and redemption premium, if any, are payable to the Registered Holder upon presentation and surrender hereof at the principal office of UMB Bank, N.A., in Kansas City, Missouri (the "Paying Agent").

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF. SUCH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

THIS BOND shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter described Ordinance until the Certificate of Authentication hereon shall have been dated and executed by the Bond Registrar.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law, and that before the issuance of the

Bonds, provision has been duly made for the collection and segregation of the special allocations and for the application of the same as hereinbefore provided.

IN WITNESS WHEREOF, THE CITY OF MONETT, MISSOURI, has executed this Bond by causing it to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk and has caused its corporate seal to be affixed hereto or printed hereon.

CERTIFICATE OF AUTHENTICATION

CITY OF MONETT, MISSOURI

This Bond is one of the Bonds of the issued described in the within-mentioned Ordinance.

Registration

Date: _____

By: _____
Mayor

UMB BANK, N.A., Trustee and
Paying Agent

(SEAL)

By: _____
Signatory

By: _____
City Clerk

[REVERSE SIDE OF BOND]

FURTHER PROVISIONS

THIS BOND is one of a duly authorized series of bonds of the City designated as "City of Monett, Missouri, Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East U.S. Highway and RPA1 Infrastructure Projects)" of like date and tenor, aggregating the principal amount of \$2,430,000 (the "Bonds"), issued for the purpose of providing funds to refund the Series A 2005 Bonds and the Series B 2005 Bonds, the proceeds of which were used for making certain public improvements within the designated 2005 Area of said City as provided in the hereinafter referred to 2005 Ordinance (hereinafter defined) under the authority of and in full compliance with the Constitution and the laws of the State of Missouri (the "State"), including particularly Sections 99.800 through 99.865, inclusive, of the Revised Statutes of the State of Missouri, as amended (the "Act"), and pursuant to proceedings duly and legally had by the City Council of the City of Monett, Missouri, including the passage of an ordinance authorizing the issuance of the Bonds (the "Ordinance"). Capitalized terms which are not defined herein shall have the same meaning ascribed to them in the Ordinance.

THE BONDS are special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge Revenues (as hereinafter defined) derived by the City from the special allocation payments which are deposited in the City's special allocation fund established in the name of the City (the "Special Allocation Fund") and subsequently transferred to the Trustee for deposit in the Revenue Fund maintained by the Trustee under the Indenture all pursuant to Section 99.845 of the Act and proceedings duly adopted by the City. Such special allocation payments which constitute payments in lieu of taxes (the "PILOTs") shall be collected by the County Collector for Barry County, Missouri (the "County") based upon levies made by the City, the County and the School District with respect to the increase in the current equalized assessed valuation of taxable real property in RPA1 of the City over the amounts which would have been collected from the RPA1 over Base Year 2004 and 50% (the "Captured Portion") of the total additional revenues from taxes imposed by the City and other taxing districts generated by economic activities (the "EATs") in RPA1 which sums after appropriation by the City are transferred to the Trustee for deposit into the Revenue Fund created and maintained by the Trustee under the Indenture which are pledged to the payment of principal of and interest on the Bonds subject to annual appropriation by the City, in any fiscal year of the City when the Revenue is reasonably anticipated to be insufficient in amount so the Revenue Fund deposits are insufficient to pay debt service on the Bonds, the City presently intends to appropriate an amount to make up such deficiency for payment to the Trustee and deposit into the Revenue Fund (the "City Revenue"). The taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest. The Bonds shall not be or constitute a general obligation of the City, the County, the School District or the State, nor shall they constitute an indebtedness of the City, the County, the School District or the State within the meaning of any constitutional or statutory provision, limitation or restriction.

THE BONDS, including portions thereof, maturing in the year 2021 and thereafter shall be subject to redemption and payment prior to maturity, at the option of the City, on and after January 1, 2020, as a whole or in part at any time, in inverse order of maturity and by lot within a single maturity, at a redemption price equal to the principal amount being redeemed plus accrued interest thereon to the date of redemption and payment.

THE BONDS maturing January 1, 2028, shall be subject to mandatory sinking fund redemption and payment prior to maturity on January 1 in each of the years 2015 to 2023, inclusive, at the principal amount thereof plus accrued interest thereon to the redemption date, without premium. Such mandatory sinking fund redemption shall be as follows:

Term Bonds Maturing January 1, 2016

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2015	50,000
2016	150,000

Mid-Term Bonds Maturing January 1, 2020

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2017	155,000
2018	160,000
2019	165,000
2020	170,000

Long-Term Bonds Maturing January 1, 2028

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2022	180,000
2023	185,000
2024	195,000
2025	200,000
2026	210,000
2027	215,000
2028	220,000

If, as a result of changes in the Constitution of the State, or of legislative or administrative action of the State or any political subdivision thereof, or of the United States of America, or by reason of any action instituted in any court, the Ordinance becomes void or unenforceable or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed upon the City, the Bonds shall be subject to redemption and payment prior to maturity, in whole or in part (in inverse order of maturity and by lot within a maturity as the Paying Agent may determine) at any time, at a redemption price equal to 100% of the principal amount being redeemed plus accrued interest to the date of redemption, provided, however, that no such redemption shall be made without the prior written consent of the Insurer.

THE BONDS shall be redeemed in inverse order of Stated Maturity in the principal amount of \$5,000 or any integral multiple thereof except with regard to mandatory sinking fund redemptions. In the case of a partial redemption of Bonds of the same Stated Maturity, the Bonds to be redeemed shall be selected by the Paying Agent from the Outstanding Bonds of that Stated Maturity by such method as the Paying Agent shall deem fair and appropriate and which may provide for the selection for redemption of

portions of the principal of Outstanding Bonds of that Stated Maturity that have been issued in a denomination larger than \$5,000. The portions of the principal of Outstanding Bonds so selected for partial redemption shall be equal to \$5,000 or integral multiples thereof. Any Bond which is to be redeemed only in part shall be submitted to the Paying Agent and delivered to the Bond Registrar, who shall authenticate and deliver to the owner of such Bond, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such owner in any aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered. If the owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall nevertheless, become due and payable on the Redemption Date to the extent of the principal amount of such Bond called for redemption (and to that extent only).

Notice of call for redemption identifying the Bonds or portions thereof to be redeemed shall be given by the Trustee by mailing a copy of the redemption notice by certified or registered mail, postage prepaid, at least 30 days prior to the Redemption Date to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee.

Prior to the date fixed for redemption, funds shall be deposited with the Trustee which shall be sufficient to pay the Bonds called for redemption and accrued interest thereon to the Redemption Date and the redemption premium, if any. Upon the happening of the above conditions, and notice having been given as described above, the Bonds or the portions of the principal amount of Bonds thus called for redemption will cease to bear interest on the specified Redemption Date, will no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture and the Ordinance.

THE PAYING AGENT shall serve as Bond Registrar and as such shall keep registration books for the transfer of this Bond. This Bond is transferable by the Owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of the same maturity or maturities and of authorized denomination or denominations, for the same aggregate principal amount, and bearing the same rate of interest, will be issued to the transferee in exchange thereof.

THE BONDS may be transferred upon the registration books upon delivery to the Bond Registrar, duly executed by the Registered Holder of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds. In all cases of the transfer of a Bond, the Bond Registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the Owner is entitled to receive. No transfer of any Bond shall be effective until entered on the registration books. The Bond Registrar may charge the Owner of such Bond for every such transfer an amount sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such transfer, and may require that such charge be paid before such new Bond shall be delivered. The Bond Registrar shall not be required to (i) issue, transfer or exchange any Bonds during a period beginning at the opening of business on the fifteenth day next preceding either an interest payment date or any date of selection of Bonds to be redeemed and ending at the close of business on the payment date or any day on which the applicable notice is given, or (ii) transfer any Bonds which have been selected or called for redemption in whole or in part, or (iii) issue, transfer or exchange any Bond during a period beginning on

the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending on the date fixed for payment of Defaulted Interest. The Paying Agent and Bond Registrar may deem and treat the Registered Owner of any Bond as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of the principal hereof, redemption premium, if any, and interest due hereon and for all other purposes, and Paying Agent and Bond Registrar shall not be affected by any notice to the contrary.

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

[Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, Attorney to transfer the within Bond on the books kept by the Paying Agent for registration, and transfer of Bonds, with full power of substitution in the premises.

Date: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular and must be guaranteed by a member firm of the NYSE or a commercial bank or trust company.

**REGISTERED
NUMBER R-2**

**REGISTERED
\$650,000**

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION SUPPORTED-TAX INCREMENT AND SALES TAX
REFUNDING REVENUE BONDS
SERIES 2014
(EAST U.S. HIGHWAY AND RPA1 INFRASTRUCTURE PROJECTS)**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
3.100%	January 1, 2020	June 26, 2014	60934C AB4

REGISTERED HOLDER: Cede & Co.

PRINCIPAL AMOUNT: SIX HUNDRED FIFTY THOUSAND DOLLARS

THE CITY OF MONETT, MISSOURI, a third class municipal corporation in the County of Barry, State of Missouri (the "City"), for value received, promises to pay, but only from the sources and in the manner hereinafter described, to the Registered Owner identified above on the Maturity Date shown above, unless called for redemption prior to maturity, the Principal Amount identified above and to pay interest thereon from said sources at the Interest Rate per annum specified above from the most recent interest payment date to which interest has been paid in full or, if no interest has been paid, from the Dated Date, said interest being payable semiannually on July 1 and January 1 of each year, beginning January 1, 2015. The Principal Amount, redemption premium, if any, and interest (computed on the basis of a 360-day year of twelve 30-day months) on this Bond are payable in such coin or currency of the United States of America as at the time is legal tender for the payment of public and private debts. Interest on this Bond will be paid by check or draft mailed to the person in whose name this Bond (or one or more predecessor Bonds) is registered in the Bond Register maintained by the Paying Agent as Bond Registrar at the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date"). Interest not punctually paid will be paid as otherwise provided in the Ordinance, hereinafter described. The Principal Amount and redemption premium, if any, are payable to the Registered Holder upon presentation and surrender hereof at the principal office of UMB Bank, N.A., in Kansas City, Missouri (the "Paying Agent").

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF. SUCH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

THIS BOND shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter described Ordinance until the Certificate of Authentication hereon shall have been dated and executed by the Bond Registrar.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law, and that before the issuance of the

Bonds, provision has been duly made for the collection and segregation of the special allocations and for the application of the same as hereinbefore provided.

IN WITNESS WHEREOF, THE CITY OF MONETT, MISSOURI, has executed this Bond by causing it to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk and has caused its corporate seal to be affixed hereto or printed hereon.

CERTIFICATE OF AUTHENTICATION

CITY OF MONETT, MISSOURI

This Bond is one of the Bonds of the issued described in the within-mentioned Ordinance.

Registration

Date: _____

By: _____
Mayor

UMB BANK, N.A., Trustee and
Paying Agent

(SEAL)

By: _____
Signatory

By: _____
City Clerk

[REVERSE SIDE OF BOND]

FURTHER PROVISIONS

THIS BOND is one of a duly authorized series of bonds of the City designated as "City of Monett, Missouri, Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East U.S. Highway and RPA1 Infrastructure Projects)" of like date and tenor, aggregating the principal amount of \$2,430,000 (the "Bonds"), issued for the purpose of providing funds to refund the Series A 2005 Bonds and the Series B 2005 Bonds, the proceeds of which were used for making certain public improvements within the designated 2005 Area of said City as provided in the hereinafter referred to 2005 Ordinance (hereinafter defined) under the authority of and in full compliance with the Constitution and the laws of the State of Missouri (the "State"), including particularly Sections 99.800 through 99.865, inclusive, of the Revised Statutes of the State of Missouri, as amended (the "Act"), and pursuant to proceedings duly and legally had by the City Council of the City of Monett, Missouri, including the passage of an ordinance authorizing the issuance of the Bonds (the "Ordinance"). Capitalized terms which are not defined herein shall have the same meaning ascribed to them in the Ordinance.

THE BONDS are special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge Revenues (as hereinafter defined) derived by the City from the special allocation payments which are deposited in the City's special allocation fund established in the name of the City (the "Special Allocation Fund") and subsequently transferred to the Trustee for deposit in the Revenue Fund maintained by the Trustee under the Indenture all pursuant to Section 99.845 of the Act and proceedings duly adopted by the City. Such special allocation payments which constitute payments in lieu of taxes (the "PILOTs") shall be collected by the County Collector for Barry County, Missouri (the "County") based upon levies made by the City, the County and the School District with respect to the increase in the current equalized assessed valuation of taxable real property in RPA1 of the City over the amounts which would have been collected from the RPA1 over Base Year 2004 and 50% (the "Captured Portion") of the total additional revenues from taxes imposed by the City and other taxing districts generated by economic activities (the "EATs") in RPA1 which sums after appropriation by the City are transferred to the Trustee for deposit into the Revenue Fund created and maintained by the Trustee under the Indenture which are pledged to the payment of principal of and interest on the Bonds subject to annual appropriation by the City, in any fiscal year of the City when the Revenue is reasonably anticipated to be insufficient in amount so the Revenue Fund deposits are insufficient to pay debt service on the Bonds, the City presently intends to appropriate an amount to make up such deficiency for payment to the Trustee and deposit into the Revenue Fund (the "City Revenue"). The taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest. The Bonds shall not be or constitute a general obligation of the City, the County, the School District or the State, nor shall they constitute an indebtedness of the City, the County, the School District or the State within the meaning of any constitutional or statutory provision, limitation or restriction.

THE BONDS, including portions thereof, maturing in the year 2021 and thereafter shall be subject to redemption and payment prior to maturity, at the option of the City, on and after January 1, 2020, as a whole or in part at any time, in inverse order of maturity and by lot within a single maturity, at a redemption price equal to the principal amount being redeemed plus accrued interest thereon to the date of redemption and payment.

THE BONDS maturing January 1, 2028, shall be subject to mandatory sinking fund redemption and payment prior to maturity on January 1 in each of the years 2015 to 2023, inclusive, at the principal amount thereof plus accrued interest thereon to the redemption date, without premium. Such mandatory sinking fund redemption shall be as follows:

Term Bonds Maturing January 1, 2016

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2015	50,000
2016	150,000

Mid-Term Bonds Maturing January 1, 2020

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2017	155,000
2018	160,000
2019	165,000
2020	170,000

Long-Term Bonds Maturing January 1, 2028

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2022	180,000
2023	185,000
2024	195,000
2025	200,000
2026	210,000
2027	215,000
2028	220,000

If, as a result of changes in the Constitution of the State, or of legislative or administrative action of the State or any political subdivision thereof, or of the United States of America, or by reason of any action instituted in any court, the Ordinance becomes void or unenforceable or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed upon the City, the Bonds shall be subject to redemption and payment prior to maturity, in whole or in part (in inverse order of maturity and by lot within a maturity as the Paying Agent may determine) at any time, at a redemption price equal to 100% of the principal amount being redeemed plus accrued interest to the date of redemption, provided, however, that no such redemption shall be made without the prior written consent of the Insurer.

THE BONDS shall be redeemed in inverse order of Stated Maturity in the principal amount of \$5,000 or any integral multiple thereof except with regard to mandatory sinking fund redemptions. In the case of a partial redemption of Bonds of the same Stated Maturity, the Bonds to be redeemed shall be selected by the Paying Agent from the Outstanding Bonds of that Stated Maturity by such method as the Paying Agent shall deem fair and appropriate and which may provide for the selection for redemption of

portions of the principal of Outstanding Bonds of that Stated Maturity that have been issued in a denomination larger than \$5,000. The portions of the principal of Outstanding Bonds so selected for partial redemption shall be equal to \$5,000 or integral multiples thereof. Any Bond which is to be redeemed only in part shall be submitted to the Paying Agent and delivered to the Bond Registrar, who shall authenticate and deliver to the owner of such Bond, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such owner in any aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered. If the owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall nevertheless, become due and payable on the Redemption Date to the extent of the principal amount of such Bond called for redemption (and to that extent only).

Notice of call for redemption identifying the Bonds or portions thereof to be redeemed shall be given by the Trustee by mailing a copy of the redemption notice by certified or registered mail, postage prepaid, at least 30 days prior to the Redemption Date to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee.

Prior to the date fixed for redemption, funds shall be deposited with the Trustee which shall be sufficient to pay the Bonds called for redemption and accrued interest thereon to the Redemption Date and the redemption premium, if any. Upon the happening of the above conditions, and notice having been given as described above, the Bonds or the portions of the principal amount of Bonds thus called for redemption will cease to bear interest on the specified Redemption Date, will no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture and the Ordinance.

THE PAYING AGENT shall serve as Bond Registrar and as such shall keep registration books for the transfer of this Bond. This Bond is transferable by the Owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of the same maturity or maturities and of authorized denomination or denominations, for the same aggregate principal amount, and bearing the same rate of interest, will be issued to the transferee in exchange thereof.

THE BONDS may be transferred upon the registration books upon delivery to the Bond Registrar, duly executed by the Registered Holder of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds. In all cases of the transfer of a Bond, the Bond Registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the Owner is entitled to receive. No transfer of any Bond shall be effective until entered on the registration books. The Bond Registrar may charge the Owner of such Bond for every such transfer an amount sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such transfer, and may require that such charge be paid before such new Bond shall be delivered. The Bond Registrar shall not be required to (i) issue, transfer or exchange any Bonds during a period beginning at the opening of business on the fifteenth day next preceding either an interest payment date or any date of selection of Bonds to be redeemed and ending at the close of business on the payment date or any day on which the applicable notice is given, or (ii) transfer any Bonds which have been selected or called for redemption in whole or in part, or (iii) issue, transfer or exchange any Bond during a period beginning on

the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending on the date fixed for payment of Defaulted Interest. The Paying Agent and Bond Registrar may deem and treat the Registered Owner of any Bond as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of the principal hereof, redemption premium, if any, and interest due hereon and for all other purposes, and Paying Agent and Bond Registrar shall not be affected by any notice to the contrary.

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

[Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, Attorney to transfer the within Bond on the books kept by the Paying Agent for registration, and transfer of Bonds, with full power of substitution in the premises.

Date: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular and must be guaranteed by a member firm of the NYSE or a commercial bank or trust company.

**REGISTERED
NUMBER R-3**

**REGISTERED
\$175,000**

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION SUPPORTED-TAX INCREMENT AND SALES TAX
REFUNDING REVENUE BONDS
SERIES 2014
(EAST U.S. HIGHWAY AND RPA1 INFRASTRUCTURE PROJECTS)**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
3.500%	January 1, 2021	June 26, 2014	60934C AC2

REGISTERED HOLDER: Cede & Co.

PRINCIPAL AMOUNT: ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS

THE CITY OF MONETT, MISSOURI, a third class municipal corporation in the County of Barry, State of Missouri (the "City"), for value received, promises to pay, but only from the sources and in the manner hereinafter described, to the Registered Owner identified above on the Maturity Date shown above, unless called for redemption prior to maturity, the Principal Amount identified above and to pay interest thereon from said sources at the Interest Rate per annum specified above from the most recent interest payment date to which interest has been paid in full or, if no interest has been paid, from the Dated Date, said interest being payable semiannually on July 1 and January 1 of each year, beginning January 1, 2015. The Principal Amount, redemption premium, if any, and interest (computed on the basis of a 360-day year of twelve 30-day months) on this Bond are payable in such coin or currency of the United States of America as at the time is legal tender for the payment of public and private debts. Interest on this Bond will be paid by check or draft mailed to the person in whose name this Bond (or one or more predecessor Bonds) is registered in the Bond Register maintained by the Paying Agent as Bond Registrar at the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date"). Interest not punctually paid will be paid as otherwise provided in the Ordinance, hereinafter described. The Principal Amount and redemption premium, if any, are payable to the Registered Holder upon presentation and surrender hereof at the principal office of UMB Bank, N.A., in Kansas City, Missouri (the "Paying Agent").

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF. SUCH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

THIS BOND shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter described Ordinance until the Certificate of Authentication hereon shall have been dated and executed by the Bond Registrar.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law, and that before the issuance of the

Bonds, provision has been duly made for the collection and segregation of the special allocations and for the application of the same as hereinbefore provided.

IN WITNESS WHEREOF, THE CITY OF MONETT, MISSOURI, has executed this Bond by causing it to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk and has caused its corporate seal to be affixed hereto or printed hereon.

CERTIFICATE OF AUTHENTICATION

CITY OF MONETT, MISSOURI

This Bond is one of the Bonds of the issued described in the within-mentioned Ordinance.

Registration
Date: _____

By: _____
Mayor

UMB BANK, N.A., Trustee and
Paying Agent

(SEAL)

By: _____
Signatory

By: _____
City Clerk

[REVERSE SIDE OF BOND]

FURTHER PROVISIONS

THIS BOND is one of a duly authorized series of bonds of the City designated as "City of Monett, Missouri, Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East U.S. Highway and RPA1 Infrastructure Projects)" of like date and tenor, aggregating the principal amount of \$2,430,000 (the "Bonds"), issued for the purpose of providing funds to refund the Series A 2005 Bonds and the Series B 2005 Bonds, the proceeds of which were used for making certain public improvements within the designated 2005 Area of said City as provided in the hereinafter referred to 2005 Ordinance (hereinafter defined) under the authority of and in full compliance with the Constitution and the laws of the State of Missouri (the "State"), including particularly Sections 99.800 through 99.865, inclusive, of the Revised Statutes of the State of Missouri, as amended (the "Act"), and pursuant to proceedings duly and legally had by the City Council of the City of Monett, Missouri, including the passage of an ordinance authorizing the issuance of the Bonds (the "Ordinance"). Capitalized terms which are not defined herein shall have the same meaning ascribed to them in the Ordinance.

THE BONDS are special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge Revenues (as hereinafter defined) derived by the City from the special allocation payments which are deposited in the City's special allocation fund established in the name of the City (the "Special Allocation Fund") and subsequently transferred to the Trustee for deposit in the Revenue Fund maintained by the Trustee under the Indenture all pursuant to Section 99.845 of the Act and proceedings duly adopted by the City. Such special allocation payments which constitute payments in lieu of taxes (the "PILOTs") shall be collected by the County Collector for Barry County, Missouri (the "County") based upon levies made by the City, the County and the School District with respect to the increase in the current equalized assessed valuation of taxable real property in RPA1 of the City over the amounts which would have been collected from the RPA1 over Base Year 2004 and 50% (the "Captured Portion") of the total additional revenues from taxes imposed by the City and other taxing districts generated by economic activities (the "EATs") in RPA1 which sums after appropriation by the City are transferred to the Trustee for deposit into the Revenue Fund created and maintained by the Trustee under the Indenture which are pledged to the payment of principal of and interest on the Bonds subject to annual appropriation by the City, in any fiscal year of the City when the Revenue is reasonably anticipated to be insufficient in amount so the Revenue Fund deposits are insufficient to pay debt service on the Bonds, the City presently intends to appropriate an amount to make up such deficiency for payment to the Trustee and deposit into the Revenue Fund (the "City Revenue"). The taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest. The Bonds shall not be or constitute a general obligation of the City, the County, the School District or the State, nor shall they constitute an indebtedness of the City, the County, the School District or the State within the meaning of any constitutional or statutory provision, limitation or restriction.

THE BONDS, including portions thereof, maturing in the year 2021 and thereafter shall be subject to redemption and payment prior to maturity, at the option of the City, on and after January 1, 2020, as a whole or in part at any time, in inverse order of maturity and by lot within a single maturity, at a redemption price equal to the principal amount being redeemed plus accrued interest thereon to the date of redemption and payment.

THE BONDS maturing January 1, 2028, shall be subject to mandatory sinking fund redemption and payment prior to maturity on January 1 in each of the years 2015 to 2023, inclusive, at the principal amount thereof plus accrued interest thereon to the redemption date, without premium. Such mandatory sinking fund redemption shall be as follows:

Term Bonds Maturing January 1, 2016

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2015	50,000
2016	150,000

Mid-Term Bonds Maturing January 1, 2020

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2017	155,000
2018	160,000
2019	165,000
2020	170,000

Long-Term Bonds Maturing January 1, 2028

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2022	180,000
2023	185,000
2024	195,000
2025	200,000
2026	210,000
2027	215,000
2028	220,000

If, as a result of changes in the Constitution of the State, or of legislative or administrative action of the State or any political subdivision thereof, or of the United States of America, or by reason of any action instituted in any court, the Ordinance becomes void or unenforceable or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed upon the City, the Bonds shall be subject to redemption and payment prior to maturity, in whole or in part (in inverse order of maturity and by lot within a maturity as the Paying Agent may determine) at any time, at a redemption price equal to 100% of the principal amount being redeemed plus accrued interest to the date of redemption, provided, however, that no such redemption shall be made without the prior written consent of the Insurer.

THE BONDS shall be redeemed in inverse order of Stated Maturity in the principal amount of \$5,000 or any integral multiple thereof except with regard to mandatory sinking fund redemptions. In the case of a partial redemption of Bonds of the same Stated Maturity, the Bonds to be redeemed shall be selected by the Paying Agent from the Outstanding Bonds of that Stated Maturity by such method as the Paying Agent shall deem fair and appropriate and which may provide for the selection for redemption of

portions of the principal of Outstanding Bonds of that Stated Maturity that have been issued in a denomination larger than \$5,000. The portions of the principal of Outstanding Bonds so selected for partial redemption shall be equal to \$5,000 or integral multiples thereof. Any Bond which is to be redeemed only in part shall be submitted to the Paying Agent and delivered to the Bond Registrar, who shall authenticate and deliver to the owner of such Bond, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such owner in any aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered. If the owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall nevertheless, become due and payable on the Redemption Date to the extent of the principal amount of such Bond called for redemption (and to that extent only).

Notice of call for redemption identifying the Bonds or portions thereof to be redeemed shall be given by the Trustee by mailing a copy of the redemption notice by certified or registered mail, postage prepaid, at least 30 days prior to the Redemption Date to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee.

Prior to the date fixed for redemption, funds shall be deposited with the Trustee which shall be sufficient to pay the Bonds called for redemption and accrued interest thereon to the Redemption Date and the redemption premium, if any. Upon the happening of the above conditions, and notice having been given as described above, the Bonds or the portions of the principal amount of Bonds thus called for redemption will cease to bear interest on the specified Redemption Date, will no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture and the Ordinance.

THE PAYING AGENT shall serve as Bond Registrar and as such shall keep registration books for the transfer of this Bond. This Bond is transferable by the Owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of the same maturity or maturities and of authorized denomination or denominations, for the same aggregate principal amount, and bearing the same rate of interest, will be issued to the transferee in exchange thereof.

THE BONDS may be transferred upon the registration books upon delivery to the Bond Registrar, duly executed by the Registered Holder of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds. In all cases of the transfer of a Bond, the Bond Registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the Owner is entitled to receive. No transfer of any Bond shall be effective until entered on the registration books. The Bond Registrar may charge the Owner of such Bond for every such transfer an amount sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such transfer, and may require that such charge be paid before such new Bond shall be delivered. The Bond Registrar shall not be required to (i) issue, transfer or exchange any Bonds during a period beginning at the opening of business on the fifteenth day next preceding either an interest payment date or any date of selection of Bonds to be redeemed and ending at the close of business on the payment date or any day on which the applicable notice is given, or (ii) transfer any Bonds which have been selected or called for redemption in whole or in part, or (iii) issue, transfer or exchange any Bond during a period beginning on

the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending on the date fixed for payment of Defaulted Interest. The Paying Agent and Bond Registrar may deem and treat the Registered Owner of any Bond as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of the principal hereof, redemption premium, if any, and interest due hereon and for all other purposes, and Paying Agent and Bond Registrar shall not be affected by any notice to the contrary.

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

[Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, Attorney to transfer the within Bond on the books kept by the Paying Agent for registration, and transfer of Bonds, with full power of substitution in the premises.

Date: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular and must be guaranteed by a member firm of the NYSE or a commercial bank or trust company.

REGISTERED
NUMBER R-4

REGISTERED
\$1,405,000

UNITED STATES OF AMERICA
STATE OF MISSOURI

CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION SUPPORTED-TAX INCREMENT AND SALES TAX
REFUNDING REVENUE BONDS
SERIES 2014
(EAST U.S. HIGHWAY AND RPA1 INFRASTRUCTURE PROJECTS)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
3.500%	January 1, 2028	June 26, 2014	60934C AD0

REGISTERED HOLDER: Cede & Co.

PRINCIPAL AMOUNT: ONE MILLION FOUR HUNDRED AND FIVE THOUSAND
DOLLARS

THE CITY OF MONETT, MISSOURI, a third class municipal corporation in the County of Barry, State of Missouri (the "City"), for value received, promises to pay, but only from the sources and in the manner hereinafter described, to the Registered Owner identified above on the Maturity Date shown above, unless called for redemption prior to maturity, the Principal Amount identified above and to pay interest thereon from said sources at the Interest Rate per annum specified above from the most recent interest payment date to which interest has been paid in full or, if no interest has been paid, from the Dated Date, said interest being payable semiannually on July 1 and January 1 of each year, beginning January 1, 2015. The Principal Amount, redemption premium, if any, and interest (computed on the basis of a 360-day year of twelve 30-day months) on this Bond are payable in such coin or currency of the United States of America as at the time is legal tender for the payment of public and private debts. Interest on this Bond will be paid by check or draft mailed to the person in whose name this Bond (or one or more predecessor Bonds) is registered in the Bond Register maintained by the Paying Agent as Bond Registrar at the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date"). Interest not punctually paid will be paid as otherwise provided in the Ordinance, hereinafter described. The Principal Amount and redemption premium, if any, are payable to the Registered Holder upon presentation and surrender hereof at the principal office of UMB Bank, N.A., in Kansas City, Missouri (the "Paying Agent").

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF. SUCH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

THIS BOND shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter described Ordinance until the Certificate of Authentication hereon shall have been dated and executed by the Bond Registrar.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law, and that before the issuance of the

Bonds, provision has been duly made for the collection and segregation of the special allocations and for the application of the same as hereinbefore provided.

IN WITNESS WHEREOF, THE CITY OF MONETT, MISSOURI, has executed this Bond by causing it to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk and has caused its corporate seal to be affixed hereto or printed hereon.

CERTIFICATE OF AUTHENTICATION

CITY OF MONETT, MISSOURI

This Bond is one of the Bonds of the issued described in the within-mentioned Ordinance.

Registration
Date: _____

By: _____
Mayor

UMB BANK, N.A., Trustee and
Paying Agent

(SEAL)

By: _____
Signatory

By: _____
City Clerk

[REVERSE SIDE OF BOND]

FURTHER PROVISIONS

THIS BOND is one of a duly authorized series of bonds of the City designated as "City of Monett, Missouri, Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East U.S. Highway and RPA1 Infrastructure Projects)" of like date and tenor, aggregating the principal amount of \$2,430,000 (the "Bonds"), issued for the purpose of providing funds to refund the Series A 2005 Bonds and the Series B 2005 Bonds, the proceeds of which were used for making certain public improvements within the designated 2005 Area of said City as provided in the hereinafter referred to 2005 Ordinance (hereinafter defined) under the authority of and in full compliance with the Constitution and the laws of the State of Missouri (the "State"), including particularly Sections 99.800 through 99.865, inclusive, of the Revised Statutes of the State of Missouri, as amended (the "Act"), and pursuant to proceedings duly and legally had by the City Council of the City of Monett, Missouri, including the passage of an ordinance authorizing the issuance of the Bonds (the "Ordinance"). Capitalized terms which are not defined herein shall have the same meaning ascribed to them in the Ordinance.

THE BONDS are special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge Revenues (as hereinafter defined) derived by the City from the special allocation payments which are deposited in the City's special allocation fund established in the name of the City (the "Special Allocation Fund") and subsequently transferred to the Trustee for deposit in the Revenue Fund maintained by the Trustee under the Indenture all pursuant to Section 99.845 of the Act and proceedings duly adopted by the City. Such special allocation payments which constitute payments in lieu of taxes (the "PILOTs") shall be collected by the County Collector for Barry County, Missouri (the "County") based upon levies made by the City, the County and the School District with respect to the increase in the current equalized assessed valuation of taxable real property in RPA1 of the City over the amounts which would have been collected from the RPA1 over Base Year 2004 and 50% (the "Captured Portion") of the total additional revenues from taxes imposed by the City and other taxing districts generated by economic activities (the "EATs") in RPA1 which sums after appropriation by the City are transferred to the Trustee for deposit into the Revenue Fund created and maintained by the Trustee under the Indenture which are pledged to the payment of principal of and interest on the Bonds subject to annual appropriation by the City, in any fiscal year of the City when the Revenue is reasonably anticipated to be insufficient in amount so the Revenue Fund deposits are insufficient to pay debt service on the Bonds, the City presently intends to appropriate an amount to make up such deficiency for payment to the Trustee and deposit into the Revenue Fund (the "City Revenue"). The taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest. The Bonds shall not be or constitute a general obligation of the City, the County, the School District or the State, nor shall they constitute an indebtedness of the City, the County, the School District or the State within the meaning of any constitutional or statutory provision, limitation or restriction.

THE BONDS, including portions thereof, maturing in the year 2021 and thereafter shall be subject to redemption and payment prior to maturity, at the option of the City, on and after January 1, 2020, as a whole or in part at any time, in inverse order of maturity and by lot within a single maturity, at a redemption price equal to the principal amount being redeemed plus accrued interest thereon to the date of redemption and payment.

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2019	165,000
2020	170,000

Long-Term Bonds Maturing January 1, 2028

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2022	180,000
2023	185,000
2024	195,000
2025	200,000
2026	210,000
2027	215,000
2028	220,000

If, as a result of changes in the Constitution of the State, or of legislative or administrative action of the State or any political subdivision thereof, or of the United States of America, or by reason of any action instituted in any court, the Ordinance becomes void or unenforceable or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed upon the City, the Bonds shall be subject to redemption and payment prior to maturity, in whole or in part (in inverse order of maturity and by lot within a maturity as the Paying Agent may determine) at any time, at a redemption price equal to 100% of the principal amount being redeemed plus accrued interest to the date of redemption, provided, however, that no such redemption shall be made without the prior written consent of the Insurer.

THE BONDS shall be redeemed in inverse order of Stated Maturity in the principal amount of \$5,000 or any integral multiple thereof except with regard to mandatory sinking fund redemptions. In the case of a partial redemption of Bonds of the same Stated Maturity, the Bonds to be redeemed shall be selected by the Paying Agent from the Outstanding Bonds of that Stated Maturity by such method as the Paying Agent shall deem fair and appropriate and which may provide for the selection for redemption of

portions of the principal of Outstanding Bonds of that Stated Maturity that have been issued in a denomination larger than \$5,000. The portions of the principal of Outstanding Bonds so selected for partial redemption shall be equal to \$5,000 or integral multiples thereof. Any Bond which is to be redeemed only in part shall be submitted to the Paying Agent and delivered to the Bond Registrar, who shall authenticate and deliver to the owner of such Bond, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such owner in any aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered. If the owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall nevertheless, become due and payable on the Redemption Date to the extent of the principal amount of such Bond called for redemption (and to that extent only).

Notice of call for redemption identifying the Bonds or portions thereof to be redeemed shall be given by the Trustee by mailing a copy of the redemption notice by certified or registered mail, postage prepaid, at least 30 days prior to the Redemption Date to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee.

Prior to the date fixed for redemption, funds shall be deposited with the Trustee which shall be sufficient to pay the Bonds called for redemption and accrued interest thereon to the Redemption Date and the redemption premium, if any. Upon the happening of the above conditions, and notice having been given as described above, the Bonds or the portions of the principal amount of Bonds thus called for redemption will cease to bear interest on the specified Redemption Date, will no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture and the Ordinance.

THE PAYING AGENT shall serve as Bond Registrar and as such shall keep registration books for the transfer of this Bond. This Bond is transferable by the Owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of the same maturity or maturities and of authorized denomination or denominations, for the same aggregate principal amount, and bearing the same rate of interest, will be issued to the transferee in exchange thereof.

THE BONDS may be transferred upon the registration books upon delivery to the Bond Registrar, duly executed by the Registered Holder of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds. In all cases of the transfer of a Bond, the Bond Registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the Owner is entitled to receive. No transfer of any Bond shall be effective until entered on the registration books. The Bond Registrar may charge the Owner of such Bond for every such transfer an amount sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such transfer, and may require that such charge be paid before such new Bond shall be delivered. The Bond Registrar shall not be required to (i) issue, transfer or exchange any Bonds during a period beginning at the opening of business on the fifteenth day next preceding either an interest payment date or any date of selection of Bonds to be redeemed and ending at the close of business on the payment date or any day on which the applicable notice is given, or (ii) transfer any Bonds which have been selected or called for redemption in whole or in part, or (iii) issue, transfer or exchange any Bond during a period beginning on

the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending on the date fixed for payment of Defaulted Interest. The Paying Agent and Bond Registrar may deem and treat the Registered Owner of any Bond as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of the principal hereof, redemption premium, if any, and interest due hereon and for all other purposes, and Paying Agent and Bond Registrar shall not be affected by any notice to the contrary.

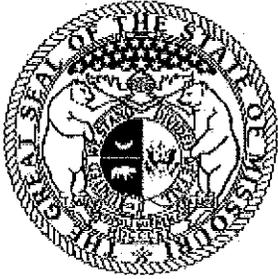
FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

[Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, Attorney to transfer the within Bond on the books kept by the Paying Agent for registration, and transfer of Bonds, with full power of substitution in the premises.

Date: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular and must be guaranteed by a member firm of the NYSE or a commercial bank or trust company.



State of Missouri
Missouri Secretary of State
Jason Kander

UNIFORM COMMERCIAL CODE FILING ACKNOWLEDGEMENT

10/29/2014 2:57 PM

Carl E Yates
2121 S Eastgate Ave
Springfield MO 65809

File Number: 1410294564543 **Filing Date:** 10/29/2014 2:57 PM **Filing Type:** UCC1
Lapse Date: 10/29/2019 11:59:59 PM

Indexed Debtor(s):

City of Monett, Missouri, 217 5th Street, Monett, MO, 65708

Secured Party(s) / Assignee(s):

UMB Bank, Trustee, 1010 Grand Blvd., 4th Floor, Kansas City, MO, 64106

Please review the above information that was indexed in our database. We have indexed the above information exactly as it was presented on your enclosed filing. If there is an error please contact the UCC office at the number below. If you wish to make a change from your original document an amendment (UCC-3) with the appropriate fee would be required.

PO Box 1159, Jefferson City, MO 65102
(573)751-4628
<http://www.sos.mo.gov/>

File Number: 1410294564543
Date Filed: 10/29/2014 2:57 PM
Jason Kander
Secretary of State

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER [optional] Carl Yates (417) 883-7411	
B. E-MAIL CONTACT AT FILER (optional) dlk@ymbllaw.com	
C. SEND ACKNOWLEDGMENT TO: (Name and Address) Carl Yates 2121 S Eastgate Ave Springfield, MO 65809	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

Page 1 of 1

1. **DEBTOR'S NAME:** Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in the line 1b, leave all of item 1 blank, check here and provide the individual Debtor Information in item 10 of the Financing Statement Addendum (Form UCC1AD)

1a. ORGANIZATION'S NAME City of Monett, Missouri				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIALS	SUFFIX
1c. MAILING ADDRESS 217 5th Street		CITY Monett	STATE MO	POSTAL CODE 65708
				COUNTRY USA

2. **DEBTOR'S NAME:** Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in the line 2b, leave all of item 2 blank, check here and provide the individual Debtor Information in item 10 of the Financing Statement Addendum (Form UCC1AD)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIALS	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY

3. **SECURED PARTY'S NAME** (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME UMB Bank, Trustee				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 1010 Grand Blvd., 4th Floor		CITY Kansas City	STATE MO	POSTAL CODE 64106
				COUNTRY USA

4. **COLLATERAL:** This financing statement covers the following collateral:

A security interest in the trust estate created under the trust agreement dated June 1, 2014, for the benefit of owners of the annual appropriation-supported tax increment and sales tax revenue refunding bonds.

5. Check only if applicable and only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA

City of Monett 2014

**REFUNDING ISSUE
BANK QUALIFIED**

**BOOK ENTRY ONLY
NOT RATED**

In the opinion of Yates, Mauck, Bohrer, Elliff, & Fels P.C., Bond Counsel, under existing law and assuming continued compliance with of the Internal Revenue Code of 1986, as amended, the interest on the Bonds (a) is excludable from gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (c) is exempt from income taxation by the State of Missouri. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "TAX EXEMPTION" herein.

\$2,510,000*

**CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION SUPPORTED -TAX INCREMENT AND
SALES TAX REFUNDING REVENUE BONDS
SERIES 2014**

(EAST U.S. HIGHWAY 60 AND RPA 1 INFRASTRUCTURE REDEVELOPMENT PROJECTS)

Dated: June 1, 2014

Due: January 1, 2028, as shown on the Inside cover page

The Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds (East US Highway and RPA1 Infrastructure Bonds) Series 2014 (the "Bonds") are being issued by the City of Monett, Missouri (the "City") pursuant to an Ordinance adopted by the City on May 30, 2014 (the "Ordinance") and are secured by certain funds on deposited under a Trust Indenture, dated as of June 1, 2014 (the "Indenture") between the City and UMB Bank, N.A., as Trustee (the "Trustee"). The Bonds are being issued for the purpose of providing funds to: (i) refund the City's Series A 2005 and Series B 2005 Bonds, the proceeds of which were used to pay the costs of the East US Highway 60 and RPA1 Infrastructure Redevelopment costs (the "Projects") incurred in redevelopment under the 2005 Plan of the City as such term is defined herein; (ii) to fund a deposit to the debt service fund to payment of accrued interest on the Bonds (iii) fund a Debt Service Reserve Fund for the Bonds and (v) to pay the cost related to the issuance of the Bonds.

The Bonds are special, limited obligations of the City payable solely from (i) Payments in Lieu of Taxes, (ii) subject to annual appropriation by the City, Economic Activity Tax Revenues, (iii) subject to annual appropriation by the City, City Revenues, and (iv) certain moneys on deposit with the Trustee under the Indenture.

The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered Owner and nominee for The Depository Trust Company ("DTC") New York, New York which will act as securities depository for the Bonds. Purchase of beneficial interest will be made in book entry only, in the denomination of \$5,000 or any integral multiple thereof. There will be no distribution of Bonds to the ultimate purchasers thereof. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond Owners or registered owners of the Bonds shall mean Cede & Co. as aforesaid and shall not mean the Beneficial Owners (herein defined) of the Bonds.

Principal will be payable annually on January 1, beginning January 1, 2015, at the designated corporate trust operations office of UMB Bank, N.A., in St. Louis, Missouri (the "Trustee"). So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and redemption premium, if any, and interest on the Bonds will be made directly to DTC, which is expected, in turn, to remit such payments to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners. Interest will be payable each July 1 and January 1, beginning January 1, 2015, by check, draft mailed or wire transfer by the Trustee to the person in whose name such Certificate is registered on the 15th day of the month next preceding each interest payment date. See the caption "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are subject to redemption prior to maturity in certain circumstances as described in this Official Statement under the caption "THE BONDS - Redemption."

Payment of principal of and interest on the Bonds are NOT secured by any deed of trust, mortgage or other lien on the Projects (as defined herein) and neither the Projects nor any other facilities or real property of the City is pledged as security for the Bonds. There is no mortgage securing the Bonds.

THE BONDS AND INTEREST THEREON ARE NOT AN INDEBTEDNESS OF THE CITY, THE COUNTY (AS DEFINED HEREIN), THE SCHOOL DISTRICT (AS DEFINED HEREIN), THE 911 BOARD (AS DEFINED HEREIN) OR OF THE STATE OF MISSOURI (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY PROVISION OF THE CONSTITUTION OR LAWS OF THE STATE OF MISSOURI. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY, THE COUNTY, THE SCHOOL DISTRICT, THE 911 BOARD, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, OBLIGATE THE CITY, THE COUNTY, THE SCHOOL DISTRICT, THE 911 BOARD, THE STATE, OR ANY SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION.

The Bonds are offered when, as and if issued by the City and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and subject to approval of their validity by Yates, Mauck, Bohrer, Elliff & Fels, P.C., Springfield, Missouri, Bond Counsel, as described herein. Certain legal matters will be passed on for the City by Amy Boxx, City Attorney, Monett, Missouri. It is expected that the Bonds will be available for delivery through DTC in New York, New York on or about June ____, 2014.



The date of this Official Statement is June ____, 2014

This Preliminary Official Statement and information contained herein are subject to completion or amendment without notice. These securities may not be sold nor an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,
AND CUSIP NUMBERS**

\$2,510,000*

CITY OF MONETT, MISSOURI

**ANNUAL APPROPRIATION SUPPORTED -TAX INCREMENT AND SALES TAX
REFUNDING REVENUE BONDS**

SERIES 2014

(EAST U.S. HIGHWAY 60 AND RPA 1 INFRASTRUCTURE REDEVELOPMENT PROJECTS)

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP¹</u>
01/01/2015	115,000			
01/01/2016	150,000			
01/01/2017	160,000			
01/01/2018	160,000			
01/10/2019	165,000			
01/01/2020	170,000			
01/01/2021	175,000			
01/01/2022	180,000			
01/01/2023	185,000			
01/01/2024	<u>195,000</u>			
	1,655,000			

Price _____ \$855,000 _____ % Term Bonds due 01/01/2028,
 _____ % Yield _____ % , CUSIP NUMBER _____

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* Preliminary; subject to change.

¹ CUSIP Numbers have been assigned to this issue by Standard & Poor's CUSIP Service Bureau, a division of McGraw-Hill Companies, Inc., and are included solely for the convenience of the Bondowners. Neither the City, the Trustee nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

**CITY OF MONETT, MISSOURI
217 5th Street
Monett MO, 65708**

**The Honorable James Orr, Mayor
Commissioner Jerry Dieker
Commissioner Mike Brownsberger
Dennis Pyle, City Administrator
Janie Knight, City Clerk**

BOND COUNSEL

**Yates, Mauck, Bohrer, Eliff & Fels, P.C.
Springfield, Missouri**

UNDERWRITER

**Crews & Associates, Inc.
Little Rock, Arkansas**

INDEPENDENT AUDITORS

**The CPA Group
A Professional Corporation
Monett, Missouri**

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the City or the Underwriter or by any person to give any information or to make any representation with respect to the Bonds offered hereby, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any offer, solicitation or sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not so expressly described herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein has been obtained from the City and other sources which are believed to be reliable. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof.

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

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

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

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forwarding-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally

identifiable by the terminology used such as “plan,” “expect,” “estimate,” “anticipate,” “projected,” “budget” or other similar words. and certain statements under the sections in this Official Statement captioned “**PLAN OF FINANCING,**” **PROJECTED NET REVENUES AND DEBT SERVICE COVERAGE,**” “**BONDOWNERS RISKS,**” “**THE PROJECTS**” and in Appendix A to this Official Statement.

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

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

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OFFICIAL STATEMENT
\$2,510,000
CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION SUPPORTED -TAX INCREMENT AND SALES TAX
REFUNDING REVENUE BONDS
SERIES 2014
(EAST U.S. HIGHWAY 60 AND RPA 1 INFRASTRUCTURE REDEVELOPMENT
PROJECTS)

INTRODUCTORY STATEMENT

The following introductory statement is subject in all respects to the complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the Appendices, are not deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the Cover Page and Appendices, must be considered in its entirety. All capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings ascribed thereto in C hereto.

Purpose of Official Statement

This Official Statement, including the Cover Page hereof and the Appendices hereto, is provided to furnish information relating to the City of Monett, Missouri (the “**City**”), the City’s Annual Appropriation-Supported Tax Increment and Sales Tax Refunding Revenue Bonds (East US Highway 60 and RPA1 Infrastructure Redevelopment Projects) Series 2014 (the “**Bonds**”) to be issued in the aggregate principal amount of \$2,510,000. The Bonds are being executed and delivered pursuant to an Ordinance adopted by the City on May 30, 2014 (the “**Ordinance**”) and are secured by the Trust Estate created under the Trust Indenture, dated as of June 1, 2014 (the “**Indenture**”) between the City and the UMB Bank, N.A., Missouri, as Trustee, (the “**Trustee**”). The proceeds from the sale of the Bonds will be used in part, together with other available funds of the City, to refund \$3,510,000 aggregate principal amount of the Tax Increment Allocation Bonds, Series A 2005 Bonds (East Highway 60 Infrastructure Project) and Series B 2005 Bonds (RPA1 Infrastructure Improvement Project) of the City (collectively the “**Series 2005 Bonds**”) which remain outstanding on the date of this Official Statement. For the definition of certain capitalized terms used in this Official Statement and not otherwise defined, see **Appendix A** hereto. The proceeds of the Bonds will used to refund the Series 2005 Bonds; to pay the costs of issuance of the Bonds; and to fund a Debt Service Reserve Fund.

The City

The City is a third class city and political subdivision of the State of Missouri (the “**State**”) The City is located in the Southwestern portion of the State on U.S. Highway 60 approximately 42.7 miles West of Springfield, Missouri. The City has a current estimated population of 8,922 residents. See discussion herein “**INFORMATION REGARDING THE CITY**” in this Official Statement for certain economic and demographic information regarding the City. The information regarding the City contained in the caption hereof “**INFORMATION REGARDING THE CITY**” should not be construed as an indication that the Bonds are payable from any source other than such revenues as are described in this Official Statement. See the caption “**SECURITY FOR THE BONDS**” in this Official Statement.

The City is authorized, pursuant to the provisions of the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri, as amended, (the "Act"), to designate an area within the corporate limits of the City as a blighted area, create a tax increment financing commission (the "**TIF Commission**") and to finance the costs of redevelopment projects designed to overcome such blight within such area by the issuance of its tax increment allocation bonds to fund the costs of such redevelopment projects..

The Bonds

The Bonds are being issued pursuant to the Act under authority of the Ordinance for the purpose of providing funds to refund the outstanding Series 2005 Bonds. The repayment of such Bonds is secured by the covenants of the City in the Ordinance and the pledge of the Trust Estate under the Indenture between the City and the Trustee.

The proceeds of the Bonds are to be used: (i) to refund the City's outstanding Series 2005 Bonds; (ii) to fund the payment of interest for the Bonds; (iii) to fund a debt service reserve fund for the Bonds; and (iv) to pay the costs related to the issuance of the Bonds. A description of the Bonds is contained in this Official Statement under the Caption "**THE BONDS**"

Security for the Bonds

The Bonds are special, limited obligation of the City payable solely from (i) Payments in Lieu of Taxes (the "**PILOTs**") Revenues resulting from collection of ad valorem taxes in the 2005 Area, (ii) subject to annual appropriation by the City, Economic Activity Tax (the "**EATs**") Revenues representing the Captured portion of the EATs collected from the 2005 Area; (iii) subject to annual appropriation by the City, City Revenues representing collected, but non-captured portion of the City Sales Taxes from the 2005 Area (the PILOTs Revenue, the EATs Revenue and the City Revenue are collectively the "**Revenues**"), and (iv) certain other funds held by the Trustee under the Indenture, and not from any other fund or source of the City. Pursuant to the Indenture, the City will assign to the Trustee, for the benefit and security of the registered owners of the Bonds, substantially all of the rights of City's in the Special Allocation Fund. The City, to accomplish the refunding, desires to issue the Bonds herein authorized and will deposit a portion of the proceeds of the issuance and sale of the Bonds, less accrued interest received on the Bonds, certain costs of issuance and funds to establish a reserve fund, together with other funds of the City which are or will become available, with the Trustee, pursuant to the Indenture for the purpose of providing for the defeasance and payment of the principal of, redemption premium and interest on the Series 2005 Bonds through the deposit in trust with the Trustee as herein provided.

PILOTs are payments imposed pursuant to the Act, which are equal to the excess, if any, of (i) the current ad valorem taxes which are imposed by a taxing district and could be collected by the taxing district in the absence of the 2005 Plan by applying the current ad valorem tax levy to the current equalized assessed valuation of real property in the 2005 Area (or defined part thereof) over (ii) the ad valorem taxes which could be imposed by applying the current ad valorem tax levy to the initial equalized assessed valuation of real property in the 2005 Area (or defined part thereof) for the Base Year (defined in **Appendix A**), as certified by the county assessor.

EATs are generally defined as 50% of the total additional revenue from economic activity taxes which are imposed by the City, the County and the 911 Board which are generated by economic activity

within the 2005 Area in excess of the amount of revenue from such taxes generated by economic activity within the 2005 Area in the Base Year (defined in **Appendix A**) (excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes, other than PILOTs), which shall be allocated to and paid by the collecting officer to the treasurer of the City who shall deposit such moneys in the Special Allocation Fund.

The repayment of the Bonds is secured by a pledge of the Revenues consisting of PILOTs Revenue, EATS Revenue and City Revenue collected from the 2005 Area by the City and deposited with the Trustee under the Indenture. The Bonds and the interest thereon are special, limited obligations of the City payable by the City solely from (1) Revenues collected by the City and deposited with the Trustee under the Indenture and (2) from other funds on deposit with the Trustee under the Indenture.

The principal of, premium, if any, and interest on the Bonds shall be paid from revenues generated from the Payments in Lieu of Taxes ("PILOTs") with respect to real property located within the 2005 Area and 50% of the increase in certain economic activity (sales and use tax) taxes imposed by the City, and Barry County, Missouri (the "County") and Barry County 911 ("911 Board") which are generated by economic activities within the Area (the "Captured Portion" and after capture "EATS") plus the amount annually appropriated by the City for the portion of the City economic activity taxes not included in the Captured Portion (the "City Revenues") The PILOTs, the EATS and the City Revenues are collectively referred to herein as the "Revenues." The City in the Ordinance covenants that the Revenues shall be deposited as received by the City with the Trustee which agrees to deposit such Revenues into a fund designated as the revenue fund (the "Revenue Fund") which is pledged under the Indenture to the repayment of the Bonds.

For a detailed discussion of the Revenues pledged to payment of the Bonds, along with estimated future collections thereof, see the caption "**SECURITY FOR THE BONDS**" herein. In addition to the pledge of the Revenues, the Bonds are secured by a debt service reserve funded with Bond proceeds. See the caption "**SECURITY FOR THE BONDS**" herein

Bonds are Limited Obligations

The Bonds are not a general obligation of the City but a special, limited obligation of the City and are payable solely from revenues described in this Official Statement. The Bonds are issued pursuant to the authority of and in full compliance with the Constitution and laws of the State, particularly the Act and pursuant to the terms and provisions of the Ordinance.

The Bonds are special, limited obligations of the City, payable solely and secured as to payment of both principal of and interest solely from the Revenues on deposit with the Trustee in the Revenue Fund after transfer from the Special Allocation Fund. The Special Allocation Fund is a fund created pursuant to the provisions of the Act and in accordance with the Ordinance and maintained with the Trustee under the Indenture pursuant to which the Revenues are held on deposit by the Trustee prior to transfer to the Revenue Fund.

The Bonds shall not constitute a constitutional debt or liability of the City or of the State or of any political subdivision thereof and shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Bonds are special, limited obligations of the City payable solely and secured as to the payment of both principal of and interest solely from the Revenues

on deposit in the City's Special Allocation Fund. The issuance of the Bonds shall not obligate the City to levy any form of taxation. The City's officers and directors shall not be personally liable for the payment of the principal of, premium, if any, or interest on the Bonds.

Proceedings Regarding the 2005 Area, the 2005 Plan and the 2005 Projects

On March 2nd, 2005, pursuant to the Act, the City adopted Ordinance No. 7533 (the “**2005 Plan Ordinance**”) which implemented tax increment financing in a newly annexed area of the City which is generally located as beginning at the eastern boundary of the City limits of the City and extending west to the western boundary of Chapel Drive in the City (the “**2005 Area**”) as identified in the plan for redevelopment by the City (the “**2005 Plan**”). The City, in the 2005 Plan Ordinance agreed to implement redevelopment in RPA1 in the 2005 Area by selecting Lowe’s Home Centers as the developer under the 2005 Plan for RPA1. The 2005 Plan provided for the development and financing of a retail center which was identified as the Lowe’s Home Improvement Center within RPA1. The 2005 Bonds were issued to provide financing for a portion of the costs of redevelopment within RPA1.

Development of Lowes Home Improvement Center

The City, following the publication of a Request For Proposals by the TIF Commission and upon recommendation by the TIF Commission to the City Council, selected Lowe’s Home Improvement Centers (the “**Developer**”) for RPA1 and entered into a Redevelopment Agreement with the Developer for the Implementation of RPA1. See the Caption “**THE PROJECTS - The Center**” in this Official Statement.

The City heretofore approved the designation of the 2005 Area as a redevelopment area within the corporate limits of the City as blighted area; approved a plan for redevelopment to overcome the blight in the 2005 Area by adopting the 2005 Plan authorizing the construction of redevelopment projects in RPA1 (which is an area within the 2005 Area) and includes the Lowe’s Home Improvement Center; which would necessitate the widening of East US Highway 60 and constructing street, water, sewer and utility improvements referred to as the RPA1 Infrastructure Improvements (collectively the East US Highway 60 Improvements and the RPA1 Infrastructure Improvement the “**2005 Projects**”) as recommended by the TIF Commission of the City and issued and sold Tax Increment Allocation Bonds, Series A 2005 Bonds (East Highway 60 Infrastructure Project) and Series B 2005 Bonds (RPA1 Infrastructure Improvement Project) of the City in an aggregate principal amount of \$4,120,000 (collectively the “**Series 2005 Bonds**”) for the purpose of paying a portion of the costs of the 2005 Projects. For additional information relating to the 2005 Projects, the 2005 Area, and the 2005 Plan see the caption “**THE PROJECTS - The Center**” in this Official Statement.

Annual Appropriation Covenant

The Ordinance contains an annual appropriation covenant made by the City pursuant to which the City agrees to cause the budget officer of the City to include in the annual budget presented to the City Council an appropriation of moneys in an amount sufficient to authorize the payment of the EAT’s Revenues to the Trustee for deposit in the Special Allocation Fund for payment of the Bonds and a further amount, if a deficiency is reasonably expected to exist, in an amount sufficient to equal the annual and reasonably estimated shortfall in the collection of revenues on deposit with the Trustee in the Special Allocation Fund for payment of debt service on the Bonds such City Revenue when appropriated as required for the payment of principal and interest on the Bonds for the next succeeding fiscal year. The

taxing power of the City, the County, the 911 Board or the School District is not pledged to the repayment of the Bonds. See “**SECURITY FOR THE BONDS**” herein.

Payment of principal and interest on the Bonds is primarily dependent on the collection of PILOTs Revenue and EATs Revenue and following the City’s decision to appropriate sufficient EATs Revenue (together with any estimated City Revenue) to make the required deposits under the Indenture. See “**BONDOWNERS RISKS**” for a discussion of certain risks.

The Bonds are subject to redemption prior to maturity as described herein. See “**THE BONDS - Redemption**” herein.

The Bonds are payable only from the Pledged Revenue as described in this Official Statement under the caption “**SECURITY FOR THE BONDS - Security and Sources of Payment for the Bonds**” Such Pledged Revenues (other than funds held by the Trustee under the terms of the Indenture) will be comprised solely of PILOTs, EATs and City Revenues.

Definitions and Descriptions; Inspection of Documents

Capitalized terms used in this Official Statement, not defined in the text hereof, are defined under the caption “**DEFINITIONS OF WORDS AND TERMS**” set forth in **Appendix A** of this Official Statement. **Appendix A** also contains summaries of the Ordinance and the Indenture. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Ordinance, the Plan and the Indenture are qualified in their entirety by reference to such documents, copies of which may be viewed at the office of Crews & Associates Inc. (the “**Underwriter**”), 800 First Security Center, 521 President Clinton Avenue, Little Rock, Arkansas 72201, (501) 907-2000, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request. All references to the Bonds are qualified in their entirety by the definitive terms thereof and the information with respect thereto included in the Ordinance and the Indenture.

TAX INCREMENT FINANCING IN MISSOURI

Overview

Tax increment financing is an economic development tool whereby cities and counties encourage the redevelopment of designated areas within the territorial limits of such city or county. The theory of tax increment financing is that, by encouraging redevelopment projects, the value of real property in a redevelopment area should increase and, if the redevelopment project includes establishments that pay sales and other economic activity taxes, the amounts of economic activity taxes generated by the redevelopment area should also increase.

When tax increment financing is adopted for a redevelopment area, the assessed value of real property in the redevelopment area is frozen for tax purposes at the current base level prior to the construction of improvements. The owners of the property continue to pay property taxes at the base level. As the property is improved, the assessed value of real property in the redevelopment area should increase above the base level. By applying the tax rate of all taxing districts having taxing power and levying ad

valorem taxes within the redevelopment area to the increase in assessed valuation of the improved property over the base level, a tax increment is produced.

The annual tax increments (referred to as payments in lieu of taxes or PILOTS and more fully defined herein under the section captioned “**SECURITY FOR THE BONDS - Security and Sources of Payment for the Bonds**”) are paid by the owners of property in the same manner as regular property taxes.

The payments in lieu of taxes are transferred by the collecting agency to the treasurer of the city or county and deposited in the PILOTS account of a special allocation fund. Similarly, an amount (referred to as economic activity tax revenues and more fully defined herein under the section captioned “**SECURITY FOR THE BONDS**” - **Security and Sources of Payment for the Bonds**”) attributable to 50% of the increase in tax revenues generated by economic activities within the redevelopment area (including sales and utilities taxes, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or sales taxes other than payments in lieu of taxes) are transferred by the collecting agency to the treasurer of the city or county and deposited in an economic activity tax account of such special allocation fund. All or a portion of the moneys in the special allocation fund are used to pay redevelopment project costs or to retire bonds or other obligations issued to pay such costs.

The Act

The ACT was enacted in 1982 and has been amended several times in subsequent years. The constitutional validity of the Act (prior to the amendments) was upheld by the Missouri Supreme Court in *Tax Increment Financing Commission of Kansas City, Missouri v. J.E. Dunn Construction Co., Inc.*, 781 S.W.2d 70 which allows cities and counties to provide long-term financing for redevelopment projects in blighted, conservation and economic development areas (as defined in the Act) through the issuance of bonds and other obligations. Prior to the amendments to the Act, such obligations were payable solely from PILOTS derived from the redevelopment area. As a result of amendments to the Act, such obligations are also payable from economic activity tax revenues derived from the redevelopment area, except those economic activity tax revenues expressly excluded in the Act. See the caption “**SECURITY FOR THE BONDS - Security and Sources of Payment for the Bonds**” in this Official Statement. The validity of certain portions of amendments to the Act relating to the capture of economic activity tax revenues was upheld by the Missouri Supreme Court in *County of Jefferson v. QuikTrip Corporation*, 912 S.W.2d 487 (Mo. 1995).

After approving a redevelopment plan, a city or a county has 23 years for the collection of Captured Revenues within an approved area to pay the costs of redevelopment costs resulting from constructing approved projects. The exception to the 23 year rule is a city or a county after approving a plan for an area can reserve the right for up to 10 years after the date of adoption of the ordinance or resolution approving a plan to implement redevelopment projects in another redevelopment project area, thereby effectively extending the period for collection of revenues to 33 years. The City in adopting the 2005 Plan and 2005 Area only implemented redevelopment in RPA1 (the Lowe’s Home Improvement Center) so the City could until March 2015 implement additional redevelopment projects in the 2005 Area.

Amendments to the Act have been proposed in each legislative session during recent years. In connection with proposed amendments to the Act that may be introduced in future legislative sessions, it

is not possible to predict the nature of such proposed amendments or whether such proposed amendments to the Act will become law during future sessions of the General Assembly.

Although PILOTs may be irrevocably pledged to the repayment of bonds, economic activity tax revenues are subject to annual appropriation by the governing body of the city or county, and there is no obligation on the part of the governing body to appropriate economic activity tax revenues in any year. See the caption “**BONDOWNERS RISKS**” in this Official Statement.

Assessment and Collection of Ad Valorem Taxes

The City and the 2005 Area are located entirely within Barry County, Missouri (the “**County**”). On or before September 1 in each year, each political subdivision located within the County which imposes ad valorem taxes (the “**Taxing Districts**”) is required to estimate the amount of taxes that will be required during the next succeeding fiscal year to pay interest falling due on general obligation bonds issued and the principal of bonds maturing in such year and the costs of operation and maintenance plus such amounts as shall be required to cover emergencies and anticipated tax delinquencies. The Taxing Districts certify the amount of such taxes which shall be levied, assessed and collected on all taxable tangible property in the County to the County Assessor by September 1.

All taxes levied must be based upon the assessed valuation of land and other taxable tangible property in the County as shall be determined by the records of the County Assessor and must be collected and remitted to the Taxing Districts. All the laws, rights and remedies provided by the laws of the State for the collection of State, county, city, school and other ad valorem taxes are applicable to the collection of taxes authorized to be collected in the Redevelopment Area.

The Missouri Constitution requires uniformity in taxation of real property by directing such property to be sub-classified as agricultural, residential or commercial and permitting different assessment ratios for each subclass. Agricultural real property is currently assessed at 12% of true value in money, residential property is currently assessed at 19% of true value in money and commercial, industrial and all other real property is assessed at 32% of true value in money. The phrase true value in money has been held to mean fair market value except with respect to agricultural property.

Real property within the County is assessed by the County Assessor. The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The Board of Equalization has the authority to question and determine the proper values of real property and then adjust and equalize individual properties appearing on the tax rolls. The County Collector collects taxes for all Taxing Districts within the County limits. The County Collector deducts a commission for its services. After such collections and deductions of commission, taxes are distributed according to the Taxing District’s pro rata share.

Taxes are levied on all taxable property based on the equalized assessed value thereof determined as of January 1 in each year. Under Missouri law, each property must be reassessed every two years (in odd numbered years). The County Collector prepares the tax bills and mails them to each taxpayer in September. Payment is due by December 31, after which taxes become delinquent and accrue a penalty of one percent per month. In the event of an increase in the assessed value of a property, notice of such increase must be given to the owner of the affected property, which notice is generally given in March.

Valuation of Real Property

The County Assessor must determine the assessed value of a property based upon requirements of State law which requires that property be valued at its true value in money. For agricultural land, true value is based on its productive capability. Residential and commercial property, are valued at the true value in money which is the fair market value of the property on the valuation date. The fair market value is arrived at by using the three universally recognized approaches to value: cost approach, the sales comparison approach and the income approach.

The cost approach is typically applied when a property is newly constructed and is based on the principle of substitution. This principle states that no informed buyer will pay more for a property than the cost to reproduce or replace the property. Value is determined under the cost approach by adding the estimated land value to the replacement or reproduction cost reduced by estimated depreciation. Courts have held however, that construction cost alone is not a proper basis for determining true value in money and that all factors which affect the use and utility of the property must be considered. The sales comparison approach determines value based upon recent sales prices of comparable properties. Comparable sales are adjusted for differences in properties by comparing such items as sales price per square foot and net operating income capitalization rates.

The income approach estimates market value by discounting to present value a stream of estimated net operating income. First, the property's gross potential income is estimated based on gross rents being generated at the property. A vacancy allowance is then deducted to arrive at effective gross income. Next, allowable operating expenses are deducted to arrive at an estimate of the property's net operating income. Finally, the net operating income is divided by an appropriate capitalization rate to arrive at the estimated present value of the income stream.

Certain properties, such as those used for charitable, educational, and religious purposes, are excluded from both the real estate ad valorem tax and personal property tax. In addition, pursuant to various State statutes, the City and other public entities may grant real estate tax abatement, under certain conditions, to businesses building or rehabilitating property within their boundaries.

Appeal of Assessment

State statutes establish various mechanisms for a property owner to appeal the assessment of a tax on owned property. Typically, there are four issues that can be raised in property tax appeals: overvaluation, uniformity, misclassification and exemption. Overvaluation appeals are the most common appeals presented by taxpayers. An overvaluation appeal requires the taxpayer to prove that the true value in money of the property is less than that determined by the assessor. Uniformity appeals are based on the assertion that other property in the same class and county as the subject property is assessed at a lower percentage of value than the subject property. A misclassification appeal is based on an assertion that assessing authorities have improperly subclassed a property. Exemption appeals are based on claims that the property in question is exempt from taxation. Overvaluation appeals generally must be made administratively, first to the Board of Equalization and then to the State Tax Commission, within prescribed time periods following notice of an increase in assessment.

Appeals to the Board of Equalization must be filed with the County Clerk as Secretary of the Board of Equalization on or before the third Monday in June of each year. Appeals to the State Tax Commission

must be filed by the later of December 31 or 30 days after the date of the final decision of the Board of Equalization.

Where valuation is not an issue, appeals must be taken directly to the State circuit court rather than the State Tax Commission. If an appeal is pending on December 31, the due date for the payment of taxes, State statutes provide a procedure for the payment of taxes under protest. If taxes are paid but not under protest, the taxpayer cannot recover the amount paid unless the taxes have been mistakenly or erroneously paid. Application for a refund of mistakenly or erroneously paid taxes must be made within one year after the tax in dispute was paid. Typically, only that portion of the taxes being disputed is identified as being paid under protest, unless a claim of exemption is being asserted. The portion of the tax paid under protest is required to be held in an interest bearing account. Unless an appeal before the Board of Equalization or State Tax Commission is pending, suit must be brought by the taxpayer to resolve the dispute within 90 days, or the escrowed funds will be released to the Collector of Revenue and distributed to the Taxing Districts.

An owner of any property located within the 2005 Area is restricted from appealing the determination of the assessed value of any such property. Any appeals, however, will be required to be conducted in the manner as summarized above under current law.

Reassessment and Tax Rate Rollback

As previously stated, a general reassessment of all property in the State is required to be conducted every two years. When, as a result of such reassessment, the assessed valuation within a Taxing District increases by more than an allowable percentage, the Taxing District is required to roll back the rate of tax within the Taxing District so as to produce substantially the same amount of tax revenue as was produced in the previous year increased by an amount called a preceding valuation factor. A preceding valuation factor is a percentage increase or decrease based on the average annual percentage changes in total assessed valuation of the County over the previous three or five years, whichever is greater, adjusted to eliminate the effect of boundary changes, changes from State to County assessed property, general reassessment and State ordered changes.

The Hancock Amendment

On September 4, 1980 the voters of Missouri passed an amendment to the Missouri Constitution limiting taxation and government spending. This approval occurred on September 4, 1980, and went into effect with the 1981-82 fiscal year. The amendment (Article X, Sections 16 through 24 of the Missouri Constitution, and popularly known as the Hancock Amendment) limits the rate of increase and the total amount of taxes that shall be imposed in any fiscal year, and provides that the limit shall not be exceeded without voter approval.

Provisions are included in the Hancock Amendment for rolling back tax rates to produce an amount of revenues equal to that of the previous year if the definition of the tax base is changed or if property is reassessed. The tax levy on the assessed valuation of new construction is exempt from this limitation in the initial year of new construction. The limitation on local governmental units also does not apply to taxes imposed for the payment of principal of, premium, if any, and interest on bonds approved by the requisite percentage of voters.

Tax Delinquencies

Taxes and payments in lieu of taxes due upon any real estate within the 2005 Area remaining unpaid on the first day of January, annually, are delinquent, and the County Collector is empowered to enforce the lien of the taxing jurisdictions thereon. Whenever the County Collector is unable to collect any taxes on the tax roll, having diligently endeavored and used all lawful means to do so, the collector is required to compile lists of delinquent tax bills collectible by him. All lands and lots on which taxes are delinquent and unpaid are subject to suit to collect delinquent tax bills or suit for foreclosure of the tax liens. Upon receiving a judgment, the sheriff must advertise the sale and the land, fixing the date of sale within 30 days after the first publication of the notice. Delinquent taxes, with penalty, interest and costs, may be paid to the County Collector at any time before the property is sold therefor. No action for recovery of delinquent taxes shall be valid unless initial proceedings therefor are commenced within five years after delinquency of such taxes.

Collection of Economic Activity Tax Revenues or EATs

Retail businesses are required to collect the sales tax from purchasers at the time of sale and pay the amounts collected to the Department of Revenue of the State with the filing of returns, except for the sales tax on motor vehicles, trailers, boats and outboard motors, which is due at the time application is made for title and registration. The sales volume of a retail business determines the frequency of payments made to the Department of Revenue of the State. In most cases, the retail businesses in the City make monthly payments to the Department of Revenue of the State, which are due on the tenth day of each calendar month for sales taxes collected in the preceding calendar month. Retail businesses located in the City submit applications to the City for a merchants license and an occupancy permit, and before such license and permit are awarded verification of a tax identification number from the State is made by the City. In the event of a failure by a retail business to remit sales taxes, interest and penalties, the unpaid amount may become a lien in the nature of a judgment lien against the delinquent taxpayer. In the event of overpayment by any retail business as a result of error or duplication, provision is made under State law for refunds. Pursuant to State law, taxpayers who promptly pay their sales tax are entitled to retain 2% of the amount of taxes owed.

Within 30 days of receipt of sales taxes by the Department of Revenue of the State, the Director of the Department of Revenue remits to the State Treasurer for deposit in a special trust fund for the benefit of each political subdivision entitled to a sales tax distribution the amount of such sales tax receipts less 1% of such amount which constitutes a fee paid to the State for collecting and distributing the tax. The State Treasurer then distributes moneys on deposit in the special trust fund on behalf of each such political subdivision to the political subdivision on a monthly basis.

The 2005 Plan and improvements to RPA1

In accordance with the provisions of the Act, the City Council of the City has, pursuant to Ordinance No. 7533 adopted on March 2, 2005, designated the RPA1 as a redevelopment area within the corporate limits of the City as a "blighted area" within the meaning of the Act and approved the Plan for redevelopment of the RPA1. The RPA1 qualifies as a "blighted area" under the Act by reason of the existence of inadequate street layout, deteriorated site improvements, lack of water and sewer services and a lack of platting.

The RPA1 may be generally described as an undeveloped tract of land consisting of approximately 40 acres and located adjacent to East U.S. Highway 60 in the eastern portion of the City. RPA1 is zoned for commercial development.

The 2005 Plan called for the development of infrastructure improvements within the RPA1 in conformance with the Act. The specific objectives of the Plan are as follows:

1. Eliminate and/or reduce the presence of conditions that make the RPA1 in its 2005 condition and use, a "blighted area" under the terms of the Act;
2. Stimulate redevelopment of the RPA1 through private investment;
3. Enhance the tax base of the City and that of other taxing districts whose jurisdictions include the RPA1; and
4. Achieve other, complementary goals and objectives for the RPA1 as identified in the City's comprehensive plan.

TIF LITIGATION

Factual Background

Exercising the power granted by the Act, the City created two TIF Districts. The First TIF district was created in 1996 and another was created in 2005. In each instance, the City created a TIF Commission and the County appointed a representative to serve as a voting member of the TIF Commission and that member actively participated. The County received the proposed redevelopment plan for both the 1996 and the 2005 TIF districts and notice of the public hearing. After the public hearing, the TIF Commission recommended that the City Council approve a 1996 Plan the 2005 Plan, in each separate TIF District, which the City Council did by adoption of the 1996 Ordinance and the 2005 Ordinance.

The 1996 TIF district included, as core projects, US Highway 60 improvements and a Wal-Mart Supercenter. The 2005 TIF district included a Lowe's home improvement center and infrastructure improvements to support its development as well as further improvements to US Highway 60. In the combined TIF Districts, the City pledged TIF allocation funds and issued over \$9 million in obligations to finance these redevelopments.

After redevelopment, these areas generated new County sales tax revenues totaling millions of dollars. The County kept 50% of these monies and sent 50% to the City for reimbursement of TIF redevelopment costs, starting in 1997.

Following the creation of both TIF districts, the County voters adopted a Section 190.335 RSMo., an emergency services sales tax ("911 Board Sales Tax"). According to the factual finding of the Court, through November 2010, the TIF districts generated nearly \$1 million in 911 Board sales tax revenue, none of which was allocated or paid to the City in accordance with the TIF Plans.

Since the 911 Board, did not commence payments after demand by the City, the City brought a mandamus action against the 911 Board. Thereafter, both Barry and Lawrence County stopped allocating TIF revenues (both PILOTs and EATs) in July 2009 stopped paying their increment to the City and the City was forced to include both Counties in its mandamus action to enforce tax increment financing (TIF) allocation. The Counties and 911 Board counterclaimed that the TIF districts were not validly created, and thus were void ab initio. The Circuit Court, Lawrence County, in a decision by Judge Neal Quitno, granted summary judgment in the City's favor and the 911 Board and both Barry County and Lawrence County appealed.

The City prevailed on the parties' cross-motions for summary judgment. The trial court found that the County's counterclaims and defenses were barred by laches and estoppel, the TIF districts were validly enacted, and the 911 Board sales tax was subject to TIF capture and allocation.

Appellate Court Decision

The Missouri Court of Appeals, Southern District, in the case *State ex rel City of Monett v. Lawrence County*, 407 SW3rd 635, found as follows:

“The issuance of bonds is significant. R.S.Mo. 99.835.4 provides that recitals in bond issuances that they are issued pursuant to the TIF Act are given conclusive evidence of their validity. Not only did bond holders rely on the validity of the TIF Districts, numerous third parties relied as well. Wal-Mart, Lowe's, the Missouri Highway and Transportation Commission and the City all spent funds to construct the TIF District improvements, improvements known to the Counties and approved by the Counties, while the Counties sat on their claims. The TIF Act presumes validity when bonds are issued. This Court should defer to the legislature's intent.

“Until 2009, Respondents performed under the TIF Act as if the TIF Districts were valid. Respondents allocated sales taxes and PILOTs to the City. Pursuant to the TIF Act, each dollar of increased tax from within the TIF Districts was split 50/50 between the Counties and the City's special allocation funds. Respondents accepted the increased taxes generated within the TIF Districts. Respondents acted as if the TIF Districts were valid. Respondents benefitted from the validity of the TIF Districts. *See State ex rel. York y Daugherty*. 969 S.W.2d 223, 226 (Mo. banc 1998).

Following this appellate decision, Barry County and the 911 Board (Lawrence County dismissed its appeal) moved for transfer to the Missouri Supreme Court and the Missouri Supreme County denied the request.

Thereafter, all of the appellants including Barry County and the 911 Board (Lawrence County having done so when dismissing its appeal) released the funds held in escrow during the pendency of the case, thus, ending the litigation.

THE CITY

Incorporated in 1888, the City of Monett, Missouri (the “City”) is located partially in Barry and partially in Lawrence County, Missouri. All of the 2005 Area is located in Barry County, Missouri which is thus classified as the County (the “County”) for purposes of the Official Statement. The City is a third class municipality organized under the laws of the State of Missouri and operates under a Commission form of government with an elected Mayor and two elected Commissioners, who with the elected Mayor, constitute the City Council which is the legislative body for the City.

THE BONDS

The following is a summary of certain terms and provisions of the Bonds. Reference is hereby made to the Bonds and the provisions with respect thereto in the Ordinance for detailed terms and provisions.

Authorization

The Bonds are being issued by the City pursuant to the Ordinance and the Act and their repayment is secured by the covenants of the City in the Ordinance and the pledge of funds on deposit under the Indenture.

Description

The Bonds will be issued in one series and dated July 1, 2014. The Bonds shall be issued in the aggregate principal amount shown on the cover page, shall mature (unless earlier redeemed as provided below) as shown on the cover page hereof and will bear interest at the rate per annum set forth on the cover page hereof payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2015. The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC which will act as securities depository for the Bonds. Purchases of the Bonds will be made only in book-entry form (as described below under “**BOOK-ENTRY ONLY SYSTEM**”), in the denomination of \$5,000 or any integral multiple thereof. There will be no distribution of Bonds to the ultimate purchasers thereof. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondowners or registered owners of the Bonds shall mean Cede & Co. as aforesaid and shall not mean the Beneficial Owners (herein defined) of the Bonds. Principal of the Bonds is payable at the corporate trust office of the Trustee, and interest on the Bonds will be payable by check or draft mailed to the registered owner of the Bonds. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and redemption premium, if any, and interest on the Bonds will be made directly to DTC, which is expected, in turn, to remit such payments to the Direct Participants (herein defined) for subsequent disbursement to the Beneficial Owners. Interest on the Bonds is payable by check or draft mailed by the Trustee to the person in whose name each Bond is registered on the 15th day of the month next preceding an interest payment date at such person's address as it appears on the registration books kept by the Trustee under the Indenture.

Book-Entry Only System

General. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry only system (the "**Book-Entry Only System**") maintained by The Depository Trust Company ("**DTC**"), New York, New York. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC or the Trustee as its "FAST" agent.

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

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

Transfers. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the

identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC.

If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

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

Discontinuation of Book-Entry Only System. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Board or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The use of the system of book-entry transfers through DTC (or a successor securities depository) may be discontinued as described in the Indenture. In that event, bond certificates will be printed and delivered as described in the Indenture.

None of the Underwriter, the Trustee, nor the City will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any,

or interest on the Bonds; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Indenture to be given to owners of the Bonds; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

The information above concerning DTC and DTC's book-entry system has been obtained from sources that the Board and the City believe to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the City,, the Trustee or the Underwriter. The City, the Trustee and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

Redemption

Extraordinary Redemption Under Designated Circumstances. If, as a result of changes in the Constitution of the State, or of legislative or administrative action of the State or any political subdivision thereof, or of the United States of America, or by reason of any action instituted in any court, the Ordinance becomes void or unenforceable or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed upon the City, the Bonds shall be subject to redemption and payment prior to maturity, in whole or in part (in order of maturity) at any time, at a Redemption Price equal to 100% of the principal amount being redeemed plus accrued interest to the date of redemption. Redemption pursuant to the above shall occur only at the option of the City.

Optional Redemption.. At the option of the City, the Bonds maturing January 1, 2024, will be subject to redemption as a whole or in part at any time on or after July 1, 2024 at the Redemption Price of 100% of the principal amount of the Bonds to be redeemed, together with accrued interest to the Redemption Date.

Notice of Redemption

Any notice of call for redemption shall be given by mailing a copy of an official redemption notice by registered or certified mail, at least thirty (30) days and no more than forty-five (45) days prior to the date fixed for redemption, to the Bondowner of each Bond or portion thereof to be redeemed at the address shown on the Bond Register or at such other address as is furnished to the Trustee in writing by such Bondowner.

No Additional Bonds

In the Ordinance, the City covenants that so long as any of the Bonds remain Outstanding and unpaid, the City will not issue any additional bonds or other obligations payable out of the Special Allocation Fund or any part thereof which are superior to, or on a parity with, the Bonds.

In the Ordinance, the City will have the right, if it finds it desirable, to refund any of the Bonds under the provisions of any law then available and the refunding bonds so issued will enjoy complete equality of pledge with any of the Bonds which are not refunded, if any, upon the Revenues in the Special Allocation

Fund; provided, however, that if only a portion of the Bonds be refunded and if said Bonds are refunded in such manner that the refunding bonds bear a higher average rate of interest or become due on a date earlier than that of the Bonds which are refunded, then said Bonds may be refunded only by and with the written consent of the Bondowners of a majority in principal amount of the Bonds not refunded.

Mandatory Sinking Fund Redemption of Term Bonds

The Bonds maturing in the year 2028 (the "Term Bonds"), shall be subject to the mandatory sinking fund redemption and payment prior to maturity pursuant to the mandatory sinking fund redemption requirements of the Ordinance, on or after January 1, 2025, at the principal amount thereof plus accrued interest thereon to the redemption date, without premium. The City shall redeem, on January 1, in each of the following years, the following principal amount of such Term Bonds:

<u>Redemption Date</u>	<u>Principal Amount¹</u>
January 1, 2026	\$325,000
January 1, 2027	325,000
January 1, 2028	325,000

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the City may: (i) deliver to the Trustee for cancellation Term Bonds in any aggregate principal amount desired; (ii) furnish the Trustee funds, together with appropriate instructions for the purpose of purchasing any of said Bonds from any Owner thereof, whereupon the Trustee shall expend such funds for such purpose to such extent as may be practical; or (iii) receive a credit with respect to the mandatory redemption obligation of the Trustee under the Ordinance for any Terms Bonds which prior to such date have been redeemed (other than through the operation of the requirements described in this paragraph) and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation described in this paragraph. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Trustee to redeem Term Bonds of the same maturity on such redemption date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same maturity in chronological order, and the principal amount of Term Bonds of the same maturity to be redeemed by operation of the requirements described in this paragraph shall be accordingly reduced. If the City intends to exercise any option granted by clauses (i), (ii) or (iii) above, the City will on or before the 45th day next preceding each mandatory redemption date, furnish the Trustee with a certificate indicating to what extent the provisions of said clauses (i), (ii) or (iii) are to be complied with in respect to the mandatory redemption payment.

Selection of Bonds to be Redeemed

The Bonds shall be redeemed in inverse order of Stated Maturity in the principal amount of \$5,000 or any integral multiple thereof except with regard to mandatory sinking fund redemptions. In the case of a partial redemption of Bonds of the same Stated Maturity, the Bonds to be redeemed shall be selected by the Bond Registrar from the Outstanding Bonds of that Stated Maturity pro rata between the Prior Bonds and the Bonds based upon the initial principal amount of each series originally issued by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Outstanding Bonds of that Stated Maturity that have been issued in a

¹Preliminary, subject to change.

denomination larger than \$5,000. The portions of the principal of Outstanding Bonds so selected for partial redemption shall be equal to \$5,000 or integral multiples thereof. Any Bond which is to be redeemed only in part shall be submitted to the Paying Agent and delivered to the Bond Registrar, who shall authenticate and deliver to the owner of such Bond, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such owner in any aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered. If the owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall nevertheless, become due and payable on the Redemption Date to the extent of the principal amount of such Bond called for redemption (and to that extent only).

Trustee's Duty to Redeem Bonds

The Trustee, as Bond Registrar, shall call Bonds for redemption and payment as provided in the Indenture and shall give notice of redemption as provided therein upon receipt by the Trustee at least 45 days prior to the Redemption Date of a written request of the City. Such request shall specify the principal amount of Bonds and their maturity so to be called for redemption, the applicable redemption price or prices and the above-mentioned provision or provisions pursuant to which such Bonds are to be called for redemption.

Notice of Redemption

Notice of call for redemption identifying the Bonds or portions thereof to be redeemed shall be given by the Trustee by mailing a copy of the redemption notice by certified or registered mail, postage prepaid, at least 30 days prior to the Redemption Date to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee.

Effect of Call for Redemption

Prior to the date fixed for redemption, funds shall be deposited with the Trustee which shall be sufficient to pay the Bonds called for redemption and accrued interest thereon to the Redemption Date and the redemption premium, if any. Upon the happening of the above conditions, and notice having been given as described above, the Bonds or the portions of the principal amount of Bonds thus called for redemption will cease to bear interest on the specified Redemption Date, will no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture and the Ordinance.

Actual Collection of PILOTs and EATs 2013 and Anticipated Debt Service Coverage¹

The following table sets forth the Captured Portion of EATs and PILOTs for the Area in 2013 (see Appendix B for a detailed analysis of the Captured Portion of the EATs and PILOTs):

	Actual 2013
EATS Revenue	241,654.21
<u>PILOTS Revenue</u>	<u>87,821.00</u>
Total	329,475.21
<u>Available City Revenue</u> ¹	<u>134,946.11</u>
Total for Debt Service	464,421.32
Projected Maximum Annual Debt Service Series 2014 Bonds ²	235,575.00
Debt Service Coverage	1.97

1. Non-captured Portion of City EATs available for debt service, if needed, but not for prepayment of bonds.
2. Assumes average coupon of 3.44%. Preliminary; subject to change.

THE REVENUES

General

The Bonds are special, limited obligations of the City payable solely, and secured as to the payment of both principal and interest, from the revenues derived from (i) PILOTS Revenues with respect to real property located within the RPA1, (ii) the appropriated percentage of certain sales taxes imposed by the City and the County which are generated by EATs Revenues occurring within the RPA1 while the 2005 Plan is in effect, and (iii) the appropriated, City Revenues on deposit in the Special Allocation Fund (collectively the PILOTS. Revenue, the EATs Revenue and the City Revenue are the "Revenues"). The Revenues shall be deposited as received by the City in the Special Allocation Fund and are then transferred to the Trustee under the Indenture. The taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest. The Revenues shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Indenture. THE BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OF THE CITY, THE CID OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE CITY, THE COUNTY, THE 911 BOARD OR THE SCHOOL DISTRICT NOR THE CITY, THE COUNTY, THE 911 BOARD, THE SCHOOL DISTRICT OR THE STATE SHALL BE LIABLE THEREON. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN- THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Notwithstanding the foregoing, nothing agreed to by the City shall be construed as imposing on the City, the County, the 911 Board, the School District or the State any duty or obligation to levy any taxes either to pay the principal of, premium, if any, or interest on the Bonds.

PILOTS

Pursuant to Section 99.845 of the Act and proceedings duly had by the City, PILOTS shall be collected by the County Collector of the County, and paid to the City with respect to the increased assessed valuation of taxable real estate in the RPA 1 Area. The City shall deposit such payments in the PILOTS Account of the Special Allocation Fund to be used as provided in the Indenture. Pursuant to Section 99.845 of the Act, PILOTS are defined as the ad valorem tax revenues from increased assessed valuation of the real property situated in the RPA 1 Area which the City and other taxing districts would have received had the City not adopted the Plan, and which would result from levies made after the time of the adoption of the Plan and during the time the current equalized value of real property in the RPA 1 Area exceeds the total initial equalized value of real property in the RPA 1 Area until the Plan is terminated.

EATs

Pursuant to the Act, EATs are generally defined as a specified portion (as described below) of the total additional revenue from taxes which are imposed by the City and the County which are generated by economic activity within the RPA 1 Area over the amount of such taxes generated by economic activity within the RPA 1 Area in the calendar year prior to the year in which the Plan is adopted (excluding certain taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes, other than PILOTS), which shall be allocated by appropriation to and paid by the collecting officer to the City who shall deposit such moneys in the Special Allocation Fund.

Pursuant to the Act, 50% of such additional revenue shall be included within the specified portion of tax collections constituting EATs. The City currently imposes (i) a one cent general sales tax and (ii) a 1/2 % percent capital improvement sales tax upon all sales within the RPA 1. The County currently imposes (i) a 1/2 cent general sales tax and (ii) a one-half cent road and bridge sales tax upon all sales within the RPA 1 Area.

In addition to the 50% allocation specified by the Act, the City has agreed pursuant to the Ordinance to appropriate from its non-captured 50% of the incremental increase in revenue arising from the levy of the City's one cent general sales tax on economic activity within the RPA1 to be used to make up any reasonably expected shortfall in Revenues on deposit in the Special Allocation Fund with the Trustee available to pay debt service on the Bonds.

Neither the City nor the County have authorized a "use tax" and until passed by a vote of the citizens, use tax collections are not included in the Revenues.

Projected EATs Revenue, PILOTS Revenues and City Sales Tax Collections in RPA1

The projected collections of EATs Revenue, PILOTS Revenues and City Revenues to be deposited in the Special Allocation Fund are detailed in herein under the caption "**ANTICIPATED DEBT SERVICE COVERAGE.**"

The EATs, PILOTS and City Revenues projections are made based upon historical collections but projected assuming no major changes the RPA1 or in the manner and at the times contemplated in the 2005 Plan. Further, the EATs Revenue and City Revenue projections are necessary, based on projections of sales

at such Lowes Home Improvement Center which is the only retail sales tax generator located in RPA1 which may or may not be realized. NO ASSURANCE CAN BE GIVEN THAT THE LOWE'S HOME IMPROVEMENT CENTER WILL CONTINUE TO BE OPERATED IN THE MANNER CONTEMPLATED IN THE 2005 PLAN, AND IF SO OPERATED, THAT THE SALES AT SUCH LOWES HOME IMPROVEMENT CENTER WILL EQUAL THE PROJECTIONS THEREOF SET FORTH ABOVE. ACCORDINGLY, NO ASSURANCE CAN BE GIVEN THAT THE EATs, PILOTs OR CITY REVENUES PROJECTIONS SET FORTH ABOVE WILL BE REALIZED.

Surplus

Annually, to the extent Revenues in the Special Allocation Fund are sufficient in amount to pay debt service on the Bonds, to pay the fees and expenses of the Trustee and any Paying Agent, and to remedy any deficiencies in the Debt Service Reserve Fund, the City has stated its intent in the Ordinance to declare the EATs Revenues, the PILOTs Revenues and the City Revenues as a surplus but only after the City has reimbursed itself for unreimbursed funds owed to the City for funds advanced by the City for payment of costs of the Bonds.

Thereafter, any remaining Surplus will be applied first to redeem the Bonds.

SECURITY FOR THE BONDS

Nature of Bonds; Limited Obligations; Sources of Payment

The Bonds are special and limited obligations of the City payable solely from, and secured as to the payment of both principal and interest by, the revenues derived from (i) Payments in Lieu of Taxes ("**PILOTs**") with respect to real property located within the Area, and (ii) 50% of the increase in certain sales taxes imposed by the City and by the County which are generated by economic activities occurring within the Area. The PILOTs and EATs are referred to collectively herein as the "**Revenues**." The Revenues shall be deposited as received by the City in a pledged fund created for such purpose (the "**Special Allocation Fund**"). The taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest. The Revenues shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Indenture.

The Bonds are not a general obligation of the City and are payable solely from the revenues described in this Official Statement. The information regarding the City contained herein should not be construed as an indication that the Bonds are payable from any source other than the revenues as described in this Official Statement. See "**INTRODUCTORY STATEMENT - Security for the Bonds**" herein.

THE BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A CONSTITUTIONAL DEBT OF THE CITY, THE COUNTY, THE 911 BOARD OR THE STATE; AND NEITHER THE CITY, THE COUNTY, THE 911 BOARD NOR THE STATE SHALL BE LIABLE THEREON, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY AND SECURED AS TO THE PAYMENT OF BOTH PRINCIPAL OF AND INTEREST SOLELY FROM THE REVENUES OF THE CITY'S SPECIAL ALLOCATION FUND.

Pursuant to Section 99.845 of the Act and proceedings duly held by the City, PILOTs shall be collected by the Collector of Barry County, Missouri, and paid to the City Clerk with respect to the taxable real estate in the Area. The City Clerk shall deposit such payments in the PILOTs Account of the Special Allocation Fund to be used as provided in the Ordinance and the Indenture. Pursuant to Section 99.845 of the Act, PILOTs are equal to the excess, if any, of (i) the current Ad Valorem Taxes which could be imposed in the absence of the Plan by applying the current Ad Valorem Tax levy to the current equalized assessed valuation of real property in the Area (or defined part thereof) over (ii) the Ad Valorem Taxes which could be imposed by applying the current Ad Valorem Tax levy to the initial equalized assessed valuation of real property in the Area (or defined part thereof) for the Base Year, as certified by the county assessor.

Although PILOTs will be deposited in the Special Allocation Fund and will be available for the payment of debt service on the Bonds, it is not expected that such moneys will actually be used for such purpose. To the extent that EATs in the Special Allocation Fund are sufficient in amount to pay debt service on the Bonds, the City has stated its intent in the Ordinance to declare the PILOTs as a surplus and to release them from the Special Allocation Fund to the various local taxing districts in the same proportion as ad valorem taxes on the real property within the Area would be distributed. In addition to the conditional provisions regarding the declaration of a Surplus set forth below, the City has agreed in the Ordinance to annually declare as a Surplus for the benefit of the School District that portion of the PILOTs that would have been disbursed to the School District in the absence of tax increment financing. However, to the extent PILOTs are needed for the payment of debt service on the Bonds, such Surplus to the School District shall be paid from the general revenues of the City.

EATs are generally defined as 50% of the total additional revenue from taxes which are imposed by the City and the County which are generated by economic activity within the appropriate Area (or defined part thereof) in excess of the amount of revenue from such taxes generated by economic activity within the appropriate Area (or defined part thereof) in the Base Year (defined in **Appendix A**) (excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes, other than PILOTs), which shall be allocated to and paid by the collecting officer to the treasurer of the City who shall deposit such moneys in the Special Allocation Fund.

Notwithstanding anything to the contrary in the foregoing, the pledge of PILOTs as security for the Bonds is unconditional and not subject to appropriation.

Nothing contained in the Ordinance shall be construed as imposing on the City any duty or obligation to levy any taxes either to pay the principal of, premium, if any, or interest on the Bonds.

A Reserve Fund is established pursuant to the Ordinance and will be funded from proceeds from the sale of the Bonds in an amount equal to \$117,787.50² (the "**Reserve Requirement**"). Amounts in the Reserve Fund are to be used to pay principal of, premium, if any, and interest on the Bonds to the extent of any deficiency in the Debt Service Fund and to pay and retire a portion of the last outstanding Bonds unless such Bonds and all interest thereon are otherwise paid.

² Preliminary, subject to change.

Plan of Financing

The City expects to issue \$2,510,000 in Bonds to refund the outstanding Series 2005 Bonds. See “**PLAN OF FINANCING**”, and “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.**”

Estimated Sources and Uses of Funds.

The following is a summary of anticipated sources and uses of funds in connection with the issuance of the Bonds:

Sources of Funds:

Principal Amount of Bonds	\$ _____
Revenues on Deposit with the Trustee	\$ _____
Transfers from Series 2005 Debt Service Reserve	\$ _____
Transfers from Series 2005 Debt Service Funds	\$ _____
Reoffering Premium	\$ _____
Total Sources	\$ _____

Uses of Funds

Deposit to Current Refunding Fund	\$ _____
Deposit to Debt Service Reserve Fund	\$ _____
Deposit Capitalized Interest to Debt Service Account	\$ _____
Cost of Issuance	\$ _____
Total Uses	\$ _____

The payment of Underwriter's discount and the costs of issuing the Bonds relating to the payment of professional fees will be contingent on the Bonds being issued. See "**UNDERWRITING**" for a description of the Underwriter's discount.

Refunding

The Bonds are being issued to provide funds to partially pay together with the funds provided by the City the principal of and interest on the Series 2005 Bonds being refunded as of the maturity date of July 1, 2014. A portion of the proceeds derived from the sale of the Bonds will be deposited with the Trustee and paying agent for the Series 2005 Bonds for deposit in the Current Refunding Fund. Such deposit will be used by the trustee for the Series 2005 Bonds to pay the principal and interest on the Series 2005 Bonds as of July 1, 2014.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. See “**BONDOWNERS RISKS**” in this Official Statement.

Security and Sources of Payment for the Bonds

The Indenture and Trust Estate. The Bonds and the interest thereon are special, limited obligations of the City, payable solely from the Revenues (as defined below) held by the Trustee as provided in the

Indenture, and are secured by a transfer, pledge and assignment of and grant of a security interest in the Trust Estate to the Trustee and in favor of the Bondowners of the Bonds, as provided in the Indenture. The "Trust Estate" consists of funds on deposit under the Indenture, including all PILOTs and EATs and any City Revenue deposited in the Special Allocation Fund, all of which are pledged to the repayment of the Bonds (excluding funds in the Rebate Fund and the City's right to payment of its fees and expenses and to be indemnified in certain events) and all other moneys and securities from time to time held by the Trustee under the Indenture (except payments required to be made to meet the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), whether or not held in the Rebate Fund).

The Ordinance. Pursuant to the Ordinance, the City has pledged, as security for the payment of the Bonds, all of its rights and interest in (i) the PILOTs generated in the RPA 1 Area, and (ii) subject to annual appropriation, 50% of EATs generated in the RPA 1 Area and subject to annual appropriation all of the EATs, including the non-captured portion of the City's sales tax to make up any deficiency in Revenues required for payment of debt service on the Bonds, covenants to take all lawful actions within its control to cause the proper authorities of Barry County, Missouri (the "County") to assess and collect PILOTs and EATs applicable to County sales tax. The City further covenants in the Ordinance that the City officer responsible for formulating the City budget will be directed to include in the budget proposal submitted to the City Council each fiscal year that the Bonds are outstanding a request for an appropriation of 50% of EATs on deposit in the Special Allocation Fund an appropriation of all of the EATs, including the City's non-captured portion of the City's sales tax generated from the Center to make up any deficiency in Revenues required for payment of debt service on the Bonds, on deposit in the Special Allocation Fund.

Revenues. "Revenues" means (a) (i) all "Net Revenues" which are all PILOTs on deposit in the PILOTs Account of the Special Allocation Fund, (ii) all EATs on deposit in the City EATs Account and the County EATs Account of the Special Allocation Fund that have been appropriated to the payment of the Bonds, and (iii) all City Revenues annually appropriated by the City (Net Revenues do not include any amount paid under protest until the protest is withdrawn or resolved against the taxpayer or any sum received by the City which is the subject of a suit or other claim communicated to the City, which suit or claim challenges the collection of such sum), and the Reserve Fund under the Indenture, together with all investment earnings thereon, but excluding payments required to be made to meet the requirements of Section 148(f) of the Code (whether or not held in the Rebate Fund). The funds in the Special Allocation Fund are intended to be sufficient to pay, when due, the principal of and interest on the Bonds.

"PILOTs" are those revenues, if any, attributable to the increase in the current equalized assessed valuation of all taxable lots, blocks, tracts and parcels of real property in the RPA 1 Area over and above the certified total initial assessed valuation of the real property in the RPA 1 Area for 2004 (the last full year before tax increment financing for the RPA 1 Area was first adopted). Such increase is multiplied by the then current aggregate tax rate applicable to such property to determine the PILOTs. The PILOTs generated within the RPA 1 Area have been irrevocably pledged by the City under the Ordinance to the payment of the Bonds. See **Appendix B** to this Official Statement for a historical listing of PILOTs collection in RPA1.

"EATs" are, subject to annual appropriation by the City, equal to 50% (except for the period ending two (2) years from the opening of the Center when it is 100%) of the total additional revenues from taxes or economic activity imposed by the City or other taxing districts (as such term is defined in the Act) and which are generated by economic activities within the RPA 1 Area over the amount of such tax revenues generated by economic activities within the RPA 1 Area, but excluding any taxes imposed on sales or

charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments, other than PILOTs, and personal property taxes and certain taxes levied by the County for the purpose of public safety. Notwithstanding the foregoing, if a retail establishment relocates within one (1) year to the RPA 1 Area from another location in the County and the City Council of the City determines that such establishment is a direct beneficiary of tax increment financing, then the increase in EATs is measured against the amount of such sales taxes generated by such establishment in the year prior to its relocation. It is expected that there will be no retail establishments in the RPA 1 Area that will be subject to this exception. The application of EATs to the payment of the Bonds is subject to annual appropriation by the City. See **Appendix B** to this Official Statement for a historical listing of EATs collection in RPA 1.

For a more detailed discussion of the Revenues pledged to payment of the Bonds, along with estimated future collections thereof, see the caption "**THE REVENUES**" herein.

Projected Prepayment of Term Bonds Due January 1, 2028

<u>Date</u>	<u>Average Life</u>	<u>1/1/2028</u>
01/01/2015		5,000.00
01/01/2016		95,000.00
01/01/2017		95,000.00
01/01/2018		100,000.00
01/01/2019		105,000.00
01/01/2020		105,000.00
01/01/2021		110,000.00
01/01/2022		120,000.00
01/01/2023		<u>120,000.00</u>
TOTAL		\$855,000.00

Assumes Revenue Available for debt service of \$ _____

Average Coupon of _____%

Actual Prepayments may vary

Principal will be payable on January 1, 2015, as set forth below, at the corporate trust office of UMB Bank, N.A., St. Louis, Missouri (the "**Trustee**"). So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and redemption premium, if any, and interest on the Bonds will be made directly to DTC, which is expected, in turn, to remit such payments to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners. Interest will be payable each January 1 and July 1, beginning January 1, 2015 by check or draft mailed by the Trustee to the person in whose name such Bond is registered on the 15th day of the month next preceding each interest payment date. See "**BOOK-ENTRY ONLY SYSTEM**" herein.

The Bonds

The City will issue the Bonds pursuant to the Act and an Ordinance of the City (the "**Ordinance**") adopted by its City Council. The repayment of such Bonds is secured by the covenants of the City in the Ordinance and the pledge of the Trust Estate under a Trust Indenture, dated as of August 1, 2005 (the "**Indenture**") between the City and UMB Bank, N.A. (the "**Trustee**").

Definitions and Summaries; Inspection of Documents

All capitalized terms used in this Official Statement and not defined in the text hereof are defined under the caption "**DEFINITIONS OF WORDS AND TERMS**" set forth in **Appendix A** to this Official Statement. **Appendix A** also contains summaries of the Ordinance, the Indenture, the Redevelopment Agreement and the CID Agreement. Such summaries do not purport to be comprehensive or definitive. All references herein to the Plan, the Ordinance, the Indenture, the Redevelopment Agreement, the CID Agreement and the Continuing Disclosure Agreement are qualified in their entirety by reference to such documents, copies of which may be viewed at the office of Crews & Associates, Inc., First Security Center, Suite 800, 521 President Clinton Avenue, Little Rock, Arkansas 72201, (800) 766-2000 (the "**Underwriter**"), or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request. All references to the Bonds are qualified in their entirety by the definitive terms.

RISK FACTORS

The following is a discussion of certain risks that could affect payment of the Bonds. Such discussion is not, and is not intended to be, exhaustive and should not be considered as a complete description of all risks that could affect such payment. Prospective purchasers of the Bonds should analyze carefully all the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in the Appendices hereto, copies of which are available as described herein.

General

The Bonds are special, limited obligations of the City payable by the City solely from Revenues on deposit in the Special Allocation Fund and certain other funds held by the Trustee under the Indenture.

Nature of the Obligations

The Bonds are limited obligation of the City payable from deposits of Revenues made by the City into the Special Allocation Fund and transferred to the Trustee for payment of the Bonds. No representation or assurance can be given that the City will realize Revenues in amount sufficient to make the deposits of Revenues into the Special Allocation Fund. The realization of such revenues is dependent upon, among other things, the capabilities of owners and managers of Lowe's Home Improvement Center (the sole retailer located in RPA1), future changes in economic and other conditions that are unpredictable and cannot be determined at this time. The Bonds and the interest thereon do not constitute a debt or liability of the City, the County or the State within the meaning of any constitutional or statutory limitation. The City has no duty or obligation to levy any taxes to pay the principal of, premium, if any, or interest on the Bonds within the meaning of statutory and constitutional debt limits. The City has expressed its intention to appropriate EAT's Revenues and City Revenues sufficient to make debt service payments on the Bonds in the event EAT's Revenues are insufficient for such purposes; however, the City is under no obligation to make such appropriation.

Prospective investors in the Bonds should be aware that only PILOTs Revenue is not subject to annual appropriation by the City. Prospective investors should also be aware that only PILOT's Revenue and EAT's Revenue generated from RPA1 will be available for the payments on the Bonds.

Risk of Non-Appropriation

The application of EAT's Revenue and the City Revenue to the payment of the principal of and interest on the Bonds is subject to annual appropriation by the City. Although the City has covenanted in the Ordinance that the appropriation of EAT's to the Special Allocation Fund and the City Revenues will be included in the budget submitted to the City Council for each fiscal year, there can be no assurance that such appropriations will be made by the City Council and the City Council is not legally obligated to make such appropriation.

City's Economy

The estimates of EAT's Revenue and City Revenue used in the City's internal projections and in the projection under the caption "**DEBT SERVICE COVERAGE OF THE REVENUES**" herein are made based upon the current status of the national and local business economy and assumes a future performance of the retail market similar to the historical performance of such market in the Monett area. However, changes in the market conditions for the City, as well as changes in general economic conditions, could adversely effect the amount of Revenues collected. The City is obligated to make payments on the Bonds only to the extent of available money received by the City from PILOTs Revenues and subject to annual appropriation, EATs Revenue and subject to annual appropriation, City Revenues annually appropriated to be applied to payment of debt service on the Bonds. The actual amount of funds to be received by the City from the PILOTs Revenue is projected using no increase in equalized value of the real property in the RPA1 from the 2013 value of real property in the Area. The amount of EATs Revenue and City Revenue to be received by the City is subject to the amount of additional tax revenues generated by economic activities within the Area. Accordingly, because of these sources of funding the actual amount of revenues to pay debt service will be affected by the future economic conditions within the RPA1.

Sales tax revenue historically have been sensitive to changes in local, regional and national economic conditions. Such sales tax revenues have historically declined during economic recessions, when higher unemployment exists with the resulting adverse affects on consumption. Thus, a decline in general economic conditions could reduce the number and value of taxable sales transactions and thus reduce the amount of EAT's Revenues and City Revenues available for repayment of the Bonds.

While historical precedents would suggest a decline in economic conditions in the future will occur, it is impossible to predict when or to what extent any such occurrence of change in economic conditions, demographic characteristics, population or commercial activity will occur, and what impact any such changes would have on the EAT's Revenues and the City Revenues.

Competition from Developments Outside RPA1

Retail establishments located outside RPA1 which are currently existing or which are developed after the date of this Official Statement will be competitive with retail businesses located in RPA1 and could have an adverse impact on the available amount of EAT's Revenues and City Revenues generated for repayment of the Bonds.

Changes in State and Local Tax Law

Any taxing district authorized to impose sales taxes or levy ad valorem taxes within RPA1 could lower their tax rate, which would have the effect of reducing Revenues that could be available to make payments on the Bonds.

No Lease, Mortgage of the 2005 Projects or any other Facilities of the City

Payment of principal and interest on the Bonds is not secured by any deed of trust, mortgage or other lien on the 2005 Projects or other facilities or property of the City. Except as provided herein relating to PILOTs Revenues, the Bonds are payable solely from annual appropriation of EATs Revenues and City Revenues by the City and other money held by the Trustee under the Indenture. PILOTs Revenue that is due and owing constitutes a lien against the real estate in RPA1 from which the PILOTs are created. Upon default in the payment of any PILOTs, the lien for unpaid PILOT's may be enforced by the County.

Failure to Maintain Assessed Valuation

There can be no assurance that assessed valuation of RPA1 will equal or exceed the historical valuations for the Center. If at any time during the term of the Bonds the actual assessed value is less than historically applicable, the amount of PILOTs Revenue will be less and the amount deposited in the Special Allocation Fund may not be sufficient to pay debt service on the Bonds.

Even if the County Assessor's determination of assessed valuation of the Center equals or exceeds the historical assessed value, landowners in RPA1 have the right to appeal such determination. If any such appeal is not resolved prior to the time when real estate taxes and PILOTs are due, the taxpayer may pay the taxes and PILOTs under protest. In such event, that portion of the taxes and the PILOTs being protested will not be available for deposit in the Special Allocation Fund until the appeal is concluded. If the appeal is resolved in favor of the taxpayer, the assessed value will be reduced, in which event the PILOTs Revenue will be less than the historical forecast. See the Caption "TAX INCREMENT FINANCING IN MISSOURI"- Assessment and Collection of Ad Valorem Taxes" in this Official Statement.

No Additional Interest on Mandatory Redemption upon Taxability

The Ordinance does not provide for payment of additional interest or penalty on the Bonds if the interest becomes taxable as gross income for Missouri income tax purposes.

For information with respect to events occurring subsequent to issuance of the Bonds that may require that interest on the Bonds be included in gross income for purposes of federal income taxation, see "TAX MATTERS" in this Official Statement.

Risk of Audit

The Internal Revenue Service (the "Service") has established an ongoing program to audit tax-exempt obligations to determine whether the interest on such obligations should be included in gross income for federal income tax purposes. Bond Counsel cannot predict whether the Service will commence an audit of the Bonds. Owners of the Bonds are advised that, if the Service does audit the Bonds, under current Service procedures, at least during the early stages of the audit, the Service will treat the City as the

taxpayer, and the owners of the Bonds may have limited rights to participate in the audit. Public awareness of the audit could adversely affect market value of and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome thereof.

Reliance on Lowes Home Improvement Center

Lowes Home Improvement Center (the “Center”) is under no obligation to own or continue operating the Center for the term of the Bonds. Although the development tract upon which the Center was developed was platted with two outlots, neither of the outlots has been developed and although Center and the outlots could be sold, the debt service on the Bonds will be dependent (regardless of ownership or occupancy) on the subsequent owners continuing to operate a retail business which will generate sales tax which will create Revenues with for deposit in the Special Allocation Fund with which to pay principal and interest on the Bonds.

Suitability of Investment

An investment in the Bonds involves a certain degree of risk. The interest rate borne by the Bonds (as compared to prevailing interest rates on more secure tax-exempt bonds, such as those which constitute general obligations of fiscally sound municipalities or states) is intended to compensate the investor for assuming this element of risk. Furthermore, the tax-exempt nature of the interest on the Bonds is obviously more valuable to high tax bracket investors than to investors who are in lower tax brackets, and thus the value of the interest compensation to any particular investor will vary with the individual investor's respective tax bracket. Prospective investors should carefully examine this Official Statement, including the Appendices hereto, and their own financial conditions in order to judge their abilities to bear the economic risks of such investments, and whether or not the Bonds are appropriate investments for them.

Certain Bankruptcy Risks

The remedies available to the owners of the Bonds upon an Event of Default under the Ordinance or the Indenture may be dependent upon judicial actions which are often subject to discretion or delay. Under existing constitutional and statutory law, the remedies provided in the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Taxation of Interest on the Bonds

An opinion of Bond Counsel has been obtained to the effect that under the conditions stated therein (and subject to the matters discussed below under the caption "**TAX EXEMPTION**") interest on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes and other sources of law deemed relevant by Bond Counsel and is also exempt from all present State income taxation; however, application for a ruling from the Internal Revenue Service regarding the tax-exempt status of the Bonds has not been made and an opinion of counsel is not binding upon the Internal Revenue Service or the taxing authorities of the State. The laws, regulations, court decisions and administrative interpretations upon which the conclusions stated in the opinion of Bond Counsel are based are subject to change by the United States Congress, the U.S. Treasury Department and later administrative or judicial decisions.

Moreover, such opinions are predicated on certain representations concerning the City and the manner of application of the proceeds of the Bonds; if the City fails to comply with such representations or if the representations regarding application of Bond proceeds are incorrect, the opinion may become inapplicable. There can be no assurance that interest on the Bonds will not become subject to federal income taxation or to income taxation in the State as a result of future changes. Furthermore, other than in the State, interest on the Bonds may be taxable under applicable state and local law, and Bond purchasers are urged to consult with their own tax advisors concerning such matters. See the caption "**TAX EXEMPTION**" herein.

Lack of Registration

The Bonds are not registered under the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended, and are not listed on a stock or any other securities exchange. Neither the Securities and Exchange Commission nor any other federal or state regulatory authority has passed upon the accuracy or adequacy of this Official Statement.

THE FOREGOING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING OF THE BONDS SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN A DECISION TO PURCHASE THE BONDS.

Forward-Looking Statements

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

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

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

Reserve Fund. A Debt Service Reserve Fund will be funded initially from proceeds of the Bonds in the amount of \$117,787.50 (the "**Reserve Requirement**").

No Mortgage or General Obligation. The Bonds are not secured by a mortgage on any property in the RPA 1 Area. However, under the Act, PILOTs that are due and owing constitute a lien against the real estate in the RPA 1 Area. Upon a default in the payment of any PILOTs on real property in the RPA 1 Area, the lien for such unpaid PILOTs may be enforced by the City as provided in the Act.

Prospective investors are advised that none of the property comprising the Center, the Outlots, or the Series 2005 Projects is pledged as security for the Bonds and neither the Developer nor any partner, officer, director, agent or representative of any of such entities, has pledged its credit or assets or has provided any guaranty, surety or undertaking of any kind, moral or otherwise, to pay the principal of, premium, if any, and interest on the Bonds.

The Act Limitation on Life of Revenue Collection

Because the Act provides that twenty-three (23) years is the maximum amount of time between the adoption of an ordinance approving a redevelopment project within a redevelopment area and the retirement of obligations incurred to finance such redevelopment project costs, the obligations of the City with respect to the Bonds shall terminate on March 2, 2028, whether or not the principal amount of the Bonds or the interest thereon has been paid in full.

This limitation may be extended by ten (10) years by the staging of the redevelopment projects by the City. See discussion under caption "**TAX INCREMENT FINANCING IN MISSOURI - The Act**" herein.

INFORMATION REGARDING THE CITY

The information contained herein relates to and has been obtained from the City. The delivery of this Official Statement shall not create any implication that there has been no change in the affairs of the City since the date hereof or that the information contained or incorporated herein by reference is correct as of any time subsequent to its date.

Location, Size and Population

The City is located at the county line of Barry and Lawrence Counties, 42 miles southwest of Springfield, 39 miles southeast of Joplin, 180 miles south of Kansas City and 265 miles southwest of St. Louis. Its location is easily accessible to Table Rock Lake. U.S. Highway 60 and State Highway 37 intersect

at Monett. Two interchanges on Interstate 44 are within 15 miles of the City. Population for the City was 8,922 according to the 2012 census estimate.

Government and Organization of the City

The City was incorporated as a town in 1888, and as a city March 3, 1914, under the provisions of the State of Missouri. The City is a third class city operating under a commission form of government. The Mayor and each commissioner are quasi-executives or managers of each city department. All executive, legislative, and budgetary authority is vested within the three-person commission. The commission is elected every four years and the terms are not staggered.

<u>Commission Members</u>	<u>Terms Expire</u>
James Orr, Mayor	April 2016
Jerry Dierker, Commissioner	April 2016
Mike Brownsberger, Commissioner	April 2016

As the legislative body of the City, the commission is responsible for enacting all ordinances, resolutions and regulations governing the City and appointing the members of the various departments, pursuant to statutory or ordinance authority.

Municipal Services and Utilities

The City provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services. Other services include electric, water and sewer utilities and airport operations.

Transportation and Communication Facilities

Monett Municipal Airport serves the City and Barry County and is owned by the City. The paved runway extends for 5,000 feet. The facility is at an elevation of 1,315 feet at a distance of about 5 miles from the City. The City has two radio stations and a daily newspaper.

Educational Institutions and Facilities

The Monett R-I School District encompasses an area of 85 square miles, including the City and surrounding area in Barry and Lawrence Counties. It is located in one of the fastest growing areas in the State of Missouri, with both the City and the two counties in which the School District is located realizing population increases of 20% in the City of Monett, 5% in Barry County and 10% in Lawrence County from the 2000 to 2010 census. Extracurricular activities include volleyball, tennis, basketball and track for girls and football, wrestling, golf, baseball, tennis basketball and track for boys. During the school year, the School District had 2,300 students enrolled in pre-kindergarten through 12th grade. 53% of the eligible high school students were enrolled in vocational courses.

Southwest Area Career Center provides vocational program opportunities for approximately 360 students from 14 schools and parts of two additional counties. Programs include: Auto Collision Repair, Automotive Technology, Welding Technology, Graphic Communications, Business Technology, Drafting

Design Technology, Culinary Arts, Machine Tool Technology, Construction Technology, Computer Maintenance & Networking, Child Care Careers, Health Occupations and Business Computer Programming.

Medical and Health Facilities

Cox-Monett Hospital is a 47 bed, 24-hour emergency care facility. It offers cardiac rehab, home health care, outpatient services, surgical services, physical and occupational therapy.

Recreational Opportunities

The City's park system offers an olympic-sized swimming pool, 18-hole grass-green golf course, skate park, walking/biking trail, tennis courts, soccer, softball and baseball fields, playgrounds, band shell, symphony orchestra, a beautiful senior citizens center and a regional library. The Monett Area YMCA constructed a new 60,000 square foot facility that opened in March, 2013.

Monett is also the home of the Monett Speedway which has entertained race fans since 1970. The red clay surface track offers a seating capacity of approximately 3,500 and a parking capacity of 1,000. Races are held every Sunday night during the racing season and showcases a variety of classes including Pro 4, Bomber, Factory Stocks, Modified and late models.

ECONOMIC INFORMATION CONCERNING THE CITY

Commerce, Industry and Employment

The City has developed into a diversified industrial, educational and service center, with over 6,000 employed in its industries. Durable goods manufacturers produce custom design windows and window walls, playground equipment, concrete products, conveyor equipment, cages, feeders and pet supplies, tool and die and machining. Nondurable goods manufacturers produce footwear, process poultry and other food products. The City is home for operations of international scope, including plants for Tyson Foods, EFCO Corporation, Jack Henry Associates, Inc., Mid-America Dairymen, Schreiber Foods, Miracle Recreation Equipment, and many others.

In 2014, the unemployment rate for Barry County was 6.0% and the state average was 6.7% (source: Missouri Department of Economic Development.). Local growth is expected to continue, both in the skilled labor (engineers, draftsmen, etc.) and unskilled (poultry industry) labor areas.

Population

The following table compares the City's population growth since 1960 with that of the State:

Year	City of Monett	Percentage Change	State of Missouri	Percentage Change
1960	5,359		4,320,000	
1970	5,800	10.8%	4,677,000	8.3%
1980	5,937	10.2	4,917,000	5.1
1990	6,529	10.9	5,141,000	4.6
2000	7,396	11.3	5,595,211	8.8
2010	8,873	19.9	5,988,927	7.0

Source: U.S. Department of Commerce, Bureau of the Census and the University of Missouri.

Employment

Within the State of Missouri only 10 counties have a labor force which depends on manufacturing for more than 30% of its employment. Barry County is one of those counties. Within Barry County, 52% of all employees work in the manufacturing field while 64% of the City's jobs are manufacturing based. The City continues to increase the number of jobs available and is likely to continue due to the diversity of the industries in the City.

Listed below are the 10 major employers located in the City and the number employed by each:

<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Employees</u>
Jack Henry & Associates	Banking Software	1,200
EDCO Corporation	Manufacturing	1,516
Tyson Foods, Inc.	Manufacturing	640
Miracle Recreations Equipment	Manufacturing	350
Cox Monett Hospital	Health Services	334
Schreiber Foods, Inc.	Manufacturing	160
International Dehydrated Foods, Inc.	Manufacturing	215
Wintech, Inc.	Manufacturing	100
Architectural Systems, Inc.	Manufacturing	90
Monett Steel Castings	Manufacturing	50

Source: Monett Chamber of Commerce

DEBT STRUCTURE OF THE CITY

Current Indebtedness of the City

The general financial condition of the City is good. The debt of the City is 56% of total assets. The City has been investing significantly in capital projects over the past five (5) years.

Tax Revenue

The City does not levy a property tax. In 2013, the City had sales tax revenue of \$2,445,228. This is a decrease of 2.3% from 2012.

Enterprise Fund Changes

In 2013, the City had Enterprise Fund operating revenues of \$24,752,695, an increase of 1.7% over 2012. Net cash flow from utility operations was \$4,769,224.

Authority to Incur Debt

The following table sets forth the City's debt limit and debt margin:

Total Assessed Value as of March 31, 2013	\$129,163,572
Debt limit (20%)	25,832,714
Amount of General Obligation Debt Outstanding	324,950
Legal Debt Margin	\$ 25,507,764

Overlapping Debt

The City has no overlapping debt.

General Obligation Debt

The City currently has \$324,950 in general obligation bonds.

Revenue Obligations

The City is authorized to issue revenue bonds to finance certain capital improvements, including improvements to its water system, sewage system, refuse disposal system, airport and golf facilities. These types of bonds require a simple majority approving vote of the qualified electorate voting on the specific proposition. All revenue bonds issued by the City are payable out of revenues derived from operation of the facility financed from the proceeds of such bonds. Revenue bonds do not carry the full faith and credit of the City in servicing the bonded-indebtedness and such bonds are not considered in determining the legal debt margin described above.

Capital Lease Obligations

The City has entered into tax-exempt municipal lease obligations to finance equipment purchases and facilities. These obligations are payable from the general revenues of the City and are subject to annual appropriation by the City.

Proprietary Fund Capital Lease and Revenue Bond Obligations

<u>Issue</u>	<u>Balance April 1 2012</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Balance March 31 2014</u>
Sewerage Revenue Bonds, Series 1992A	\$ 135,000		\$ 65,000	\$ 70,000
Sewerage Revenue Bonds, Series 2003	6,880,000		335,000	6,545 000
Water Tower 2005	236,240		76,078	160,162
Water Line Extensions 2010	<u>2,790,000</u>		<u>80,000</u>	<u>2,710,000</u>
TOTAL	<u>\$10,041,240</u>		<u>\$ 556,078</u>	<u>\$ 9,485,162</u>

General Fund Long-Term Capital Lease Obligations

<u>Issue</u>	<u>Balance March 31. 2013</u>
Country Club Construction Obligation	\$ 275,000
Golf Equipment Lease Obligation	63,074
TIF Revenue Bonds	7,460,000
Police Station/Equipment	1,463,188
Fire Truck	214,693
Community Building	<u>1,500,000</u>
TOTAL	<u>\$10,975,955</u>

The accounts of the City are organized into funds and accounts groups, each of which is considered to be a separate accounting entity. The major fund categories and account groups are:

Governmental Fund Types

Governmental funds use the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheet. Their operating statements present sources and uses of available resources during a given period.

Proprietary Fund Types

Proprietary funds use the economic resources measurement focus. The accounting objectives are determination of net income financial position, and cash flows. All assets and liabilities associated with a proprietary fund's actives are included on its balance sheet. Proprietary funds equity is segregated into contributed capital and retained earnings.

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

The City complies with generally accepted accounting principals (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for established governmental accounting and financial reporting principles. Proprietary funds and similar component units apply Financial Accounting Standard Board (FASB) pronouncements and Accounting Principals Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

Basis of Accounting

The basis of accounting determines when transactions and economic events are reflected in financial statements, and measurement focus identifies which transactions and events should be recorded.

Modified Accrual Basis of Accounting

The City uses the modified accrual basis of accounting for governmental fund . The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon thereafter to pay current liabilities. The City considers revenues to be available if they are expected to be collected within 30 days of the end of year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due. Transfer between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Accrual Basis of Accounting

The accrual basis of accounting is used in proprietary fund types. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Budgets and Budgetary Accounting

The department heads of the City submit annual budgets that are compiled by the City Clerk, to the commission in accordance with the City Charter and with Section 67.010, RSMo.

The budget is prepared on the cash basis of accounting, which is another comprehensive basis of accounting The cash basis of accounting recognizes revenues when collected and expenditures which paid. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

Risk Management

The City is exposed to various risks of loss related to torts: theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City.

Retirement Plans

Plan Description. The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Section 401(a) of the Code and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained in writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

Funding Status. The City's full-time employees contribute 4% of their gross pay to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 14.0% (general), 11.6% (police), 14.5% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Missouri Local Government Employees Retirement System (LAGERS) Plan Description

The City of Monett participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri, LAGERS is a defined benefit pension plan which provides retirement, disability and death benefits to plan members and beneficiaries.

LAGERS was created and governed by statute, Section RSMo. 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issued a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102, or by calling 1-800-447-4334.

Funding Status

Full-time employees of the City of Monett contribute 4% of their gross pay to the pension plan. The June 30th statutorily required contribute rates at 14.0% (General), 11.6% (Police) and 14.5% (Fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$609,235
Interest on net pension obligation	4,942
Adjustment to annual required contribution	<u>(5,054)</u>
Annual pension cost	609,123
Actual contributions	<u>604,970</u>
Increase (decrease) in NPO	4,153
NPO beginning of year	<u>68,172</u>
NPO end of year	<u>\$ 72,325</u>

The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010 was 30 years for the General division, 30 years for the Police division and 30 years for the Fire division. The amortization period as of February 28, 2011 was 19 years for the General division, 15 years for the Police division and 30 years for the Fire division.

Three-Year Trend Information

<u>Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2010	508,336	96.7	16,775
2011	567,449	90.9	68,172
2012	609,123	99.3	72,325

Contribution Information

All Monett City full-time employees participate in LAGERS. The payroll for employees covered by LAGERS for the year ended March 31, 2013, was \$4,645,382; the City's total payroll was \$4,894,382. All City full-time employees are eligible to participate in the LAGERS Program. Employees who retire at or after age 60 (55 for police and fire employees) with 5 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 1.60 percent of their final-average salary for each year of credited service. Final-average salary is the employees' monthly average of gross salary paid an employee during the period of sixty months or, if an election has been made in accordance with the plan, thirty-six consecutive months of credited service producing the highest monthly average within the last 120 months of credited service. Benefits fully vest on reaching 5 years of service. Vested employees may retire at or after age 55 (age 50 for police and fire employees) and receive reduced retirement benefits.

Litigation and Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor as a result of these audits is not believed to be material.

**Schedule of Funding Process - Retirement
Year Ended March 31, 2013**

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Accrued Liability</u>	<u>(b-a) Unfunded Accrued Liability (UAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAL as a Percentage of Covered Payroll</u>
02/28/2010	9,384,712	10,625,773	1,241,061	88	4,453,440	28
02/28/2011	9,908,020	11,019,500	1,111,480	90	4,443,165	25
02/29/2012	10,818,828	11,451,979	633,151	94	4,443,828	14
02/29/2012	10,818,828	12,985,570	2,166,742	83	4,443,828	49

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After benefit changes.

NOTE: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actual assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a completion description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance, validity and tax exemption of the Bonds are subject to the unqualified approving opinion of Yates, Mauck, Bohrer, Elliff & Fels, P.C., Springfield,

Missouri, Bond Counsel, which approving opinion will be available at the time of delivery of the Bonds. Certain legal matters will be passed upon for the City by its counsel, Amy Boxx, City Attorney, Monett, Missouri.

Bond Counsel has assisted in the preparation of this Official Statement, but the factual and financial information appearing herein has been supplied or reviewed by certain officials of the City, the Developer and the Underwriter, and Bond Counsel expresses no opinion as to the accuracy or sufficiency thereof except for the matters appearing in the sections of this Official Statement captioned "**INTRODUCTORY STATEMENT**," "**THE BONDS**," "**APPROVAL OF LEGAL PROCEEDINGS**," "**TAX EXEMPTION**," "**CONTINUING DISCLOSURE**," and in **APPENDIX A: DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF THE ORDINANCE AND THE INDENTURE**, and accordingly, Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other statements, material or financial information contained herein or used in the sale or offering for sale of the Bonds.

LITIGATION

There is not now pending or, to the knowledge of the City, threatened, any litigation seeking to restrain or enjoin or in any way limit the approval or the issuance and delivery of this Official Statement or the Bonds or the proceedings or authority under which they are to be issued. There is no litigation pending or, to the knowledge of the City, threatened, which in any manner challenges or threatens the powers of the City to enter into or carry out the transactions contemplated by the Indenture or the Ordinance.

TAX EXEMPTION

In the opinion of Yates, Mauck, Bohrer, Elliff & Fels, P.C., Bond Counsel, under existing law, the interest on the Bonds (including any original issue discount properly allocable to the owner thereof) (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed upon such corporations. The opinion referred to in clause (a) above is subject to the condition that the City and the Trustee comply with the requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. The City and the Trustee have covenanted to comply with all such requirements.

Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

Prospective purchasers of the Bonds should be aware that (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution (within the meaning of Section 265(b)(5) of the Code), that portion of a Bondowner's interest expense allocable to the interest on the Bonds except with respect to certain financial

institutions within the meaning of Section 265(b) of the Code; (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum certain items, including interest on the Bonds; (iii) interest on the Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by Section 844 of the Code; (iv) passive investment income of Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; and (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of the interest on the Bonds.

Missouri Tax Exemption

The interest on the Bonds is exempt from income taxation by the State, provided that no opinion is expressed as to whether the interest on the Bonds is subject to the State franchise tax imposed on financial institutions.

Bond Counsel expresses no opinion as to whether the interest on the Bonds is subject to the tax imposed on financial institutions pursuant to Chapter 148 of the Revised Statutes of Missouri, as amended.

ORIGINAL ISSUE DISCOUNT

The initial offering price for the Series 2005B Bonds may be less than the stated redemption price at maturity (as defined in Section 1272 of the Code and Treasury Regulations thereunder). An amount equal to the difference between the initial offering price of such Series 2005B Bonds (the "Discount Bonds") (assuming that a substantial amount of the Series 2005B Bonds of that maturity are sold at such price) and the stated redemption price at maturity constitutes original issue discount, allocable to the holding period of an initial purchaser of such Discount Bonds, and will, upon the disposition of such Discount Bonds (including by reason of payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond. The allocation of such original issue discount will generally result in an amount treated as interest that is different than the amount of the payment denominated as interest actually received by an initial purchaser of a Discount Bond during a taxable year.

Such interest may be required to be taken into account in determining the alternative minimum taxable income of a corporation, for purposes of calculating a corporation's alternative minimum tax imposed by Section 55 of the Code, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States of America, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement Benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or can-y, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the sale or other taxable disposition of a Discount Bond prior to

Stated Maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period during which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the characterization for federal income tax purposes of accrued interest upon disposition of Discount Bonds and with respect to the state and local tax consequences of owning Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

UNDERWRITING

The Underwriter, pursuant to the Bond Purchase Agreement entered into between the Underwriter and the City, has agreed, subject to certain conditions, to purchase the Bonds at a price equal to _____% of the principal amount of the Bonds plus accrued interest and less original issue discount. The Underwriter may sell certain of the Bonds at a price greater than such purchase price, as shown on the inside front cover page hereof. The Underwriter is purchasing the Bonds from the City for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

The obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed, from time to time by the Underwriter.

The Underwriter has read and participated in the preparation of certain portions of this Official Statement and has supervised the compilation and editing thereof. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the City, as referred to herein. The Underwriter has not, however, independently verified the factual and financial information contained in this Official Statement, and accordingly, expresses no review as to the accuracy thereof.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the Owners to provide certain financial information and operating data relating to the City by not later than 180 days after the end of each fiscal year beginning with the fiscal year ending December 31, 2014 (the "**Annual Information**"), and to provide notices of the occurrence of certain enumerated events, if deemed by the City to be material. The Annual Information will be filed by the Trustee on behalf of the City with the Municipal Securities Rulemaking Board ("**MSRB**"), and with any State Information Depository for the State if any is in existence. The notices of material events will be filed by the Trustee on behalf of the City with the MSRB. The specific nature of the information to be contained in the Annual Information or the notices of material events is contained in the Continuing Disclosure Agreement, a copy of which is attached hereto as **Appendix C**. These compliance covenants have been made in order to assist the Trustee in complying with SEC Rule 15c2-12(b)(5) under the

Securities Exchange Act of 1934, as amended (17 CFR Part 240, Section 240.15c2-12) (the "Rule"). The City is currently up to date concerning its continuing disclosure obligations based on its previous undertakings with regard to the Rule.

Failure to comply with the terms of the Continuing Disclosure Agreement will not result in a default under the Ordinance. In its actions under the Continuing Disclosure Agreement, the Trustee is acting not as Trustee but as the City's agent. The Continuing Disclosure Agreement does not create, limit or affect the rights of Bondowners. The Trustee has no obligation to verify or investigate any information disclosed pursuant to the Continuing Disclosure Agreement, or to make disclosure about the Bonds, the City or any other matter except as expressly provided in the Continuing Disclosure Agreement.

MISCELLANEOUS

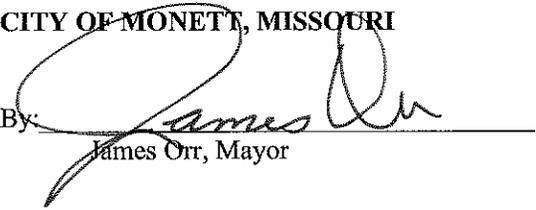
References herein (and in the appendices attached hereto) to the Indenture, the Ordinance, CID Agreement, the Continuing Disclosure Agreement and the Plan do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to such documents, copies of which may be viewed at the office of Crews & Associates, Inc., First Security Center, Suite 800, 521 President Clinton Avenue, Little Rock, Arkansas 72201 (800) 766-2000, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request. All references to the Bonds are qualified in their entirety by the definitive terms thereof and the information with respect thereto included in the Ordinance and the Indenture.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The information contained in this Official Statement has been taken from sources considered to be reliable, but is not guaranteed. To the best of the knowledge of the undersigned this Official Statement does not include any untrue statement of a material fact; nor does it omit the statement of any material fact required to be stated herein, or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

The execution and delivery of this Official Statement has been duly authorized by the City.

CITY OF MONETT, MISSOURI

By: 

James Orr, Mayor

APPENDIX A

DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF THE ORDINANCE AND THE INDENTURE

DEFINITIONS OF WORDS AND TERMS

“**Account**” means any of the accounts established in Article VI hereof or in Section 3.01 of the Indenture.

“**Act**” means the “Real Property Tax Increment Allocation Redevelopment Act” or the “Act” contained in Sections 99.800 through 99.865 of Missouri Revised Statutes, 1994, as amended.

“**Ad Valorem Tax**” means a tax based upon the assessed value of real property.

“**Annual Financial and Operating Information**” means certain financial information which shall be based on financial statements prepared by the City in accordance with generally accepted accounting principals (“**GAAP**”) for governmental units as prescribed by the Governmental Accounting Standards Board (“**GASB**”), and certain operating data with respect to the City and the RPA1, provided at least annually, which Annual Financial and Operating Information may, but is not required to, include Audited Financial Statements.

“**2005 Area**” means the economic development area defined in the 2005 Plan consisting of real estate included in the city limits of the City as of the date of the adoption of the 2005 Plan designated for redevelopment.

“**Audited Financial Statements**” means the City's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

“**Authorized City Representative**” means the Mayor or Administrator of the City or such other person at the time designated by resolution of the City Council to act on behalf of the City as evidenced by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the City by its Mayor. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized City Representative.

“**Base Year**” means the calendar year 2004 for the 2005 Plan.

“**Beneficial Owner**” means any person for which a Participant acquires an interest in any Bond.

“**Blighted Area**” means an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provisions of housing accommodations or constitutes an

economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use.

“911 Board” means the Barry County 911 Board which is public board, created by the County which operates an emergency call or dispatch center for the County.

“911 Board EATs Account” means the account by that name created in the Special Allocation Fund into which shall be deposited the Captured 911 Board EATs collected from the 2005 Area based upon the 911 Board Sales Tax.

“911 Board Sales Tax” means the sales tax approved by the voters of the County and levied and collected for the 911 Board on retail sales within the 2005 Area.

“Bond” or **“Bonds”** means the City of Monett, Missouri, Annual Appropriation-Supported Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East US Highway 60 and RPA1 Infrastructure Redevelopment Projects) issued pursuant to the Ordinance in the aggregate principal amount of \$2,510,000 authenticated and delivered by the Trustee under and pursuant to the Indenture, the proceeds of which are to be used in part by the City to redeem and retire the Series 2005 Bonds.

“Bond Counsel” means Yates, Mauck, Bohrer, Elliff & Fels, P.C. or an attorney or firm of attorneys with experience in matters relating to the issuance and tax exemption of obligations by states and political subdivisions, selected and accepted by the City.

“Bondowner” or **“Owner”** or any similar term, when used with reference to a Bond or Bonds Outstanding, means any person who shall be the registered owner of any Bond or Bonds Outstanding.

“Bond Payment Date” means each date on which interest on, or both principal of and interest on, all or any of the Bonds shall be due and payable in accordance with their terms, whether at Stated Maturity or by acceleration or by call for redemption, so long as any of the Bonds shall be Outstanding.

“Bond Register” or **“Register”** means the books for the registration, transfer and exchange of Bonds kept in the office of the Bond Registrar.

“Bond Registrar” means the Trustee, and any successors, assigns or delegates designated pursuant to the Indenture.

“Business Day” means a day other than a Saturday, Sunday or holiday on which the Trustee shall be scheduled in the normal course of its operation to be open to the public for the conducting of business.

“Captured EATs” means 50% of the EATs resulting from incremental increase in economic activity in the 2005 Area which is captured resulting from adoption of the 2005 Plan derived from collections of EATs in RPA1 of the 2005 Area (or defined part thereof) and specified as captured in the Act.

“Cede & Co.” means Cede & Co., as nominee of The Depository Trust Company, New York, New York.

“**City**” means the City of Monett, Missouri, a third class city and political subdivision of the State and its successors and assigns.

“**City Clerk**” means the person duly appointed by the City Council to act as the clerk and as the custodian of the official records of the City.

“**City Council**” means the duly elected City Commission as the legislative body of the City.

“**City EATs Account**” means the account by that name created in the Special Allocation Fund into which shall be deposited the Captured EATs collected from the 2005 Area based upon the City Sales Tax.

“**City Revenue**” means the amount annually appropriated by the City Council from non-captured City Sales Tax collections in RPA1 appropriated by the City for payment of shortfalls in Revenues on deposit with the Trustee in the Revenue Fund and available to pay debt service on the Bonds.

“**City Sales Tax**” means the sales tax levied and collected by the City on all retail sales within RPA1 of the City.

“**Code**” means the Internal Revenue Code of 1986, as amended. References to the Code, or Sections of the Code, shall include any applicable regulations and proposed regulations thereunder and any successor provisions to those Sections, regulations or proposed regulations.

“**Condemnation**” means the taking of title to, or use of the property under the exercise of eminent domain by any governmental entity or any other person acting under governmental authority.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement, dated as of June 1, 2014, executed by the City and the Trustee, a copy of which is attached as Appendix C to the Official Statement.

“**Cost of Issuance Fund**” means the Issuance Expense Fund ordered to be created and established with the Trustee in Section 604 of this Ordinance and acknowledged in Section 3.01 of the Indenture.

“**Costs of Issuance**” means all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, issuance and sale of the Bonds, including printing costs, costs of preparation and reproduction of documents, filing and recording fees and charges of the Trustee and the City, legal fees of parties to the transaction and other initial fees and disbursements contemplated by the Ordinance and the Indenture.

“**County**” means Barry County, Missouri, a body corporate and political subdivision of the State.

“**County Commission**” means the Barry County Commission as the governing body of the County.

“**County EATs Account**” means the account by that name created in the Special Allocation Fund into which the EATs Revenues collected from the County Sales Tax shall be deposited.

“**County PILOTs Account**” means the account by that name created in the Special Allocation Fund into which is deposited the County PILOTs.

“County Sales Tax Account” means the account by that name created in the Special Allocation Fund.

“County Sales Tax” means the sales tax levied by the County on all retail sales in the 2005 Area and RPA1 collected by the Missouri Department of Revenue for the County.

“CPA Group a Professional Corporation” means the firm of Certified Public Accountants that conducted the annual audit of the City for fiscal year end March 30, 2013.

“Debt Service Fund” means the fund by that name created pursuant to Section 602 of the Ordinance and an account by that name maintained with the Trustee in the Revenue Fund pursuant to the Indenture containing a Principal Account, an Interest Account and an Extraordinary Redemption Account.

“Debt Service Reserve Fund” means the fund by that name created pursuant to Section 603 of this Ordinance and an account by that name maintained with the Trustee in the Revenue Fund pursuant to the Indenture into which is deposited from the proceeds of the Bonds an amount equal to the Debt Service Reserve Requirement,

“Default” or **“Event of Default”** means any occurrence or event specified in Article VIII of the Indenture.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Dissemination Agent” means, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation under the Continuing Disclosure Agreement.

“EATs” means the total additional revenues produced from imposition of taxes on economic activities within the 2005 Area (or applicable defined part thereof) by all taxing jurisdictions levying sales taxes on economic activities in the RPA1 of the 2005 Area (or applicable defined part thereof) (which on the date of the adoption of the 2005 Plan including the City Sales Tax, the County Sales Tax and the 911 Board Sales Tax over the amount of revenues from taxes generated on economic activity within the RPA1 of the 2005 Area (or applicable defined part thereof) in the applicable Base Year (excluding revenues produced by the imposition of taxes on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes) other than PILOTs, which shall be allocated to and paid by the collecting officer to the City who shall deposit such moneys in the Special Allocation Fund in the account specified for deposit from that source.

“Extraordinary Redemption Account” means the Extraordinary Redemption Account in the Debt Service Fund established in Section 3.02 of the Indenture.

“Fiscal Year” means any period of 12 consecutive months adopted by the City as its fiscal year for financial accounting and reporting purposes, which, as of the execution of the Indenture, commenced on October 1 and ended on September 30.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States of America.

“**Indenture**” means the Trust Indenture by and between the City and UMB Bank, N.A., as Trustee, dated as of June 1, 2014, under which the Bonds are authenticated and delivered and under which a Trust Estate is created which secures the repayment of the principal of and interest on the Bonds, as from time to time amended and supplemented by supplemental Trust Indentures in accordance with the provisions of Article X of the Trust Indenture.

“**Interest Payment Date**” means the Stated Maturity of an installment of interest on any Bond.

“**Issue Date**” means June _____, 2014,

“**Material Event**” means any of the events listed in Section 2(c) of the Continuing Disclosure Agreement.

“**Material Event Notice**” means written or electronic notice of a Material Event.

“**MSRB**” means the Municipal Securities Rulemaking Board established in accordance with Section 15B(b)(1) of the Securities Exchange Act of 1934.

“**Net Proceeds**” means all moneys on deposit (including investment earnings thereon) in (i) the PILOTs Account of the Special Allocation Fund, (ii) subject to annual appropriation by the City, City EATs, County EATs and 911 Board EATs of the Special Allocation Fund, and (iii) subject to annual appropriation, any City Revenues on deposit in the Special Allocation Fund. Net Proceeds do not include (I) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, and (ii) any sum which is subject to a suit or other claim which suit or claim challenges the collection of such sum.

“**Obligations**” means bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the City to carry out a redevelopment project or to refund outstanding obligations.

“**Official Statement**” means collectively, the Preliminary Official Statement dated May 30, 2014 and the the Official Statement dated June __, 2014 relating to the issuance of the Bonds and provided to furnish information in connection with the offering and sale of the Bonds.

“**Opinion of Counsel**” means a written opinion of an attorney or firm of attorneys addressed to the Trustee, for the benefit of the Trustee and the Owners of Bonds, who may be (except as otherwise expressly provided in the Indenture) counsel to the City, the Owners of the Bonds or the Trustee, and who is acceptable to the Trustee.

“**2005 Ordinance**” means Ordinance No. 7585 of the City pursuant to which the 2005 Area was defined , the 2005 Plan was adopted and the Series 2005 Bonds were issued.

“**Ordinance**” means this Ordinance and any other ordinance adopted by the City Council authorizing the issuance of the Bonds, the execution, delivery and performance of the documents necessary to carry out the issuance, security for and delivery of the Bonds.

“Original Purchaser” means Crews & Associates, Inc., Little Rock, Arkansas.

“Other Taxing Districts” means those taxing districts or jurisdictions which have taxing authority and which overlap the City, more specifically the County, the Monett R-1 School District, the Barry County Health Department, the Barry County Ambulance District, the Barry County Board for Developmentally Disabled, the Barry County 911 Board and the State of Missouri.

“Outstanding” or **“Bonds Outstanding”** or **“Outstanding Bonds”** means all Bonds which have been authenticated and delivered by the Trustee under this Ordinance and the Indenture, except:

(a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Trustee in trust for the Owners of such Bonds, provided that, if such Bonds are to be redeemed prior to the maturity thereof, irrevocable notice of such redemption shall have been duly given pursuant to the Ordinance and the Indenture, to the satisfaction of the Trustee, or waived;

(c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Ordinance;

(d) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in Section 308 of the Ordinance; and

(e) Bonds for the payment of the principal (or redemption price) of and interest on which cash or Government Securities, or both, are held by the Trustee or other bank or trust company with the effect specified in Section 1201 of the Ordinance.

“Owner” means the same as Bondowner or Registered Owner.

“Participant” means any broker, dealer, bank or other financial institution from time to time for which the Securities Depository holds Bonds.

“Paying Agent” means the Trustee, or any successor authenticating agent or trustee pursuant to Section 9.12 of the Indenture.

“Payments in Lieu of Taxes” or **“PILOTS”** means the payments imposed pursuant to the Act, which are equal to the excess, if any, of (i) the current Ad Valorem Taxes and which could be levied in the absence of the 2005 Plan by applying the current Ad Valorem Tax levy to the current equalized assessed valuation of real property in the Area (or applicable defined part thereof) over (ii) the Ad Valorem Taxes which could be imposed by applying the current Ad Valorem Tax levy to the initial equalized assessed valuation of real property in the Area (or applicable defined part thereof) for the applicable Base Year, as certified by the county assessor. Such payments may be imposed until the redevelopment area designation is terminated pursuant to subsection 2 of Section 99.850 of the Act. On the Date of Issuance there is being collected a County PILOT and a School District PILOT.

“Person” means an individual, partnership (including limited partnerships), joint venture, association, society, corporation, joint-stock company, limited liability company, trust (public or private) or unincorporated organization, or a government agency or political subdivision thereof.

“2005 Plan” means the Tax Increment Financing Redevelopment Plan of the City adopted in the 2005 Ordinance as the comprehensive program of the City for redevelopment of blighted areas of the City by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment project area as a blighted development area and to thereby enhance the tax bases of the taxing districts which extend into the 1992 Area and conforming to the requirements of Section 99.810 of the Act.

“Pledged Revenues” means all Net Proceeds and all moneys held by the Trustee in the Revenue Fund transferred by the City from Special Allocation Fund for deposit to the Debt Service Fund, and the Debt Service Reserve Fund under the Indenture together with investment earnings thereon. Initially the proceeds of the issuance and sale of the Bonds, pending use for their intended purpose, shall be Pledged Revenues.

“2005 Projects” means the redevelopment projects described in the 2005 Plan and all streets, roads, proper layout, sewer, water and bridge improvements acquired and constructed pursuant to the 2005 Plan, and all of the activities or tasks of the City identified in the 2005 Plan, including all redevelopment projects developed in furtherance of the objectives of the 2005 Plan paid for, in whole or in part, from the proceeds of the sale of the Series Bonds or the proceeds of any payment by the City.

“Project Costs” means the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the 2005 Plan and the 2005 Projects or any other redevelopment projects. Such costs include, but are not limited to, the following: (a) costs of studies, surveys, plans, and specifications; (b) professional service costs, including but not limited to, architectural, engineering, legal, marketing, financial, planning or special services; (c) property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land; (d) costs of rehabilitation, construction, or repair or remodeling of existing buildings and fixtures; (e) initial costs for a blighted area; (f) costs of construction of public works or improvements; (g) financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of Obligations, and which may include payment of interest on any Obligations issued in accordance with the 2005 Plan accrued during the period of construction of any redevelopment project for which such Obligations are issued and for not more than 18 months thereafter, and including reasonable reserves related thereto; (h) all or a portion of a taxing district’s capital costs resulting from the redevelopment project necessarily incurred or in furtherance of the objectives of the redevelopment plan and project, to the extent the City by written agreement accepted and approved such costs; and (i) relocation costs to the extent, if any, that the City determined that relocation costs would be paid or were required to be paid by federal or state law, all as more particularly described in Section 204 of the Ordinance.

“Purchase Agreement” means the Bond Purchase Agreement by and between the City and Crews & Associates, Inc., Little Rock, Arkansas, as the Original Purchaser of the Bonds.

“Rebate Fund” means the fund by that name created in the Indenture.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Ordinance.

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which it is to be redeemed pursuant to the terms of the Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Refunding Fund” means the current refunding fund by that name established with the Trustee, in accordance with the Indenture, into which the Trustee will deposit the proceeds from the issuance and sale of the Bonds after funding the Cost of Issuance Fund, the Reserve Fund and the Debt Service Fund.

“Regular Record Date” for the interest payable on any interest payment date means the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date.

“Register” means the registration books of the City kept by the Trustee to evidence the registration, transfer and exchange of Bonds.

“Registrar” means the Trustee when acting as such under the Indenture.

“Repository” means any nationally recognized municipal securities information repository within the meaning of Rule 15c2-12.

“Reserve Requirement” means, as of any computation date with respect to the Bonds, the sum of \$117,787.50 funded from the proceeds of the Bonds, provided, however, that if the Trustee shall receive an opinion of Bond Counsel to the effect that the Reserve Requirement for the Bonds must be reduced in order for the amounts on deposit in the Reserve Fund to continue to be invested without yield restriction under the Code, the amounts held in the Reserve Fund shall be reduced in conformity with said opinion.

“Revenues” means all PILOTs, and when appropriated by the City, the Captured Portion of the EATs collected within the RPA1 and when appropriated by the City Revenue which was not captured as City EATs (or applicable defined part thereof) (**“City Revenues”**), and which are to be deposited to the Special Allocation Fund and the additional sums appropriated annually by the City for deposit in the Special Allocation Fund.

“Rule 15c2-12” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“School District” means the Monett R-1 School District, a body corporate and political subdivision of the State.

“School District PILOTs Account” means the account by that name created in the Special Allocation Fund.

“Securities Depository” means The Depository Trust Company, New York, New York or any successor Securities Depository appointed pursuant to the Indenture.

“**Series 2005 Bonds**” means the \$3,510,000 aggregate principal amount of Tax Increment Allocation Bonds, Series 2005 A and Series 2005 B (U.S. Highway 60 and RPA1 Infrastructure Improvement Projects).

“**Series A 2005 Bonds**” means the \$975,000 aggregate principal amount of Tax Increment Allocation Bonds, Series A (East US Highway 60 Improvement Project) issued and secured pursuant to the 2005 Ordinance.

“**Series B 2005 Bonds**” means the \$2,535,000 aggregate principal amount of Tax Increment Allocation Bonds, Series B (RPA1 Infrastructure Projects) issued and secured pursuant to the 2005 Ordinance.

“**Special Allocation Fund**” means the fund created in the treasury of the City, designated as “City of Monett, Missouri, Tax Increment Allocation - TIF #2 Special Allocation Fund,” created pursuant to the provisions of the Act, which in accordance with this Ordinance is to be maintained and when transferred to the Trustee for deposit into the “Revenue Fund” under the Indenture. There is created in the Special Allocation Fund a City EATs Account, a City PILOTs Account, a County EATs Account, a County PILOTs Account, a 911 Board EATs Account and a School District PILOTs Account. All moneys and revenues received by the City as PILOTs and, when appropriated by the City, EATs, and which are to be used by the City for transfer to the Trustee (i) to make payments to the Debt Service Fund for the payment of the principal of and interest on the Bonds, (ii) to pay the fees and expenses of the Trustee and Paying Agent, (iii) to make the required deposits to the Reserve Fund, (iv) to call Bonds for extraordinary redemption pursuant to Section 404 of the Ordinance, and (v) from which surplus funds on deposit will be declared to be Surplus and repaid to the City and the Other Taxing Districts as may be determined from time to time by the City in such amount as the City and the Other Taxing Districts would have otherwise received from such collections were it not for the tax increment allocation financing adopted by the City, all in accordance with this Ordinance and the 2005 Plan. Following payment in full of the Bonds, or provision for such payment having been made in accordance with the provisions of Section 1201 of the Ordinance, moneys in the Special Allocation Fund may be used by the City for any lawful purpose of the City.

“**Special Record Date**” for the payment of any Defaulted Interest, as defined in Section 305, means a date fixed by the Paying Agent pursuant to Section 305.

“**State**” means the State of Missouri.

“**State Information Repository**” means any appropriate state information repository for the State within the meaning of Rule 15c2-12. As of the date of the Continuing Disclosure Agreement, no State Repository has been designated in the State.

“**Stated Maturity**” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“**Surplus**” means the portion of the EATs Revenues, the PILOTs Revenues or City Revenues within the moneys on deposit with the City in the Special Allocation Fund or not yet collected, in excess of the moneys necessary to make the transfers required in Sections 702(a) through (f) of the Ordinance, which the City Treasurer shall, if collected, pay to the County Collector who shall immediately thereafter pay such

Surplus to the Other Taxing Districts in the same manner and proportion as the rates of collection of such Other Taxing Districts by the County Collector or the City but for the tax increment allocation financing adopted by the City and means the portion of the EATs within the moneys on deposit with the City in the Special Allocation Fund or not yet collected, in excess of the moneys necessary to make the transfers required in Sections 702(a) through (f) of this Ordinance, which the Director of Finance of the City shall, if collected, pay to the Other Taxing Districts in the same manner and proportion as the rates of collection of such Other Taxing Districts but for the tax increment allocation financing adopted by the City. In applying this definition, the City Council shall first declare as Surplus, the PILOTs Revenues and the EATs Revenues. The amounts declared to be Surplus shall be paid to the Taxing Districts annually twenty days after the Bond Payment Date.

“**Tax-exempt**” means that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

“**Tax Compliance Agreement**” means the Tax Compliance Agreement, dated as of even date herewith, between the City and the Trustee, as from time to time amended in accordance with the provisions hereof.

“**Taxing District**” means any political subdivision of the State having the power to collect and levy taxes.

“**TIF Commission**” means the Tax Increment Financing Commission of the City created in accordance with the Act.

“**2005 Trust Agreement**” means the Trust Agreement dated as of August 1, 2005, between the City and the Trustee, pursuant to which the repayment of the Bonds is secured, as from time to time amended and supplemented.

“**Trust Estate**” means the property rights, money, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses of the Indenture.

“**Trustee**” means UMB Bank, N.A., Kansas City, Missouri, its successors and assigns, and any co-trustee at the time serving as such under the Indenture and any other corporation which, at the time, may be substituted in its place, pursuant to, and at the time serving as Trustee, under the Indenture.

SUMMARY OF THE ORDINANCE

The following is a summary of certain provisions of the Ordinance and is qualified in its entirety by reference to the Ordinance.

Establishment of Special Allocation Fund

There is created in the treasury of the City a separate fund known as the “City of Monett, Missouri, Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 -

TIF #2 Special Allocation Fund (the “Special Allocation Fund”), in which is established a County PILOTs Account, a School District PILOTs Account, a City EATs Account, a County EATs Account, a 911 Board EATs Account and a City Revenue Account.

Disposition of Bond Proceeds

The net proceeds received from the sale of the Series 2014 Bonds, including any premium, discount or accrued interest thereon, shall be assigned simultaneously with the delivery of the Series 2014 Bonds, with the Trustee under the Indenture who shall deposit such transferred proceeds in the Cost of Issuance Fund under the Indenture. The Trustee shall also deposit in the Interest Account of the Debt Service Reserve Fund an amount which together with other moneys of the City held under the 2005 Indenture which shall be simultaneous with the issuance of the Bonds be transferred to the Trustee and the Trustee shall deposit such amounts into the Current Refunding Fund which amounts shall be used to defease the Series 2005 Bonds; for the purpose of accrued interest on the Series 2014 Bonds; in the Debt Service Reserve Fund the Reserve Requirement; into the Current Refunding Fund.

Special Allocation Fund

In the Ordinance, the City has covenanted that, on or prior to the date of issuance of the Bonds and continuing thereafter so long as the Bonds are Outstanding, all Revenues from the collection of EATs, PILOTs and City Revenues paid and credited to the appropriate account of the Special Allocation Fund within 10 business days of receipt. Said Revenues shall be segregated and kept separate and apart from all other collections, moneys, revenues, funds and accounts of the City and shall not be commingled with any other collections, moneys, revenues, funds and accounts of the City. The Special Allocation Fund shall be administered and applied solely for the purpose and in the manner provided in the Ordinance so long as any of the Bonds remain outstanding.

Debt Service Reserve Fund

There is established with the Trustee in the name of the City a separate fund designated as the Debt Service Reserve Fund. The Trustee shall deposit to the credit of the Debt Service Reserve Fund an aggregate amount equal to the Reserve Requirement with respect to the Bonds.

Application of Moneys in Funds and Accounts

The City covenants and agrees in the Ordinance that from and after delivery of the Bonds and continuing so long as any of the Bonds shall remain Outstanding, the City will administer and allocate all of the moneys in the Special Allocation Fund on the dates and in the amounts as follows:

(a) There shall first be paid and credited to the Trustee for credit to the Interest Account of the Debt Service Fund, to the extent necessary to pay the interest on the Bonds, when due at Stated Maturity, beginning August 1, 2014 and continuing on or before the first day of each month thereafter, to and including the January 1, 2015 monthly deposit, an equal pro rata portion of the amount of interest becoming due on the Bonds on January 1, 2015; and thereafter, beginning with the August 1, 2014 monthly deposit and continuing on or before the first day of each month thereafter as long as any of the Bonds shall remain Outstanding and unpaid, an amount not less than 1/6 of the amount of interest that will become due on the Bonds on the next succeeding Bond Payment Date; payments to the Interest Account with respect to the

Bonds shall be reduced by an amount equal to the money remaining in such Interest Accounts after the payment of the principal of and interest on the Bonds, on a Bond Payment Date, and amounts to be deposited to the Interest Account with respect to the Bond shall be reduced by the amount of moneys on hand in such Interest Accounts due to accrued interest deposited in such Interest Account by reason of accrued interest received from the sale of the Bonds.

(b) There shall next be paid to the Trustee and any Paying Agent on each Bond Payment Date an allocable portion of the Trustee and Paying Agent fees for the services of the Trustee and the Paying Agent for the next annual period.

(c) After all payments and credits at the time required to be paid under the provisions of paragraphs (a) and (b) above have been made, there shall next be paid and credited on or before the first day of each month in the event the Trustee has withdrawn moneys from the Debt Service Reserve Fund (other than investment earnings), beginning with the first day of each month after such withdrawal and continuing on the first day of each month thereafter, all remaining moneys in the City EATs Account, the 911 Board EATs Account and the County EATs Account of the Special Allocation Fund until the Debt Service Reserve Fund is equal to its Reserve Requirement.

(d) After all payments and credits at the time required to be paid under the provisions of paragraphs (a) through (c) above have been made, there shall first be paid and credited on or before January 1 of each year to the Extraordinary Redemption Account of the Debt Service Fund with respect to the Bonds the remaining moneys in the City EATs Account, the County EATs Account, the County PILOTs Account, the School Board PILOTs Account or the City Revenue Account of the Special Allocation Fund for use in redeeming Bonds pursuant to the provisions of the Ordinance.

The City authorizes and directs the Trustee to withdraw sufficient moneys from the appropriate accounts in the Debt Service Fund to pay the principal of, premium, if any, and interest on the Bonds, the same become due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal of, premium, if any, and interest on the Bonds. The City may also first cause such excess moneys in the Extraordinary Redemption Account of the Debt Service Fund or such part thereof or other moneys of the City, as the City may direct, to be applied by the Trustee for the purchase of Bonds in the open market for the purpose of cancellation, at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of delivery for cancellation. After payment in full of the principal of, premium, if any, and interest on the Bonds (or provision being made for the payment thereof as specified in the Indenture), and the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be paid under the Indenture and the Ordinance, all amounts remaining in the Debt Service Fund shall be paid to the City.

Investment of Moneys in Accounts

Cash moneys in each of the funds and accounts created by and referred to in the Ordinance have been assigned to the Trustee to secure the City's obligations under the Ordinance and the City acknowledges moneys in the Debt Service Fund and the Debt Service Reserve Fund shall be invested by the Trustee, subject to the Tax Compliance Agreement, in Investment Securities in accordance with the Indenture. Moneys in the Special Allocation Fund shall be invested upon instructions from the Authorized City Representative in Investment Securities. Moneys held in each of the other funds and accounts created or ratified and confirmed by the Ordinance may be invested by the Trustee in direct obligations of, or

obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America; provided, however, that no such investment shall be made for a period extending longer than the date when the moneys invested may be needed for the purpose for which such fund or account was created. All interest on any investments held in any fund or account shall accrue to and become a part of such fund or account, except that all interest on any investments held in the Debt Service Reserve Fund in excess of the Reserve Requirement shall accrue and become part of the Debt Service Fund. In determining the amount held in any fund or account under any of the provisions of the Ordinance, obligations of or guaranteed by the United States of America shall be valued at the purchase price or fair market value thereof, whichever is lower. Any expenses incident to the investment of moneys held in any fund or account shall be charged to and paid from the fund or account to which the income from such investment is payable. In determining the amount held in any fund or account under any of the provisions of the Ordinance, obligations in which moneys have been invested shall be valued at the purchase price or the fair market value thereof, whichever is lower.

Deficiency of Revenues

If at any time the moneys derived by the City from the collection of Revenues shall be insufficient to make any payment on the date or dates specified, the City may make good the amount of such deficiency by appropriating additional payments or credits out of the first available Revenues thereafter received by the City, such payments and credits being made and applied subject to the provisions of the Ordinance and in the order specified in the Ordinance and the Indenture.

If at any time the moneys in the Principal Account and the Interest Account of the Debt Service Fund are not sufficient to pay the principal of and interest on the Bonds as and when the same become due, then moneys in the Debt Service Reserve Fund may and shall be used by the Trustee to prevent any default in the payment of the principal of and interest on the Bonds.

Arbitrage and Tax Covenant

The City covenants and agrees that it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purpose for which the Bonds are issued, and that no part of the proceeds of the Bonds shall be invested in any securities or obligations except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Bonds, would have caused any of the Bonds to be or become "Arbitrage Bonds" within the meaning of Section 148(a) of the Code, and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Bonds.

The City will comply with all provisions of the Code relating to the exemption from federal gross income taxation of the interest on the Bonds. The City will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excludable from federal gross income, to the extent any such actions can be taken by the City Council of the City.

The City covenants and agrees that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on

the Bonds under Section 103 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Bonds. In the event that at any time the City is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held by the City under the Ordinance, the City shall take such action as may be necessary.

The City covenants that it has elected to have the provisions of 265(b)(3) applied to the Bonds and that it does not reasonably expect to issue more than \$10,000,000 in tax-exempt obligations during calendar year 2014.

Without limiting the generality of the foregoing, the City agrees that there shall be paid from the general fund of the City from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds. The City specifically covenants to pay or cause to be paid from the general fund of the City to the United States arbitrage earnings required to be rebated in accordance with the covenants and agreements in the Tax Compliance Agreement out of its general fund.

Particular Covenants of the City

The City covenants and agrees with each of the purchasers and owners of any of the Bonds, that so long as any of the Bonds remain Outstanding and unpaid:

(a) *Annual Budget.* Prior to the commencement of each Fiscal Year, the Finance Director of the City or other representative of the City designated by the City Council of the City will cause to be prepared and filed with the City Clerk a budget setting forth the estimated receipts and expenditures of the Revenues for the next succeeding Fiscal Year.

(b) *Annual Audit.* Unless the Special Allocation Fund is maintained at a banking institution other than the Trustee, the City will annually, promptly after the end of the Fiscal Year, cause an audit to be made of the Special Allocation Fund for the preceding fiscal year by a certified public accountant or firm of certified public accountants to be employed for that purpose and paid from the Revenues in the Special Allocation Fund. Said annual audit shall cover in reasonable detail the allocations, collections and disbursements made from the Special Allocation Fund.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk and a duplicate copy shall be mailed to the Original Purchaser of the Bonds. Such audits shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Bondowner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer, user or Bondowner.

(c) *Performance of Duties.* The City will faithfully and punctually use its best efforts to perform or otherwise make arrangements to assure the performance of all duties and obligations with respect to the development of the Projects and operation and maintenance of the Projects throughout the term of the Bonds in accordance with the Act and the Ordinance so as to continue to develop Revenues sufficient to pay the principal of and interest on the Bonds as and when the same become due.

(d) *Books and Records.* The City will install and maintain proper books, records and accounts (entirely separate from all other records and accounts of the City) in which complete and correct entries will be made of all dealings and transactions of or in relation to the RPA1. Such accounts shall show the amount of Revenues received from the PILOTs and EATs, the application of such Revenues, and all financial transactions in connection therewith. Said books shall be kept by the City according to generally accepted accounting practices as applicable to the completion of the 2005 Plan.

(e) *Bondowners' Right to Review.* The Bondowner or Bondowners of any of the Bonds shall have the right at all reasonable times to inspect the Plan, Projects and all records, accounts and data relating thereto, and any such Bondowner shall be furnished all such information concerning said 2005 Plan or 2005 Projects which he may reasonably request but copies of the 2005 Plan need only be made available to Bondowners who are willing to pay to the City the costs of copying the 2005 Plan.

(f) *Compliance with Law.* The City will faithfully and punctually perform all duties and obligations with respect to the development of its Plan now or hereafter imposed upon the City by the constitution and laws of the State and by the provisions of the Ordinance. The City will comply with provisions of the Act relating to the excludability of the interest on the Bonds from gross income for federal income tax purposes. The City will adopt such other ordinances and take such other actions as may be necessary to comply with the Act and with all other applicable future laws, regulations, published rulings and judicial decisions in order to preserve the tax exempt status of the interest on the Bonds, to the extent any such action can be taken by the City Council of the City.

Acceleration of Maturity in Event of Default

The City covenants and agrees that if it shall default in the payment of the principal of or interest on any of the Bonds as the same shall become due, or if the City or its City Council or any of the officers, agents or employees thereof shall fail or refuse to comply with any of the provisions of the constitution or statutes of the State, or of the Ordinance or the Indenture, which failure shall have continued for a period of 60 days after written notice thereof, by registered or certified mail, then, at any time thereafter and while such default shall continue, the Bondowners of not less than 25% in aggregate principal amount of the Bonds then Outstanding may, by written notice to the City filed in the office of the City Clerk or delivered in person to said City Clerk, declare the principal of all Bonds then Outstanding to be due and payable immediately, and upon any such declaration given as aforesaid, all of said Bonds shall become and be immediately due and payable, anything in the Ordinance or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if at any time after the principal of said Outstanding Bonds shall have been so declared to be due and payable, all arrears of interest upon all of said Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds shall have been paid in full, and all other defaults, if any, by the City under the provisions of the Ordinance and under the provisions of the statutes of the State shall have been cured, then and in every such case the Bondowners of a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the City, may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

Remedies

The provisions of the Ordinance shall constitute a contract between the City and the Bondowners of the Bonds, and the Bondowner or Bondowners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right, for the equal benefit and protection of all Bondowners of Bonds similarly situated:

(a) By mandamus or other suit, action or proceedings at law or in equity to enforce his or their rights against the City and its officers, agents and employees, and to require and compel the City and its officers, agents and employees to perform all duties and obligations required by the provisions of the Ordinance or by the Constitution and laws of the State;

(b) By suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) By suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondowner of the Bonds.

Nothing contained in the Ordinance, however, shall be construed as imposing on the City any duty or obligation to levy any taxes either to meet any obligation incurred in the Ordinance or to pay the principal of or interest on the Bonds.

No one or more Bondowners shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Ordinance, or to enforce any right under the Ordinance, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Bondowners of such Outstanding Bonds. No remedy upon the Bondowners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred in the Ordinance. No waiver of any default or breach of duty or contract by the Bondowner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Bondowner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Bondowners of the Bonds by the Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. In case any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondowner, then, and in every such case, the City and the Bondowners of the Bonds shall be restored to their former positions and rights under the Ordinance, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

Amendments

The rights and duties of the City and the Bondowners, and the terms and provisions of the Bonds or of the Ordinance, may be amended or modified at any time in any respect by ordinance of the City with the written consent of the Bondowners of not less than 66 and 2/3% in aggregate principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such

Bondowners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the City is required to pay by way of principal or of interest on any Bond;
- (c) permit the creation of a lien on the revenues of the City's Special Allocation Fund prior or equal to the lien of the Bonds;
- (d) permit preference or priority of any Bonds over any other Bonds; or
- (e) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Ordinance.

Any provision of the Bonds or of the Ordinance may, however, be amended or modified at any time in any respect with the written consent of the Bondowners of all of the Bonds at the time Outstanding.

SUMMARY OF THE INDENTURE

The following is a summary of certain provisions of the Indenture and is qualified in its entirety by reference to the Indenture.

Liability Under Bonds

Each Bond, and the interest thereon, shall be special limited obligations of the City secured solely by the Revenues established under the Ordinance and held by the Trustee under the Indenture. The Bonds do not constitute or create an indebtedness, liability or moral obligation of the City. Neither the faith or credit nor taxing power of the City, the County, the 911 Board, the School District or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the City, the County, the 911 Board, the School District or any political subdivision liable on the Bonds. No covenant, stipulation, obligation or agreement contained in the Indenture or in the Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future official, commissioner, employee or agent of the City in his or her individual capacity.

Custody of Funds and Accounts

Each fund, account and subaccount created by the Indenture shall be held by the Trustee solely for the benefit of the Bondowners. All such funds, accounts and subaccounts to the extent not used for the repayment of the Bonds shall be held by the Trustee for the benefit of the City. Each fund, account and subaccount created from time to time under the Indenture shall have such further designations as the Trustee shall deem appropriate in order to properly account for all moneys subject to the Indenture or as shall be set forth in a bank officer's certificate.

Disposition of Bond Proceeds

The net proceeds received from the sale of the Bonds (including any premium) which, by the execution of the Indenture are assigned to the Trustee simultaneously with the delivery of the Bonds, (i) shall be deposited in the Interest Account of the Debt Service Fund, (ii) an amount equal to the Reserve Requirement shall be deposited in the Debt Service Reserve Fund, (iii) an amount equal to the Costs of Issuance shall be deposited in the Cost of Issuance Fund, (iv) an amount equal to the portion of the proceeds required to redeem and defease the Series 2005 Bonds shall be deposited in the current Refunding Fund established with the Trustee under the Indenture, and the Trustee, pursuant to rise Indenture, shall invest and expend the proceeds of the issuance of the Bonds in accordance with the Indenture.

Moneys in the Cost of Issuance Account Fund shall be used by the Trustee for the payment of the Costs of Issuance and confirmed in the Closing Certificate of the City provided to the Trustee.

Assignment and Application of Moneys in the Project Funds

(a) The City assigns the proceeds of the Bonds to the Trustee to be held in trust. The proceeds shall be deposited by the Trustee in accordance with the Disposition of Bond Proceeds summary.

Special Allocation Fund

From and after the delivery of the Bonds, and continuing as long as any of the Bonds remain Outstanding under the Indenture, all of the collections derived by the City from the collection of PILOTs, EATs and City Revenues shall be paid over by the City and deposited with the Trustee within 10 business days of receipt.

Debt Service Fund

There shall be deposited into the Debt Service Fund (i) all accrued interest on the Bonds and the premium, if any, paid by the Original Purchaser of the Bonds; (ii) all amounts transferred by the Trustee from the Revenues on deposit in the Special Allocation Fund in the amounts specified in the Indenture; (iii) all interest and other income derived from investments of moneys in the Debt Service Fund; (iv) all remaining amounts in the EATs Account after making the deposits required by the Indenture for use in redeeming the Bonds prior to maturity; and (v) all other moneys received by the Trustee under and pursuant to any of the provisions of the Ordinance when accompanied by the directions from the person depositing such money that such moneys are to be paid into the Debt Service Fund.

Use of Moneys in the Reserve Fund

All amounts deposited in the Reserve Fund from the proceeds of the Bonds and any amounts deposited in the Reserve Fund from any other sources (including moneys deposited in the Reserve Fund pursuant to transfers made by the City under the Ordinance) shall be used solely to prevent any Default in the payment of the principal of, or interest or redemption premium, if any, on the Bonds, if moneys in the Principal Account and Interest Account of the Debt Service Fund are insufficient to pay the same when due. The Trustee shall make a valuation of the value of the cash and Investment Securities in the Reserve Fund, on an annual basis, no later than 90 days after the last day of each Fiscal Year of the City and at such other times as the City or the Trustee deems appropriate (the "**Valuation Date**"). If, on such Valuation Date, the

amount on deposit in the Reserve Fund is less than the Reserve Requirement, the City is required to make monthly deposits to the Trustee for payment from the Special Allocation Fund into the Reserve Fund in the manner provided in the Indenture until the amount of such deficiency is restored to equal the Reserve Requirement.

Moneys in the Reserve Fund shall, at all times, be maintained in an amount not less than the Reserve Requirement. Whenever the moneys in the Reserve Fund, on any Valuation Date, are in excess of the Reserve Requirement for all Outstanding Bonds, such excess shall be deposited into the principal account of the Debt Service Fund. On the date that the last of the Bonds come due, all money in the Reserve Fund shall be transferred to the principal account of the Debt Service Fund to provide funds for payment of the principal and interest on the Bonds.

Investments of Moneys in Various Funds

Except as otherwise provided in the Indenture, moneys held in the Debt Service Reserve Fund, the Debt Service Fund and the Special Allocation Fund, and each of the accounts under such Funds, shall, pursuant to written direction of the City, signed by an Authorized City Representative, be separately invested and reinvested by the Trustee therefor in Investment Securities which mature or are subject to redemption prior to the date when such moneys will be needed; provided, however, that such moneys shall not be invested in such manner as will violate the provisions of the Indenture. Any such Investment Securities shall be held by or under the control of the Trustee for the fund or account of which such investment is a part and shall be deemed at all times a part of the fund or account in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Investment Securities shall be credited to such fund or account, and any loss resulting from such Investment Securities, shall be charged to such fund or account.

The Trustee may make any and all investments permitted by the provision of this Section through its own bond department or short-term investment department, provided the Trustee, in doing so, complies with the investment instructions provided by the City.

Payment of Principal, Premium, if any, and Interest

The City covenants and agrees that it will, but solely from the Revenues and other revenues and receipts derived under the Ordinance, promptly pay or cause to be paid the principal of, redemption premium, if any, and interest on, every Bond issued under the Ordinance, and which are secured by the lien created under the Indenture, at the place, on the dates and in the manner provided in the Indenture and in the Bonds, provided that the principal of, premium, if any, and interest shall be payable by the City solely and only from the Trust Estate, and nothing in the Bonds or the Indenture shall be considered as assigning or pledging any other funds or assets of the City other than the Trust Estate, and to this end the City covenants and agrees that it will use its best efforts to cause the Projects to be continuously and sufficiently maintained and operated so that, should there be a Default under the Bonds, the City shall fully cooperate with the Trustee and with the Bondowners to the end of fully protecting the rights and security of the Bondowners.

Defaults; Events of Default

If any of the following events occur, it is defined as and declared to be and to constitute an "Event of Default" under the Indenture:

- (a) the City shall fail to make due and punctual payment of any interest on any Bond;
- (b) the City shall fail to make due and punctual payment of the principal of, or premium on, any Bond, whether at the stated maturity thereof, accelerated maturity, or when the same is scheduled to be called for redemption;
- (c) the City shall fail to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in the Indenture, the Ordinance or in the Bonds (other than as specified in the Indenture), which failure shall have continued for a period of 60 days after written notice, by registered or certified mail, to the City specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Bondowners of not less than 25% in aggregate principal amount of Bonds then Outstanding or, unless the Trustee, or the Trustee and Bondowners of an aggregate principal amount of Bonds not less than the aggregate principal amount of Bonds the Bondowners of which requested such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the Bondowners of such principal amount of Bonds, as the case maybe, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the City, or the Trustee on behalf of the City, within such period and is being diligently pursued;
- (d) the City shall file a voluntary petition in bankruptcy, or the City shall fail to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on its operation, or City shall be adjudicated as a bankrupt, or the City shall make assignment for the benefit of creditors, or the City shall enter into an agreement of composition with creditors, or a court of competent jurisdiction shall approve a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy law, or under any similar acts which may be enacted.

Acceleration

- (a) Upon the occurrence of an Event of Default, the Trustee may and shall upon direction of 25% of the Bondowners by written notice to the City, declare the principal of all Bonds then Outstanding to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in the Indenture or the Bonds to the contrary notwithstanding.
- (b) Unless otherwise provided in the Indenture, any such declaration shall be by notice in writing to the City and, upon said declaration, principal of and interest on all Bonds shall become and be immediately due and payable. The Trustee immediately upon such declaration shall give notice thereof in the same manner and within the same time period as provided in the Indenture with respect to the redemption of the Bonds. Such notice shall specify the date on which payment of principal and interest shall be tendered to the Bondowners of the Bonds. Upon any declaration of acceleration under the Indenture, the Trustee shall immediately exercise such rights as it may have under the Indenture to declare all payments thereunder to be immediately due and payable.

(c) If, at the time of such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal of and interest on the Bonds, together with the reasonable and proper expenses of the Trustee and all other sums then payable by the City under the Indenture shall either be paid or provision satisfactory to the Trustee shall be made for such payment, then and in every such case the Trustee shall, but only with the approval of the Bondowners of not less than a majority in aggregate principal amount of the Bonds Outstanding, rescind such declaration of acceleration.

(d) The provisions of the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement under the Indenture (after an opportunity for hearing by the City):

(i) all sums payable under the Indenture (except the principal of and interest on Bonds which have not reached their stated maturity dates but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds in respect of which the Default shall have occurred, shall have been duly paid or provision shall have been duly made therefor by deposit with the Trustee or the Paying Agent, and

(ii) all existing Events of Default shall have been cured, then, and in every case, the Trustee shall waive the Event of Default and its consequences and shall rescind and annul that declaration. No waiver or rescission and annulment shall extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

(e) In case of any rescission, then and in every such case the City, the Trustee and the Bondowners shall be restored to their former position and rights under the Indenture respectively, but no such rescission shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

(f) Notwithstanding any provision in the Indenture to the contrary, as long as the Bonds are Outstanding, the Trustee shall not, without the consent of the Bondowners of a majority in aggregate principal amount of the Bonds, declare a default with respect to the Bonds or otherwise enforce the provisions of the Indenture securing the Bonds.

Exercise of Remedies by the Trustee

(a) If an Event of Default shall have occurred and be continuing, at the direction of the Bondowners of not less than 25% in aggregate principal amount of the Bonds then Outstanding and after being indemnified as provided in the Indenture, the Trustee shall pursue and exercise any available remedy, including without limitation actions at law or in equity by suit, action, mandamus or other proceedings or exercise of one or more of the rights and remedies conferred by the Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondowners, to enforce the payment of Bond payments or the observance and performance of any other covenant, agreement or obligation under the Indenture, the Ordinance or any other instrument providing security, directly or indirectly, for the Bonds, to enforce the payment of principal of, premium, if any, and interest on the Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the City as set forth in the Indenture.

(b) All rights of action (including the right to file proofs of claim) under the Indenture or under the Ordinance may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Bondowner of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Bondowners of the Outstanding Bonds subject to the provisions of the Indenture.

No remedy conferred upon or reserved to the Trustee (or to the Bondowners) by the Indenture is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or otherwise to the Trustee or to the Bondowners, or now or existing.

No delay in exercising or omission to exercise any remedy, right or power accruing upon any Default or Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any Default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

No waiver of any Default or Event of Default under the Indenture, whether by the Trustee or by the Bondowners, shall extend to or shall affect any subsequent Default or Event of Default or shall impair any remedy, right or power consequent thereon.

As the assignee of all right, title and interest of the City in and to the Revenues under the Ordinance (except for the unassigned rights of the City), the Trustee is empowered to enforce each remedy, right and power granted to the City under the Ordinance. In exercising any remedy, right or power thereunder or under the Indenture, the Trustee shall take any action which would best serve the interests of the Bondowners the judgment of the Trustee, applying the standards described in the Indenture.

Limitation on Rights and Remedies of Bondowners of Bonds

No Bondowner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust under the Indenture or for the appointment of a receiver or any other remedy under, unless (a) a Default has occurred of which the Trustee has been notified as provided in the Indenture or which, by such subsection, it is deemed to have notice, (b) such Default shall have become an Event of Default, (c) the Bondowners of not less than 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies, rights and powers granted in the Indenture or to institute such action, suit or proceeding in its own name, and shall have offered to indemnify the Trustee as provided in the Indenture, and (d) the Trustee shall thereafter fail or refuse to exercise the remedies, rights and powers granted in the Indenture, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are conditions precedent in every case to the institution of and suit, action or proceeding described above; it being understood and intended that no one or more Bondowners shall have any right in any manner whatsoever to affect, disturb or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the owners of all Bonds Outstanding. Nothing in the Indenture contained shall, however, affect or impair the right of any Bondowner to payment of the principal of and interest on any Bond at and after the maturity

thereof or the obligation of the City to pay principal of, premium, if any, and interest on each of the Bonds issued under the Indenture to the respective Bondowners thereof at the time, place, from the source and in the manner in the Indenture and in the Bonds expressed.

Remedies Cumulative

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or to the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondowners under the Indenture or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default under the Indenture, whether by the Trustee or by the Bondowners, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

In case the Trustee shall have proceeded to enforce any right, remedy or power under the Indenture in any suit, action or proceedings by the appointment of a receiver or otherwise, and such suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the City, the Trustee and the Bondowners of the Bonds shall be restored to their former position and rights under the Indenture, respectively, with regard to the property subject to the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Waivers of Events of Default

Except as provided in the Indenture, the Trustee may at anytime, in its discretion, waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of the Bonds. The Trustee shall do so upon the written request of the Bondowners of at least a majority in aggregate principal amount of all the Bonds then Outstanding. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned or determined adversely to it, the City, the Trustee and the Bondowners shall be restored to their former positions and rights under the Indenture, respectively. No waiver or annulment and rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been undertaken.

Notice of Defaults Under Section 801(c); Opportunity of the City and the Trustee to Cure Such Defaults

No Default under the Indenture shall constitute an Event of Default until actual notice of such Default by first class mail (postage prepaid) shall be given to the City by the Trustee or by the Bondowners of not less than 25% in aggregate principal amount of all Bonds Outstanding and the City shall have had 60 days after receipt of such notice to correct such Default or cause such Default to be corrected, and shall not have corrected such Default or caused such Default to be corrected within the applicable period; provided, however, if the Default be such that it cannot be corrected within the applicable period, it shall

not constitute an Event of Default if corrective action is instituted by the City or the Trustee within the applicable period and diligently pursued until the Default is corrected.

With regard to any alleged Default concerning which notice is given to the City and the Trustee under the provisions of this Section, the City grants the Trustee full authority for the account of the City to perform any covenant or obligation alleged in such notice to constitute an Event of Default, in the name and stead of the City with full power to do any and all things and acts to the same extent that the City could do and perform any such things and acts and with power of substitution.

Supplemental Trust Agreements Not Requiring Consent of Bondowners

The City and the Trustee may from time to time, without the consent of or notice to any of the Bondowners, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions of the Indenture and as shall not adversely affect the interests of the Bondowners, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Indenture or to correct or supplement any provision in the Indenture which may be inconsistent with any other provision in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondowners or the Trustee or either of them;
- (c) To subject to the pledge and lien of the Indenture additional revenues, properties or collateral;
- (d) To more precisely identify the Projects in accordance with the Ordinance or to substitute or add additional property thereto;
- (e) To modify, amend or supplement the Indenture, or any indenture supplemental to the Indenture, in such manner as to permit the qualification of the Indenture and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any supplemental indenture such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute;
- (f) To evidence the appointment of a separate Trustee, co-trustee or Bond Registrar or the succession of a new Fiduciary under the Indenture;
- (g) To make any other change not prejudicial to the Bondowners; and
- (h) To evidence the appointment of a separate trustee or a co-trustee or the succession of a new trustee.

Supplemental Indentures Requiring Consent of Bondowners

Exclusive of Supplemental Indentures covered by the Indenture and subject to the terms and provisions contained in this Section, and not otherwise, the Bondowners of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the City and the Trustee of such other Indenture or Indentures Supplemental thereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that nothing contained in this Section shall permit, or be construed as permitting, without the consent of the Bondowners of all Outstanding Bonds: (a) an extension of the maturity date of the principal of or the interest on any Bond issued under the Indenture, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (e) the creation of any lien other than alien ratably securing all of the Bonds at any time Outstanding under the Indenture, or (f) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee.

If at any time the City shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each Bondowner of a Bond. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondowners of the Bonds. If, within 60 days or such longer period as shall be prescribed by the City following the mailing of such notice, the Bondowners of not less than two-thirds in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof, no Bondowner of any Bond shall have any right to object to any of the terms and provisions contained in the Indenture, or the operation thereof, or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, the Indenture shall be deemed to be modified and amended in accordance therewith.

City's Consent to Supplemental Indenture

A Supplemental Indenture which affects any rights of the City shall not become effective unless and until the City shall have consented in writing to the execution and delivery of such Supplemental Indenture, provided that receipt by the Trustee of a Supplemental Ordinance adopted by the City in connection with the issuance of additional bonds shall be deemed to be the consent of the City to the execution of a Supplemental Indenture pursuant to the Indenture.

Satisfaction and Discharge of the Indenture

When the principal of, redemption premium, if any, and interest on all the Bonds shall have been paid in accordance with their terms or provisions have been made for such payment as provided in the Indenture, and provisions shall also be made for paying all other sums payable under the Indenture, including the fees and expenses of the Trustee to the date of retirement of the Bonds, then the right, title

and interest of the Trustee in respect of the Indenture shall thereupon cease, determine and be void, and thereupon the Trustee shall cancel, discharge and release the lien of the Indenture and shall execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge of the lien of the Indenture, and shall assign and deliver to the City any property and revenues at the time subject to the Indenture which may then be in its possession, except amounts in the Series 2005A Debt Service Fund or the Series 2005B Debt Service Fund required to be paid to the City under the Indenture and except funds or securities in which such funds are invested, held by the Trustee for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

The Trustee is authorized to accept a certificate by the City that the whole amount of the principal, redemption premium, if any, and interest so due and payable upon all of the Bonds then Outstanding has been paid or such payment provided for in accordance with the Indenture as evidence of satisfaction of the Indenture.

Bonds Deemed to be Paid

Bonds shall be deemed to be paid within the meaning of the Ordinance when payment of the principal of and the applicable redemption premium, if any, on such Bond, plus interest thereon to the due Redemption Date as provided in the Indenture, or otherwise, either (a) shall have been made or caused to be made in accordance with the terms thereof, or (b) shall have been provided for by depositing with the Trustee, in trust irrevocably set aside, exclusively for such payment, Government Obligations in such amount and at such times as will insure the availability of sufficient moneys to make such payment. At such time as any Bond shall be deemed to be paid under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefit of the Indenture, except for the purpose of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (b) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been mailed in accordance with the Ordinance or irrevocable instructions shall have been given to the Trustee to give such notice.

Notwithstanding any provision of any other Section of the Indenture which may be contrary to the provisions of this Section, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of Bonds (including redemption premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

APPENDIX B

HISTORICAL COLLECTION OF EATs AND PILOTs

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APPENDIX C

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “**Disclosure Agreement**”), by and among the City of Monett, Missouri (the “**Obligated Person**”), UMB Bank, N.A., in St. Louis, Missouri, as Trustee (the “**Trustee**”), and UMB Bank, N.A., in St. Louis, Missouri, as the issuer (the “**Issuer**”), is entered into in connection with the issuance of \$2,510,000 Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds Series 2014 dated June _____, 2014 (the “**Certificates**”). The Certificates are being issued pursuant to a Trust Indenture dated as of June 1, 2014 (the “**Indenture**”) by and between the City and the Trustee. The proceeds of the Bonds are being used by the Obligated Person to (1) currently refund the Series 2005 Bonds as described in the Indenture, (2) establish a Debt Service Reserve Fund for the Bonds, and (3) pay costs of issuance relating to the Bonds. The Bonds are being issued under and are secured by the Ordinance adopted by the Obligated Person on May 30, 2014. This Disclosure Agreement constitutes the written undertaking by the Obligated Person for the benefit of the Owners required by Section (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, Section 240.15c2-12) (the “**Rule**”). Capitalized terms not defined herein shall have the meanings as set forth in the Declaration of Trust. The parties hereto covenant and agree as follows:

Section 1. Definitions.

“**Annual Information**” shall mean the information specified in Section 3 hereof.

“**GAAP**” shall mean generally accepted accounting principles as in effect from time to time in the United States of America.

“**Owner**” shall mean any registered owner of Securities and any beneficial owner of Securities within the meaning of Rule 13-d under the Securities Exchange Act of 1934.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“**Obligated Person**” shall mean the City of Monett, Missouri; provided that such person shall only be an Obligated Person if and so long as such person is an “Obligated Person” within the meaning of the Rule.

“**Repository**” shall mean any nationally recognized municipal securities information repository within the meaning of the Rule.

“**Rule**” shall mean Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended through the date of this Disclosure Agreement.

“**Security**” or “**Securities**” shall mean the \$2,510,000 City of Monett, Missouri, Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds (East U.S. Highway and RPA1 Infrastructure Projects) Series 2014, dated June _____, 2014.

“State Information Depository” shall mean any appropriate state information depository for the State of Missouri within the meaning of the Rule.

Section 2. Obligation to Provide Continuing Disclosure.

1. The Obligated Person hereby undertakes, for the benefit of Owners of the Securities, to provide or cause to be provided either directly or through the Trustee:

(a) to each Repository and to the State Information Depository, no later than 180 days after the end of each fiscal year, commencing with the fiscal year ended December 31, 2014, the Annual Information relating to such fiscal year;

(b) if not submitted as part of the Annual Information, to each Repository and to the State Information Depository, audited financial statements of the Obligated Person for such fiscal year when and if they become available;

(c) notice to each Repository or to the MSRB, within ten days of the occurrence, notice of any of the following events with respect to the Securities:

(1) Principal and interest payment delinquencies;

(2) Tender offers;

(3) Bankruptcy, insolvency, receivership, or a similar proceedings by the City;

(4) Unscheduled draws on credit enhancements on the Securities reflecting financial difficulties;

(5) Unscheduled draws on debt service reserves reflecting financial difficulties;

(6) Substitution of credit or liquidity providers, or their failure to perform;

(7) Adverse tax opinions or events affecting the tax-exempt status of the Securities. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issuer (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(8) Defeasances;

(9) Rating changes.

(d) Notice to each Repository or to the MSRB and to the State Information Depository, within ten days of the occurrence of any of the following events with respect to the Securities, if material:

(1) Non-payment related defaults;

- (2) Modifications to the rights of Security Owners;
- (3) Release, substitution, or sale of property securing repayment of the Securities;
- (4) Consummation of a merger, consolidation, acquisition involving a borrower, other than in the ordinary course of business, or the sale of all or substantially all of the assets of the Obligated Person or borrower, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms.
- (5) Appointment of a successor or additional trustee, or the change in the name of the trustee.
- (6) Securities calls;

2. To each Repository or to the MSRB and to the State Information Depository, in a timely manner, notice of a failure to provide any Annual Information required by clause 1(a) of this Section 2.

3. The obligations of the Obligated Person pursuant to subsection 1 above may be terminated if such Obligated Person is no longer an "Obligated Person" as defined herein. Upon any such termination, the Obligated Person shall provide notice of such termination to each Repository, the State Information Depository and the MSRB.

4. Nothing herein shall be deemed to prevent the Obligated Person from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Obligated Person disseminates any such additional information, the Obligated Person shall have no obligation to update such information or include it in any future materials disseminated hereunder.

Section 3. Annual Information.

1. The required Annual Information shall consist of the following:

(a) The audited financial statements of the Obligated Person as of and for each fiscal year and its independent accountants' report with respect thereto. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Information shall contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements will be filed in the same manner as the Annual Information promptly after they become available.

(b) Current information to reflect material changes in matters of the type described in the Official Statement delivered in connection with the issuance of the Certificates under the headings "**SECURITY FOR THE BONDS**" and "**FINANCIAL INFORMATION CONCERNING THE CITY.**"

2. All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which have been filed with (i) the Repositories, the State Information Depository, if any, and, if the document is an official statement, the MSRB or (ii) the Securities and Exchange Commission.

3. Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Obligated Person's annual financial statements for each fiscal year shall be prepared in accordance with GAAP as in effect from time to time for governmental units.

Section 5. Remedies. If the Obligated Person shall fail to comply with any provision of this Disclosure Agreement, then the Trustee or any Owner of Securities may enforce, for the equal benefit and protection of all Owners similarly situated, by suit or proceeding at law or in equity, this Disclosure Agreement against the Obligated Person and any of the officers, agents and employees of the Obligated Person, and may compel the Obligated Person or any such officers, agents or employees to perform and carry out their duties under this Disclosure Agreement; provided that the sole and exclusive remedy for breach of this Disclosure Agreement shall be an action to compel specific performance of the obligations of the Obligated Person hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and, provided further, that any challenges to the adequacy of any information provided pursuant to Section 2 shall be brought only by the Trustee or the Owners of 25% in aggregate principal amount of the Securities at the time outstanding which are affected thereby.

Section 6. Parties in Interest. This Disclosure Agreement is executed and delivered solely for the benefit of the Owners. No other person (other than the Trustee) shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any Owner of Securities, the Obligated Person, the Issuer and the Trustee at any time and from time to time may enter into any amendments or changes to this Disclosure Agreement for any of the following purposes:

(a) to comply with or conform to the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Obligated Person and the assumption by any such successor of the covenants of the Obligated Person hereunder;

(d) to add to the covenants of the Obligated Person for the benefit of the Owners, or to surrender any right or power herein conferred upon the Obligated Person;

(e) to modify the contents, presentation and format of the Annual Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer or the Obligated Person, or type of business conducted;

provided that (1) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (2) the amendment or change does not materially impair the interest of Owners, as determined either by a party unaffiliated with the Obligated Person (such as the Trustee or bond counsel), or by the vote or consent of Owners of a majority in outstanding principal amount of the Securities affected thereby at or prior to the time of such amendment or change.

Section 8. Termination. This Disclosure Agreement shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to the Declaration of Trust. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to each Repository, the State Information Depository and the MSRB. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 9. The Trustee.

1. This Disclosure Agreement shall not create any obligation or duty on the part of the Trustee and the Trustee shall not be subject to any liability hereunder for acting or failing to act as the case may be.

2. The Obligated Person shall indemnify and hold harmless the Trustee in connection with this Disclosure Agreement, to the same extent provided in the Declaration of Trust for matters arising thereunder.

Section 10. Governing Law. THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MISSOURI DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW.

Section 11. Limitations and Amendments.

The City has agreed to update information and to provide notices of material events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of this Disclosure Agreement or from any statement made pursuant to its agreement, although Owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Disclosure Agreement as of June 1, 2014.

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**CITY OF MONETT, MISSOURI
(OBLIGATED PERSON)**

By: _____
Name: _____
Title: _____

**CITY OF MONETT, MISSOURI
(ISSUER)**

By:  _____
Name: JAMES ORR
Title: MAYOR

**UMB BANK, N.A.
(TRUSTEE)**

By: _____
Name: _____
Title: _____

APPENDIX D

BOND OPINION LETTER

June _____, 2014

City of Monett, Missouri
Monett, Missouri

Crews & Associates Inc.
Little Rock, Arkansas 72201

UMB Bank, N.A.
Kansas City, Missouri

RE: \$ _____ City of Monett, Missouri, Annual Appropriation Supported Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East US Highway 60 Improvement and RPA1 Infrastructure Redevelopment Projects)

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Monett, Missouri (the “City”) in connection with the issuance by the City of the above-referenced bonds (the “Bonds”) by the City. The Bonds are being issued pursuant to an Ordinance (the “Ordinance”) adopted by the City Commission of the City on May 30, 2014, and are secured by the trust estate created under a Trust Indenture (the “Indenture”) dated as of June 1, 2014 between the City and UMB Bank, N.A., as trustee (the “Trustee”). The Bonds are authorized by the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of the State of Missouri (the “State”), as amended (the “Act”) and the Ordinance and are secured by the Indenture. The Bonds are being issued for the purpose of providing funds to refund the Series 2005 Bonds of the City (as defined in the Ordinance).

The Bonds are issued pursuant to the Act and Ordinance. The City, in the Ordinance pledges all PILOTs Revenues and the Captured Portion of the EATs collected (the “EATs Revenues”) with respect to incremental increase in activity within the 2005 Area (or applicable defined part thereof), and which are to be deposited to the Special Allocation Fund and the additional sums appropriated annually by the City for deposit in the Special Allocation Fund from the non-captured City sales tax (the “City Revenues”) for the payment of principal of, premium, if any, and interest on the Bonds when due.

As to questions of fact material to our opinion, we have relied upon the representations of the City contained in the Ordinance and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. Capitalized terms used herein shall have the same meaning as set forth in the Ordinance and the Indenture.

YATES, MAUCK, BOHRER, ELLIFF & FELLS, P.C.

June _____, 2014
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We have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion, which certified proceedings includes among other documents and proceedings, the following (the “**Documents**”):

- (i) the Ordinance;
- (ii) the Indenture; and
- (iii) the Tax Compliance Agreement.

We have also examined the Constitution and statutes of the State, insofar as the same relate to the authorization and issuance of the Bonds and the authorization of the Ordinance and the authorization, execution and delivery of the Indenture.

Based upon our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the City and are valid and binding special, limited obligations of the City payable solely from the Revenues and other funds provided therefor in the Ordinance and the Indenture. The Bonds do not constitute general obligations of the City nor do they constitute an indebtedness of the City within the meaning of any constitutional or statutory provision, limitation or restriction, and the taxing power of the City is not pledged to the repayment of the Bonds.

2. The Ordinance authorizes the issuance of the Bonds and the execution and delivery of the Documents in connection therewith has been duly adopted by the City and the Documents constitute valid and legally binding obligations of the City enforceable against the City.

3. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is (i) excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinion set forth in the preceding sentence is subject to the condition that the City and the Trustee comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City and the Trustee have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive

YATES, MAUCK, BOHRER, ELLIFF & FELLS, P.C.

June _____, 2014

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to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Missouri. We express no opinion as to whether such interest is exempt from the tax imposed on financial institutions pursuant to Chapter 148 RSMo. as amended.

The rights of the Owners of the Bonds and the enforceability of the Bonds, the Indenture, the Ordinance and the Tax Compliance Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' right heretofore or hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Sincerely,

YATES, MAUCK, BOHRER, ,
ELLIFF & FELLS, P.C.

Carl E. Yates

**REFUNDING ISSUE
BANK QUALIFIED****BOOK ENTRY ONLY
NOT RATED**

In the opinion of Yates, Mauck, Bohrer, Elliff, & Fels P.C., Bond Counsel, under existing law and assuming continued compliance with of the Internal Revenue Code of 1986, as amended, the interest on the Bonds (a) is excludable from gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (c) is exempt from income taxation by the State of Missouri. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "TAX EXEMPTION" herein.

\$2,430,000

**CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION - SUPPORTED TAX INCREMENT AND
SALES TAX REFUNDING REVENUE BONDS
SERIES 2014**

(EAST U.S. HIGHWAY 60 AND RPA1 INFRASTRUCTURE REDEVELOPMENT PROJECTS)**Dated: June 26, 2014****Due: January 1, 2028, as shown on the Inside cover page**

The Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds (East US Highway and RPA1 Infrastructure Bonds) Series 2014 (the "**Bonds**") are being issued by the City of Monett, Missouri (the "**City**") pursuant to an Ordinance adopted by the City on May 30, 2014 (the "**Ordinance**") and are secured by certain funds on deposited under a Trust Indenture, dated as of June 1, 2014 (the "**Indenture**") between the City and UMB Bank, N.A., as Trustee (the "**Trustee**"). The Bonds are being issued for the purpose of providing funds to: (i) refund the City's Series A 2005 and Series B 2005 Bonds, the proceeds of which were used to pay the costs of the East US Highway 60 and RPA1 Infrastructure Redevelopment costs (the "**Projects**") incurred in redevelopment under the 2005 Plan of the City as such term is defined herein; (ii) to fund a deposit to the debt service fund to payment of accrued interest on the Bonds (iii) fund a Debt Service Reserve Fund for the Bonds and (v) to pay the cost related to the issuance of the Bonds.

The Bonds are special, limited obligations of the City payable solely from (I) Payments in Lieu of Taxes, (ii) subject to annual appropriation by the City, Economic Activity Tax Revenues, (iii) subject to annual appropriation by the City, City Revenues, and (iv) certain moneys on deposit with the Trustee under the Indenture.

The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered Owner and nominee for The Depository Trust Company ("**DTC**") New York, New York which will act as securities depository for the Bonds. Purchase of beneficial interest will be made in book entry only, in the denomination of \$5,000 or any integral multiple thereof. There will be no distribution of Bonds to the ultimate purchasers thereof. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond Owners or registered owners of the Bonds shall mean Cede & Co. as aforesaid and shall not mean the Beneficial Owners (herein defined) of the Bonds.

Principal will be payable annually on January 1, beginning January 1, 2015, at the designated corporate trust operations office of UMB Bank, N.A., in St. Louis, Missouri (the "**Trustee**"). So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and redemption premium, if any, and interest on the Bonds will be made directly to DTC, which is expected, in turn, to remit such payments to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners. Interest will be payable each July 1 and January 1, beginning January 1, 2015, by check, draft mailed or wire transfer by the Trustee to the person in whose name such Certificate is registered on the 15th day of the month next preceding each interest payment date. See the caption "**BOOK-ENTRY ONLY SYSTEM**" herein.

The Bonds are subject to redemption prior to maturity in certain circumstances as described in this Official Statement under the caption "THE BONDS - Redemption."

Payment of principal of and interest on the Bonds are NOT secured by any deed of trust, mortgage or other lien on the Projects (as defined herein) and neither the Projects nor any other facilities or real property of the City is pledged as security for the Bonds. There is no mortgage securing the Bonds.

THE BONDS AND INTEREST THEREON ARE NOT AN INDEBTEDNESS OF THE CITY, THE COUNTY (AS DEFINED HEREIN), THE SCHOOL DISTRICT (AS DEFINED HEREIN), THE 911 BOARD (AS DEFINED HEREIN) OR OF THE STATE OF MISSOURI (THE "**STATE**") OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY PROVISION OF THE CONSTITUTION OR LAWS OF THE STATE OF MISSOURI. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE CITY, THE COUNTY, THE SCHOOL DISTRICT, THE 911 BOARD, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, OBLIGATE THE CITY, THE COUNTY, THE SCHOOL DISTRICT, THE 911 BOARD, THE STATE, OR ANY SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION.

The Bonds are offered when, as and if issued by the City and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and subject to approval of their validity by Yates, Mauck, Bohrer, Elliff & Fels, P.C., Springfield, Missouri, Bond Counsel, as described herein. Certain legal matters will be passed on for the City by Amy Boxx, City Attorney, Monett, Missouri. It is expected that the Bonds will be available for delivery through DTC in New York, New York on or about June 26, 2014.



**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,
AND CUSIP NUMBERS**

\$2,430,000

**CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION SUPPORTED -TAX INCREMENT AND SALES TAX
REFUNDING REVENUE BONDS
SERIES 2014**

(EAST U.S. HIGHWAY 60 AND RPA 1 INFRASTRUCTURE REDEVELOPMENT PROJECTS)

<u>Maturity</u>	<u>Type of Bond</u>	<u>Coupon</u>	<u>Yield</u>	<u>Maturity Value</u>	<u>Price</u>	<u>CUSIP¹</u>
01/01/2016	Term 1 Coupon	2.000%	2.000%	200,000.00	100.000%	60934C AA6
01/01/2020	Term 2 Coupon	3.100%	3.100%	650,000.00	100.000%	60934C AB4
01/01/2021	Serial Coupon	3.500%	3.500%	175,000.00	100.000%	60934C AC2
01/01/2028	Term 3 Coupon	3.500%	3.750%	1,405,000.00	97.368%	60934C AD0
Total				\$2,430,000.00		

Term Bonds Maturing January 1, 2016

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2015	50,000
2016	150,000

Mid-Term Bonds Maturing January 1, 2020

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2017	155,000
2018	160,000
2019	165,000
2020	170,000

Long-Term Bonds Maturing January 1, 2028

<u>Year</u> <u>(January 1)</u>	<u>Principal Amount</u>
2022	180,000
2023	185,000
2024	195,000
2025	200,000
2026	210,000
2027	215,000
2028	220,000

¹ CUSIP Numbers have been assigned to this issue by Standard & Poor's CUSIP Service Bureau, a division of McGraw-Hill Companies, Inc., and are included solely for the convenience of the Bondowners. Neither the City, the Trustee nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

CITY OF MONETT, MISSOURI
217 5th Street
Monett MO, 65708

The Honorable James Orr, Mayor
Commissioner Jerry Dieler
Commissioner Mike Brownsberger
Dennis Pyle, City Administrator
Janie Knight, City Clerk

BOND COUNSEL

Yates, Mauck, Bohrer, Elliff & Fels, P.C.
Springfield, Missouri

UNDERWRITER

Crews & Associates, Inc.
Little Rock, Arkansas

INDEPENDENT AUDITORS

The CPA Group
A Professional Corporation
Monett, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the City or the Underwriter or by any person to give any information or to make any representation with respect to the Bonds offered hereby, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any offer, solicitation or sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not so expressly described herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein has been obtained from the City and other sources which are believed to be reliable. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof.

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

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

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

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forwarding-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally

identifiable by the terminology used such as “plan,” “expect,” “estimate,” “anticipate,” “projected,” “budget” or other similar words. and certain statements under the sections in this Official Statement captioned “**PLAN OF FINANCING,**” **PROJECTED NET REVENUES AND DEBT SERVICE COVERAGE,**” “**BONDOWNERS RISKS,**” “**THE PROJECTS**” and in **Appendix A** to this Official Statement.

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

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

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OFFICIAL STATEMENT
\$2,430,000
CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION SUPPORTED-TAX INCREMENT AND SALES TAX
REFUNDING REVENUE BONDS
SERIES 2014
(EAST U.S. HIGHWAY 60 AND RPA 1 INFRASTRUCTURE
REDEVELOPMENT PROJECTS)

INTRODUCTORY STATEMENT

The following introductory statement is subject in all respects to the complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the Appendices, are not deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the Cover Page and Appendices, must be considered in its entirety. All capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings ascribed thereto in C hereto.

Purpose of Official Statement

This Official Statement, including the Cover Page hereof and the Appendices hereto, is provided to furnish information relating to the City of Monett, Missouri (the "**City**"), the City's Annual Appropriation-Supported Tax Increment and Sales Tax Refunding Revenue Bonds (East US Highway 60 and RPA1 Infrastructure Redevelopment Projects) Series 2014 (the "**Bonds**") to be issued in the aggregate principal amount of \$2,430,000. The Bonds are being executed and delivered pursuant to an Ordinance adopted by the City on May 30, 2014 (the "**Ordinance**") and are secured by the Trust Estate created under the Trust Indenture, dated as of June 1, 2014 (the "**Indenture**") between the City and the UMB Bank, N.A., Missouri, as Trustee, (the "**Trustee**"). The proceeds from the sale of the Bonds will be used in part, together with other available funds of the City, to refund \$3,510,000 aggregate principal amount of the Tax Increment Allocation Bonds, Series A 2005 Bonds (East Highway 60 Infrastructure Project) and Series B 2005 Bonds (RPA1 Infrastructure Improvement Project) of the City (collectively the "**Series 2005 Bonds**") which remain outstanding on the date of this Official Statement. For the definition of certain capitalized terms used in this Official Statement and not otherwise defined, see **Appendix A** hereto. The proceeds of the Bonds will be used to refund the Series 2005 Bonds; to pay the costs of issuance of the Bonds; and to fund a Debt Service Reserve Fund.

The City

The City is a third class city and political subdivision of the State of Missouri (the "**State**"). The City is located in the southwestern portion of the State on U.S. Highway 60 approximately 42.7 miles West of Springfield, Missouri. The City has a current estimated population of 8,922 residents. See discussion herein "**INFORMATION REGARDING THE CITY**" in this Official Statement for certain economic and demographic information regarding the City. The information regarding the City contained in the caption hereof "**INFORMATION REGARDING THE CITY**" should not be construed as an indication that the Bonds are payable from any source other than such revenues as are described in this Official Statement. See the caption "**SECURITY FOR THE BONDS**" in this Official Statement.

The City is authorized, pursuant to the provisions of the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri, as amended, (the "Act"), to designate an area within the corporate limits of the City as a blighted area, create a tax increment financing commission (the "TIF Commission") and to finance the costs of redevelopment projects designed to overcome such blight within such area by the issuance of its tax increment allocation bonds to fund the costs of such redevelopment projects..

The Bonds

The Bonds are being issued pursuant to the Act under authority of the Ordinance for the purpose of providing funds to refund the outstanding Series 2005 Bonds. The repayment of such Bonds is secured by the covenants of the City in the Ordinance and the pledge of the Trust Estate under the Indenture between the City and the Trustee.

The proceeds of the Bonds are to be used: (i) to refund the City's outstanding Series 2005 Bonds; (ii) to fund the payment of interest for the Bonds; (iii) to fund a debt service reserve fund for the Bonds; and (iv) to pay the costs related to the issuance of the Bonds. A description of the Bonds is contained in this Official Statement under the Caption "**THE BONDS**"

Security for the Bonds

The Bonds are special, limited obligation of the City payable solely from (i) Payments in Lieu of Taxes (the "PILOTs") Revenues resulting from collection of ad valorem taxes in the 2005 Area, (ii) subject to annual appropriation by the City, Economic Activity Tax (the "EATs") Revenues representing the Captured portion of the EATs collected from the 2005 Area; (iii) subject to annual appropriation by the City, City Revenues representing collected, but non-captured portion of the City Sales Taxes from the 2005 Area (the PILOTs Revenue, the EATs Revenue and the City Revenue are collectively the "Revenues"), and (iv) certain other funds held by the Trustee under the Indenture, and not from any other fund or source of the City. Pursuant to the Indenture, the City will assign to the Trustee, for the benefit and security of the registered owners of the Bonds, substantially all of the rights of the City in the Special Allocation Fund. The City, to accomplish the refunding, desires to issue the Bonds herein authorized and will deposit a portion of the proceeds of the issuance and sale of the Bonds, less accrued interest received on the Bonds, certain costs of issuance and funds to establish a reserve fund, together with other funds of the City which are or will become available, with the Trustee, pursuant to the Indenture for the purpose of providing for the defeasance and payment of the principal of, redemption premium and interest on the Series 2005 Bonds through the deposit in trust with the Trustee as herein provided.

PILOTs are payments imposed pursuant to the Act, which are equal to the excess, if any, of (i) the current ad valorem taxes which are imposed by a taxing district and could be collected by the taxing district in the absence of the 2005 Plan by applying the current ad valorem tax levy to the current equalized assessed valuation of real property in the 2005 Area (or defined part thereof) over (ii) the ad valorem taxes which could be imposed by applying the current ad valorem tax levy to the initial equalized assessed valuation of real property in the 2005 Area (or defined part thereof) for the Base Year (defined in **Appendix A**), as certified by the county assessor.

EATs are generally defined as 50% of the total additional revenue from economic activity taxes which are imposed by the City, the County and the 911 Board which are generated by economic activity

within the 2005 Area in excess of the amount of revenue from such taxes generated by economic activity within the 2005 Area in the Base Year (defined in **Appendix A**) (excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes, other than PILOTs), which shall be allocated to and paid by the collecting officer to the treasurer of the City who shall deposit such moneys in the Special Allocation Fund.

The repayment of the Bonds is secured by a pledge of the Revenues consisting of PILOTs Revenue, EATS Revenue and City Revenue collected from the 2005 Area by the City and deposited with the Trustee under the Indenture. The Bonds and the interest thereon are special, limited obligations of the City payable by the City solely from (1) Revenues collected by the City and deposited with the Trustee under the Indenture and (2) from other funds on deposit with the Trustee under the Indenture.

The principal of, premium, if any, and interest on the Bonds shall be paid from revenues generated from the Payments in Lieu of Taxes ("**PILOTs**") with respect to real property located within the 2005 Area and 50% of the increase in certain economic activity (sales and use tax) taxes imposed by the City, Barry County, Missouri (the "**County**") and Barry County 911 ("**911 Board**") which are generated by economic activities within the Area (the "**Captured Portion**" and after capture "**EATs**") plus the amount annually appropriated by the City for the portion of the City economic activity taxes not included in the Captured Portion (the "**City Revenues**") The PILOTs, the EATs and the City Revenues are collectively referred to herein as the "**Revenues**." The City in the Ordinance covenants that the Revenues shall be deposited as received by the City with the Trustee which agrees to deposit such Revenues into a fund designated as the revenue fund (the "**Revenue Fund**") which is pledged under the Indenture to the repayment of the Bonds.

For a detailed discussion of the Revenues pledged to payment of the Bonds, along with estimated future collections thereof, see the caption "**SECURITY FOR THE BONDS**" herein. In addition to the pledge of the Revenues, the Bonds are secured by a debt service reserve funded with Bond proceeds. See the caption "**SECURITY FOR THE BONDS**" herein

Bonds are Limited Obligations

The Bonds are not a general obligation of the City but a special, limited obligation of the City and are payable solely from revenues described in this Official Statement. The Bonds are issued pursuant to the authority of and in full compliance with the Constitution and laws of the State, particularly the Act and pursuant to the terms and provisions of the Ordinance.

The Bonds are special, limited obligations of the City, payable solely and secured as to payment of both principal of and interest solely from the Revenues on deposit with the Trustee in the Revenue Fund after transfer from the Special Allocation Fund. The Special Allocation Fund is a fund created pursuant to the provisions of the Act and in accordance with the Ordinance and maintained with the Trustee under the Indenture pursuant to which the Revenues are held on deposit by the Trustee prior to transfer to the Revenue Fund.

The Bonds shall not constitute a constitutional debt or liability of the City or of the State or of any political subdivision thereof and shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Bonds are special, limited obligations of the City payable solely and secured as to the payment of both principal of and interest solely from the Revenues on deposit in the City's Special Allocation Fund. The issuance of the Bonds shall not obligate the City to

levy any form of taxation. The City's officers and directors shall not be personally liable for the payment of the principal of, premium, if any, or interest on the Bonds.

Proceedings Regarding the 2005 Area, the 2005 Plan and the 2005 Projects

On March 2nd, 2005, pursuant to the Act, the City adopted Ordinance No. 7533 (the "**2005 Plan Ordinance**") which implemented tax increment financing in a newly annexed area of the City which is generally located as beginning at the eastern boundary of the City limits of the City and extending west to the western boundary of Chapel Drive in the City (the "**2005 Area**") as identified in the plan for redevelopment by the City (the "**2005 Plan**"). The City, in the 2005 Plan Ordinance agreed to implement redevelopment in RPA1 in the 2005 Area by selecting Lowe's Home Centers as the developer under the 2005 Plan for RPA1. The 2005 Plan provided for the development and financing of a retail center which was identified as the Lowe's Home Improvement Center within RPA1. The 2005 Bonds were issued to provide financing for a portion of the costs of redevelopment within RPA1.

Development of Lowes Home Improvement Center

The City, following the publication of a Request For Proposals by the TIF Commission and upon recommendation by the TIF Commission to the City Council, selected Lowe's Home Improvement Centers (the "**Developer**") for RPA1 and entered into a Redevelopment Agreement with the Developer for the Implementation of RPA1. See the Caption "**THE PROJECTS - The Center**" in this Official Statement.

The City heretofore approved the designation of the 2005 Area as a redevelopment area within the corporate limits of the City as blighted area; approved a plan for redevelopment to overcome the blight in the 2005 Area by adopting the 2005 Plan authorizing the construction of redevelopment projects in RPA1 (which is an area within the 2005 Area) and includes the Lowe's Home Improvement Center; which would necessitate the widening of East US Highway 60 and constructing street, water, sewer and utility improvements referred to as the RPA1 Infrastructure Improvements (collectively the East US Highway 60 Improvements and the RPA1 Infrastructure Improvement the "**2005 Projects**") as recommended by the TIF Commission of the City and issued and sold Tax Increment Allocation Bonds, Series A 2005 Bonds (East Highway 60 Infrastructure Project) and Series B 2005 Bonds (RPA1 Infrastructure Improvement Project) of the City in an aggregate principal amount of \$4,120,000 (collectively the "**Series 2005 Bonds**") for the purpose of paying a portion of the costs of the 2005 Projects.

Annual Appropriation Covenant

The Ordinance contains an annual appropriation covenant made by the City pursuant to which the City agrees to cause the budget officer of the City to include in the annual budget presented to the City Council an appropriation of moneys in an amount sufficient to authorize the payment of the EAT's Revenues to the Trustee for deposit in the Special Allocation Fund for payment of the Bonds and a further amount, if a deficiency is reasonably expected to exist, to equal the annual and reasonably estimated shortfall in the collection of revenues on deposit with the Trustee in the Special Allocation Fund for payment of debt service on the Bonds such City Revenue when appropriated as required for the payment of principal and interest on the Bonds for the next succeeding fiscal year. The taxing power of the City, the County, the 911 Board or the School District is not pledged to the repayment of the Bonds. See "**SECURITY FOR THE BONDS**" herein.

Payment of principal and interest on the Bonds is primarily dependent on the collection of PILOTs Revenue and EATs Revenue and following the City's decision to appropriate sufficient EATs Revenue (together with any estimated City Revenue) to make the required deposits under the Indenture. See "**BONDOWNERS RISKS**" for a discussion of certain risks.

The Bonds are subject to redemption prior to maturity as described herein. See "**THE BONDS - Redemption**" herein.

The Bonds are payable only from the Pledged Revenue as described in this Official Statement under the caption "**SECURITY FOR THE BONDS - Security and Sources of Payment for the Bonds**" Such Pledged Revenues (other than funds held by the Trustee under the terms of the Indenture) will be comprised solely of PILOTs, EATs and City Revenues.

Definitions and Descriptions; Inspection of Documents

Capitalized terms used in this Official Statement, not defined in the text hereof, are defined under the caption "**DEFINITIONS OF WORDS AND TERMS**" set forth in Appendix A of this Official Statement. Appendix A also contains summaries of the Ordinance and the Indenture. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Ordinance, the Plan and the Indenture are qualified in their entirety by reference to such documents, copies of which may be viewed at the office of Crews & Associates Inc. (the "**Underwriter**"), 800 First Security Center, 521 President Clinton Avenue, Little Rock, Arkansas 72201, (501) 907-2000, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request. All references to the Bonds are qualified in their entirety by the definitive terms thereof and the information with respect thereto included in the Ordinance and the Indenture.

TAX INCREMENT FINANCING IN MISSOURI

Overview

Tax increment financing is an economic development tool whereby cities and counties encourage the redevelopment of designated areas within the territorial limits of such city or county. The theory of tax increment financing is that, by encouraging redevelopment projects, the value of real property in a redevelopment area should increase and, if the redevelopment project includes establishments that pay sales and other economic activity taxes, the amounts of economic activity taxes generated by the redevelopment area should also increase.

When tax increment financing is adopted for a redevelopment area, the assessed value of real property in the redevelopment area is frozen for tax purposes at the current base level prior to the construction of improvements. The owners of the property continue to pay property taxes at the base level. As the property is improved, the assessed value of real property in the redevelopment area should increase above the base level. By applying the tax rate of all taxing districts having taxing power and levying ad valorem taxes within the redevelopment area to the increase in assessed valuation of the improved property over the base level, a tax increment is produced.

The annual tax increments (referred to as payments in lieu of taxes or PILOTS and more fully defined herein under the section captioned "**SECURITY FOR THE BONDS - Security and Sources of Payment for the Bonds**") are paid by the owners of property in the same manner as regular property taxes.

The payments in lieu of taxes are transferred by the collecting agency to the treasurer of the city or county and deposited in the PILOTS account of a special allocation fund. Similarly, an amount (referred to as economic activity tax revenues and more fully defined herein under the section captioned "**SECURITY FOR THE BONDS**" - **Security and Sources of Payment for the Bonds**") attributable to 50% of the increase in tax revenues generated by economic activities within the redevelopment area (including sales and utilities taxes, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or sales taxes other than payments in lieu of taxes) are transferred by the collecting agency to the treasurer of the city or county and deposited in an economic activity tax account of such special allocation fund. All or a portion of the moneys in the special allocation fund are used to pay redevelopment project costs or to retire bonds or other obligations issued to pay such costs.

The Act

The ACT was enacted in 1982 and has been amended several times in subsequent years. The constitutional validity of the Act (prior to the amendments) was upheld by the Missouri Supreme Court in *Tax Increment Financing Commission of Kansas City, Missouri v. J.E. Dunn Construction Co., Inc.*, 781 S.W.2d 70 which allows cities and counties to provide long-term financing for redevelopment projects in blighted, conservation and economic development areas (as defined in the Act) through the issuance of bonds and other obligations. Prior to the amendments to the Act, such obligations were payable solely from PILOTS derived from the redevelopment area. As a result of amendments to the Act, such obligations are also payable from economic activity tax revenues derived from the redevelopment area, except those economic activity tax revenues expressly excluded in the Act. See the caption "**SECURITY FOR THE BONDS - Security and Sources of Payment for the Bonds**" in this Official Statement. The validity of certain portions of amendments to the Act relating to the capture of economic activity tax revenues was upheld by the Missouri Supreme Court in *County of Jefferson v. QuikTrip Corporation*, 912 S.W.2d 487 (Mo. 1995).

After approving a redevelopment plan, a city or a county has 23 years for the collection of Captured Revenues within an approved area to pay the costs of redevelopment costs resulting from constructing approved projects. The exception to the 23 year rule is a city or a county after approving a plan for an area can reserve the right for up to 10 years after the date of adoption of the ordinance or resolution approving a plan to implement redevelopment projects in another redevelopment project area, thereby effectively extending the period for collection of revenues to 33 years. The City in adopting the 2005 Plan and 2005 Area only implemented redevelopment in RPA1 (the Lowe's Home Improvement Center) so the City could until March 2015 implement additional redevelopment projects in the 2005 Area.

Amendments to the Act have been proposed in each legislative session during recent years. In connection with proposed amendments to the Act that may be introduced in future legislative sessions, it is not possible to predict the nature of such proposed amendments or whether such proposed amendments to the Act will become law during future sessions of the General Assembly.

Although PILOTs may be irrevocably pledged to the repayment of bonds, economic activity tax revenues are subject to annual appropriation by the governing body of the city or county, and there is no obligation on the part of the governing body to appropriate economic activity tax revenues in any year. See the caption "**BONDOWNERS RISKS**" in this Official Statement.

Assessment and Collection of Ad Valorem Taxes

The City and the 2005 Area are located entirely within Barry County, Missouri (the "**County**"). On or before September 1 in each year, each political subdivision located within the County which imposes ad valorem taxes (the "**Taxing Districts**") is required to estimate the amount of taxes that will be required during the next succeeding fiscal year to pay interest falling due on general obligation bonds issued and the principal of bonds maturing in such year and the costs of operation and maintenance plus such amounts as shall be required to cover emergencies and anticipated tax delinquencies. The Taxing Districts certify the amount of such taxes which shall be levied, assessed and collected on all taxable tangible property in the County to the County Assessor by September 1.

All taxes levied must be based upon the assessed valuation of land and other taxable tangible property in the County as shall be determined by the records of the County Assessor and must be collected and remitted to the Taxing Districts. All the laws, rights and remedies provided by the laws of the State for the collection of State, county, city, school and other ad valorem taxes are applicable to the collection of taxes authorized to be collected in the Redevelopment Area.

The Missouri Constitution requires uniformity in taxation of real property by directing such property to be sub-classified as agricultural, residential or commercial and permitting different assessment ratios for each subclass. Agricultural real property is currently assessed at 12% of true value in money, residential property is currently assessed at 19% of true value in money and commercial, industrial and all other real property is assessed at 32% of true value in money. The phrase true value in money has been held to mean fair market value except with respect to agricultural property.

Real property within the County is assessed by the County Assessor. The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The Board of Equalization has the authority to question and determine the proper values of real property and then adjust and equalize individual properties appearing on the tax rolls. The County Collector collects taxes for all Taxing Districts within the County limits. The County Collector deducts a commission for its services. After such collections and deductions of commission, taxes are distributed according to the Taxing District's pro rata share.

Taxes are levied on all taxable property based on the equalized assessed value thereof determined as of January 1 in each year. Under Missouri law, each property must be reassessed every two years (in odd numbered years). The County Collector prepares the tax bills and mails them to each taxpayer in September. Payment is due by December 31, after which taxes become delinquent and accrue a penalty of one percent per month. In the event of an increase in the assessed value of a property, notice of such increase must be given to the owner of the affected property, which notice is generally given in March.

Valuation of Real Property

The County Assessor must determine the assessed value of a property based upon requirements of State law which requires that property be valued at its true value in money. For agricultural land, true value is based on its productive capability. Residential and commercial property, are valued at the true value in money which is the fair market value of the property on the valuation date. The fair market value is arrived at by using the three universally recognized approaches to value: cost approach, the sales comparison approach and the income approach.

The cost approach is typically applied when a property is newly constructed and is based on the principle of substitution. This principle states that no informed buyer will pay more for a property than the cost to reproduce or replace the property. Value is determined under the cost approach by adding the estimated land value to the replacement or reproduction cost reduced by estimated depreciation. Courts have held however, that construction cost alone is not a proper basis for determining true value in money and that all factors which affect the use and utility of the property must be considered. The sales comparison approach determines value based upon recent sales prices of comparable properties. Comparable sales are adjusted for differences in properties by comparing such items as sales price per square foot and net operating income capitalization rates.

The income approach estimates market value by discounting to present value a stream of estimated net operating income. First, the property's gross potential income is estimated based on gross rents being generated at the property. A vacancy allowance is then deducted to arrive at effective gross income. Next, allowable operating expenses are deducted to arrive at an estimate of the property's net operating income. Finally, the net operating income is divided by an appropriate capitalization rate to arrive at the estimated present value of the income stream.

Certain properties, such as those used for charitable, educational, and religious purposes, are excluded from both the real estate ad valorem tax and personal property tax. In addition, pursuant to various State statutes, the City and other public entities may grant real estate tax abatement, under certain conditions, to businesses building or rehabilitating property within their boundaries.

Appeal of Assessment

State statutes establish various mechanisms for a property owner to appeal the assessment of a tax on owned property. Typically, there are four issues that can be raised in property tax appeals: overvaluation, uniformity, misclassification and exemption. Overvaluation appeals are the most common appeals presented by taxpayers. An overvaluation appeal requires the taxpayer to prove that the true value in money of the property is less than that determined by the assessor. Uniformity appeals are based on the assertion that other property in the same class and county as the subject property is assessed at a lower percentage of value than the subject property. A misclassification appeal is based on an assertion that assessing authorities have improperly subclassed a property. Exemption appeals are based on claims that the property in question is exempt from taxation. Overvaluation appeals generally must be made administratively, first to the Board of Equalization and then to the State Tax Commission, within prescribed time periods following notice of an increase in assessment.

Appeals to the Board of Equalization must be filed with the County Clerk as Secretary of the Board of Equalization on or before the third Monday in June of each year. Appeals to the State Tax Commission

must be filed by the later of December 31 or 30 days after the date of the final decision of the Board of Equalization.

Where valuation is not an issue, appeals must be taken directly to the State circuit court rather than the State Tax Commission. If an appeal is pending on December 31, the due date for the payment of taxes, State statutes provide a procedure for the payment of taxes under protest. If taxes are paid but not under protest, the taxpayer cannot recover the amount paid unless the taxes have been mistakenly or erroneously paid. Application for a refund of mistakenly or erroneously paid taxes must be made within one year after the tax in dispute was paid. Typically, only that portion of the taxes being disputed is identified as being paid under protest, unless a claim of exemption is being asserted. The portion of the tax paid under protest is required to be held in an interest bearing account. Unless an appeal before the Board of Equalization or State Tax Commission is pending, suit must be brought by the taxpayer to resolve the dispute within 90 days, or the escrowed funds will be released to the Collector of Revenue and distributed to the Taxing Districts.

An owner of any property located within the 2005 Area is restricted from appealing the determination of the assessed value of any such property. Any appeals, however, will be required to be conducted in the manner as summarized above under current law.

Reassessment and Tax Rate Rollback

As previously stated, a general reassessment of all property in the State is required to be conducted every two years. When, as a result of such reassessment, the assessed valuation within a Taxing District increases by more than an allowable percentage, the Taxing District is required to roll back the rate of tax within the Taxing District so as to produce substantially the same amount of tax revenue as was produced in the previous year increased by an amount called a preceding valuation factor. A preceding valuation factor is a percentage increase or decrease based on the average annual percentage changes in total assessed valuation of the County over the previous three or five years, whichever is greater, adjusted to eliminate the effect of boundary changes, changes from State to County assessed property, general reassessment and State ordered changes.

The Hancock Amendment

On September 4, 1980 the voters of Missouri passed an amendment to the Missouri Constitution limiting taxation and government spending. This approval occurred on September 4, 1980, and went into effect with the 1981-82 fiscal year. The amendment (Article X, Sections 16 through 24 of the Missouri Constitution, and popularly known as the Hancock Amendment) limits the rate of increase and the total amount of taxes that shall be imposed in any fiscal year, and provides that the limit shall not be exceeded without voter approval.

Provisions are included in the Hancock Amendment for rolling back tax rates to produce an amount of revenues equal to that of the previous year if the definition of the tax base is changed or if property is reassessed. The tax levy on the assessed valuation of new construction is exempt from this limitation in the initial year of new construction. The limitation on local governmental units also does not apply to taxes imposed for the payment of principal of, premium, if any, and interest on bonds approved by the requisite percentage of voters.

Tax Delinquencies

Taxes and payments in lieu of taxes due upon any real estate within the 2005 Area remaining unpaid on the first day of January, annually, are delinquent, and the County Collector is empowered to enforce the lien of the taxing jurisdictions thereon. Whenever the County Collector is unable to collect any taxes on the tax roll, having diligently endeavored and used all lawful means to do so, the collector is required to compile lists of delinquent tax bills collectible by him. All lands and lots on which taxes are delinquent and unpaid are subject to suit to collect delinquent tax bills or suit for foreclosure of the tax liens. Upon receiving a judgment, the sheriff must advertise the sale and the land, fixing the date of sale within 30 days after the first publication of the notice. Delinquent taxes, with penalty, interest and costs, may be paid to the County Collector at any time before the property is sold therefor. No action for recovery of delinquent taxes shall be valid unless initial proceedings therefor are commenced within five years after delinquency of such taxes.

Collection of Economic Activity Tax Revenues or EATs

Retail businesses are required to collect the sales tax from purchasers at the time of sale and pay the amounts collected to the Department of Revenue of the State with the filing of returns, except for the sales tax on motor vehicles, trailers, boats and outboard motors, which is due at the time application is made for title and registration. The sales volume of a retail business determines the frequency of payments made to the Department of Revenue of the State. In most cases, the retail businesses in the City make monthly payments to the Department of Revenue of the State, which are due on the tenth day of each calendar month for sales taxes collected in the preceding calendar month. Retail businesses located in the City submit applications to the City for a merchants license and an occupancy permit, and before such license and permit are awarded verification of a tax identification number from the State is made by the City. In the event of a failure by a retail business to remit sales taxes, interest and penalties, the unpaid amount may become a lien in the nature of a judgment lien against the delinquent taxpayer. In the event of overpayment by any retail business as a result of error or duplication, provision is made under State law for refunds. Pursuant to State law, taxpayers who promptly pay their sales tax are entitled to retain 2% of the amount of taxes owed.

Within 30 days of receipt of sales taxes by the Department of Revenue of the State, the Director of the Department of Revenue remits to the State Treasurer for deposit in a special trust fund for the benefit of each political subdivision entitled to a sales tax distribution the amount of such sales tax receipts less 1% of such amount which constitutes a fee paid to the State for collecting and distributing the tax. The State Treasurer then distributes moneys on deposit in the special trust fund on behalf of each such political subdivision to the political subdivision on a monthly basis.

The 2005 Plan and improvements to RPA1

In accordance with the provisions of the Act, the City Council of the City has, pursuant to Ordinance No. 7533 adopted on March 2, 2005, designated the RPA1 as a redevelopment area within the corporate limits of the City as a "blighted area" within the meaning of the Act and approved the Plan for redevelopment of the RPA1. The RPA1 qualifies as a "blighted area" under the Act by reason of the existence of inadequate street layout, deteriorated site improvements, lack of water and sewer services and a lack of platting.

The RPA1 may be generally described as an undeveloped tract of land consisting of approximately 40 acres and located adjacent to East U.S. Highway 60 in the eastern portion of the City. RPA1 is zoned for commercial development.

The 2005 Plan called for the development of infrastructure improvements within the RPA1 in conformance with the Act. The specific objectives of the Plan are as follows:

1. Eliminate and/or reduce the presence of conditions that make the RPA1 in its 2005 condition and use, a "blighted area" under the terms of the Act;
2. Stimulate redevelopment of the RPA1 through private investment;
3. Enhance the tax base of the City and that of other taxing districts whose jurisdictions include the RPA1; and
4. Achieve other, complementary goals and objectives for the RPA1 as identified in the City's comprehensive plan.

TIF LITIGATION

Factual Background

Exercising the power granted by the Act, the City created two TIF Districts. The First TIF district was created in 1996 and another was created in 2005. In each instance, the City created a TIF Commission and the County appointed a representative to serve as a voting member of the TIF Commission and that member actively participated. The County received the proposed redevelopment plan for both the 1996 and the 2005 TIF districts and notice of the public hearing. After the public hearing, the TIF Commission recommended that the City Council approve a 1996 Plan the 2005 Plan, in each separate TIF District, which the City Council did by adoption of the 1996 Ordinance and the 2005 Ordinance.

The 1996 TIF district included, as core projects, US Highway 60 improvements and a Wal-Mart Supercenter. The 2005 TIF district included a Lowe's Home Improvement Center and infrastructure improvements to support its development as well as further improvements to US Highway 60. In the combined TIF Districts, the City pledged TIF allocation funds and issued over \$9 million in obligations to finance these redevelopments.

After redevelopment, these areas generated new County sales tax revenues totaling millions of dollars. The County kept 50% of these monies and sent 50% to the City for reimbursement of TIF redevelopment costs, starting in 1997.

Following the creation of both TIF districts, the County voters adopted a Section 190.335 RSMo., an emergency services sales tax ("911 Board Sales Tax"). According to the factual finding of the Court, through November 2010, the TIF districts generated nearly \$1 million in 911 Board sales tax revenue, none of which was allocated or paid to the City in accordance with the TIF Plans.

Since the 911 Board, did not commence payments after demand by the City, the City brought a mandamus action against the 911 Board. Thereafter, both Barry and Lawrence County stopped allocating TIF revenues (both PILOTs and EATs), and in July 2009 stopped paying their increment to the City and the City was forced to include both Counties in its mandamus action to enforce tax increment financing (TIF) allocation. The Counties and 911 Board counterclaimed that the TIF districts were not validly created, and thus were void ab initio. The Circuit Court, Lawrence County, in a decision by Judge Neal Quitno, granted summary judgment in the City's favor and the 911 Board and both Barry County and Lawrence County appealed.

The City prevailed on the parties' cross-motions for summary judgment. The trial court found that the County's counterclaims and defenses were barred by laches and estoppel, the TIF districts were validly enacted, and the 911 Board sales tax was subject to TIF capture and allocation.

Appellate Court Decision

The Missouri Court of Appeals, Southern District, in the case *State ex rel City of Monett v. Lawrence County*, 407 SW3rd 635, found as follows:

“The issuance of bonds is significant. R.S.Mo. 99.835.4 provides that recitals in bond issuances that they are issued pursuant to the TIF Act are given conclusive evidence of their validity. Not only did bond holders rely on the validity of the TIF Districts, numerous third parties relied as well. Wal-Mart, Lowe's, the Missouri Highway and Transportation Commission and the City all spent funds to construct the TIF District improvements, improvements known to the Counties and approved by the Counties, while the Counties sat on their claims. The TIF Act presumes validity when bonds are issued. This Court should defer to the legislature's intent.

“Until 2009, Respondents performed under the TIF Act as if the TIF Districts were valid. Respondents allocated sales taxes and PILOTs to the City. Pursuant to the TIF Act, each dollar of increased tax from within the TIF Districts was split 50/50 between the Counties and the City's special allocation funds. Respondents accepted the increased taxes generated within the TIF Districts. Respondents acted as if the TIF Districts were valid. Respondents benefitted from the validity of the TIF Districts. *See State ex rel. York y Daugherty*. 969 S.W.2d 223, 226 (Mo. banc 1998).

Following this appellate decision, Barry County and the 911 Board (Lawrence County dismissed its appeal) moved for transfer to the Missouri Supreme Court and the Missouri Supreme County denied the request.

Thereafter, all of the appellants including Barry County and the 911 Board (Lawrence County having done so when dismissing its appeal) released the funds held in escrow during the pendency of the case, thus, ending the litigation.

THE CITY

Incorporated in 1888, the City of Monett, Missouri (the "City") is located partially in Barry and partially in Lawrence County, Missouri. All of the 2005 Area is located in Barry County, Missouri which is thus classified as the County (the "County") for purposes of the Official Statement. The City is a third class municipality organized under the laws of the State of Missouri and operates under a Commission form of government with an elected Mayor and two elected Commissioners, who with the elected Mayor, constitute the City Council which is the legislative body for the City.

THE BONDS

The following is a summary of certain terms and provisions of the Bonds. Reference is hereby made to the Bonds and the provisions with respect thereto in the Ordinance for detailed terms and provisions.

Authorization

The Bonds are being issued by the City pursuant to the Ordinance and the Act and their repayment is secured by the covenants of the City in the Ordinance and the pledge of funds on deposit under the Indenture.

Description

The Bonds will be issued in one series and dated June 26, 2014. The Bonds shall be issued in the aggregate principal amount shown on the cover page, shall mature (unless earlier redeemed as provided below) as shown on the cover page hereof and will bear interest at the rate per annum set forth on the cover page hereof payable semiannually on January 1 and July 1 of each year, commencing on January 1, 2015. The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC which will act as securities depository for the Bonds. Purchases of the Bonds will be made only in book-entry form (as described below under "**BOOK-ENTRY ONLY SYSTEM**"), in the denomination of \$5,000 or any integral multiple thereof. There will be no distribution of Bonds to the ultimate purchasers thereof. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondowners or registered owners of the Bonds shall mean Cede & Co. as aforesaid and shall not mean the Beneficial Owners (herein defined) of the Bonds. Principal of the Bonds is payable at the corporate trust office of the Trustee, and interest on the Bonds will be payable by check or draft mailed to the registered owner of the Bonds. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and redemption premium, if any, and interest on the Bonds will be made directly to DTC, which is expected, in turn, to remit such payments to the Direct Participants (herein defined) for subsequent disbursement to the Beneficial Owners. Interest on the Bonds is payable by check or draft mailed by the Trustee to the person in whose name each Bond is registered on the 15th day of the month next preceding an interest payment date at such person's address as it appears on the registration books kept by the Trustee under the Indenture.

Book-Entry Only System

General. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry only system (the "**Book-Entry Only System**") maintained by The Depository Trust Company ("**DTC**"), New York, New York. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC or the Trustee as its "FAST" agent.

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

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

Transfers. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the

identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC.

If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

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

Discontinuation of Book-Entry Only System. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Board or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The use of the system of book-entry transfers through DTC (or a successor securities depository) may be discontinued as described in the Indenture. In that event, bond certificates will be printed and delivered as described in the Indenture.

None of the Underwriter, the Trustee, nor the City will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any,

or interest on the Bonds; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Indenture to be given to owners of the Bonds; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

The information above concerning DTC and DTC's book-entry system has been obtained from sources that the Board and the City believe to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the City,, the Trustee or the Underwriter. The City, the Trustee and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

Redemption

Extraordinary Redemption Under Designated Circumstances. If, as a result of changes in the Constitution of the State, or of legislative or administrative action of the State or any political subdivision thereof, or of the United States of America, or by reason of any action instituted in any court, the Ordinance becomes void or unenforceable or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed upon the City, the Bonds shall be subject to redemption and payment prior to maturity, in whole or in part (in order of maturity) at any time, at a Redemption Price equal to 100% of the principal amount being redeemed plus accrued interest to the date of redemption. Redemption pursuant to the above shall occur only at the option of the City.

Optional Redemption. At the option of the City, the Bonds maturing January 1, 2021, will be subject to redemption as a whole or in part at any time on or after January 1, 2020 at the Redemption Price of 100% of the principal amount of the Bonds to be redeemed, together with accrued interest to the Redemption Date.

Notice of Redemption

Any notice of call for redemption shall be given by mailing a copy of an official redemption notice by registered or certified mail, at least thirty (30) days and no more than forty-five (45) days prior to the date fixed for redemption, to the Bondowner of each Bond or portion thereof to be redeemed at the address shown on the Bond Register or at such other address as is furnished to the Trustee in writing by such Bondowner.

Projected Prepayment of Term Bonds Due January 1, 2028

<u>Date</u>	
01/01/2016	100,000.00
01/01/2017	95,000.00
01/01/2018	105,000.00
01/01/2019	105,000.00
01/01/2020	110,000.00
01/01/2021	115,000.00
01/01/2022	120,000.00
01/01/2023	<u>125,000.00</u>
TOTAL	\$875,000.00

Assumes Revenue Available for debt service of \$325,000 and
Projected Average Life of 5.382 years and
Average Coupon of 3.42%

Actual Prepayments may vary

Principal will be payable on January 1, 2015, as set forth below, at the corporate trust office of UMB Bank, N.A., St. Louis, Missouri (the "**Trustee**"). So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and redemption premium, if any, and interest on the Bonds will be made directly to DTC, which is expected, in turn, to remit such payments to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners. Interest will be payable each January 1 and July 1, beginning January 1, 2015 by check or draft mailed by the Trustee to the person in whose name such Bond is registered on the 15th day of the month next preceding each interest payment date. See "**BOOK-ENTRY ONLY SYSTEM**" herein.

No Additional Bonds

In the Ordinance, the City covenants that so long as any of the Bonds remain Outstanding and unpaid, the City will not issue any additional bonds or other obligations payable out of the Special Allocation Fund or any part thereof which are superior to, or on a parity with, the Bonds.

In the Ordinance, the City will have the right, if it finds it desirable, to refund any of the Bonds under the provisions of any law then available and the refunding bonds so issued will enjoy complete equality of pledge with any of the Bonds which are not refunded, if any, upon the Revenues in the Special Allocation Fund; provided, however, that if only a portion of the Bonds be refunded and if said Bonds are refunded in such manner that the refunding bonds bear a higher average rate of interest or become due on a date earlier than that of the Bonds which are refunded, then said Bonds may be refunded only by and with the written consent of the Bondowners of a majority in principal amount of the Bonds not refunded.

Mandatory Sinking Fund Redemption of Term Bonds

The Bonds maturing in the year 2028 (the "**Term Bonds**"), shall be subject to the mandatory sinking fund redemption and payment prior to maturity pursuant to the mandatory sinking fund redemption requirements of the Ordinance, on or after January 1, 2025, at the principal amount thereof plus accrued

interest thereon to the redemption date, without premium. The City shall redeem, on January 1, in each of the following years, the following principal amount of such Term Bonds:

<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2016	\$ 200,000
January 1, 2020	650,000
January 1, 2028	1,405,000

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the City may: (i) deliver to the Trustee for cancellation Term Bonds in any aggregate principal amount desired; (ii) furnish the Trustee funds, together with appropriate instructions for the purpose of purchasing any of said Bonds from any Owner thereof, whereupon the Trustee shall expend such funds for such purpose to such extent as may be practical; or (iii) receive a credit with respect to the mandatory redemption obligation of the Trustee under the Ordinance for any Terms Bonds which prior to such date have been redeemed (other than through the operation of the requirements described in this paragraph) and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation described in this paragraph. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Trustee to redeem Term Bonds of the same maturity on such redemption date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same maturity in chronological order, and the principal amount of Term Bonds of the same maturity to be redeemed by operation of the requirements described in this paragraph shall be accordingly reduced. If the City intends to exercise any option granted by clauses (i), (ii) or (iii) above, the City will on or before the 45th day next preceding each mandatory redemption date, furnish the Trustee with a certificate indicating to what extent the provisions of said clauses (i), (ii) or (iii) are to be complied with in respect to the mandatory redemption payment.

Selection of Bonds to be Redeemed

The Bonds shall be redeemed in inverse order of Stated Maturity in the principal amount of \$5,000 or any integral multiple thereof except with regard to mandatory sinking fund redemptions. In the case of a partial redemption of Bonds of the same Stated Maturity, the Bonds to be redeemed shall be selected by the Bond Registrar from the Outstanding Bonds of that Stated Maturity pro rata between the Prior Bonds and the Bonds based upon the initial principal amount of each series originally issued by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Outstanding Bonds of that Stated Maturity that have been issued in a denomination larger than \$5,000. The portions of the principal of Outstanding Bonds so selected for partial redemption shall be equal to \$5,000 or integral multiples thereof. Any Bond which is to be redeemed only in part shall be submitted to the Paying Agent and delivered to the Bond Registrar, who shall authenticate and deliver to the owner of such Bond, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such owner in any aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered. If the owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall nevertheless, become due and payable on the Redemption Date to the extent of the principal amount of such Bond called for redemption (and to that extent only).

Trustee's Duty to Redeem Bonds

The Trustee, as Bond Registrar, shall call Bonds for redemption and payment as provided in the Indenture and shall give notice of redemption as provided therein upon receipt by the Trustee at least 45 days prior to the Redemption Date of a written request of the City. Such request shall specify the principal amount of Bonds and their maturity so to be called for redemption, the applicable redemption price or prices and the above-mentioned provision or provisions pursuant to which such Bonds are to be called for redemption.

Notice of Redemption

Notice of call for redemption identifying the Bonds or portions thereof to be redeemed shall be given by the Trustee by mailing a copy of the redemption notice by certified or registered mail, postage prepaid, at least 30 days prior to the Redemption Date to the Owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee.

Effect of Call for Redemption

Prior to the date fixed for redemption, funds shall be deposited with the Trustee which shall be sufficient to pay the Bonds called for redemption and accrued interest thereon to the Redemption Date and the redemption premium, if any. Upon the happening of the above conditions, and notice having been given as described above, the Bonds or the portions of the principal amount of Bonds thus called for redemption will cease to bear interest on the specified Redemption Date, will no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture and the Ordinance.

Actual Collection of PILOTs and EATs 2013 and Anticipated Debt Service Coverage

The following table sets forth the Captured Portion of EATs and PILOTs for the Area in 2013:

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	Actual 2013
EATS Revenue	241,654.21
<u>PILOTS Revenue</u>	<u>87,821.00</u>
Total	329,475.21
<u>Available City Revenue</u> ¹	<u>134,946.11</u>
Total for Debt Service	
Projected Maximum Annual Debt Service Series 2014 Bonds ²	232,750.00
Debt Service Coverage	2.00x

1. Non-captured Portion of City EATs available for debt service, if needed, but not for prepayment of bonds.
2. Assumes average coupon of 3.42%. Preliminary; subject to change.

THE REVENUES

General

The Bonds are special, limited obligations of the City payable solely, and secured as to the payment of both principal and interest, from the revenues derived from (i) PILOTS Revenues with respect to real property located within the RPA1, (ii) the appropriated percentage of certain sales taxes imposed by the City and the County which are generated by EATs Revenues occurring within the RPA1 while the 2005 Plan is in effect, and (iii) the appropriated, City Revenues on deposit in the Special Allocation Fund (collectively the PILOTS Revenue, the EATs Revenue and the City Revenue are the "Revenues"). The Revenues shall be deposited as received by the City in the Special Allocation Fund and are then transferred to the Trustee under the Indenture. The taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest. The Revenues shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Indenture. THE BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A DEBT OF THE CITY, THE CID OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE CITY, THE COUNTY, THE 911 BOARD OR THE SCHOOL DISTRICT NOR THE CITY, THE COUNTY, THE 911 BOARD, THE SCHOOL DISTRICT OR THE STATE SHALL BE LIABLE THEREON. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN- THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Notwithstanding the foregoing, nothing agreed to by the City shall be construed as imposing on the City, the County, the 911 Board, the School District or the State any duty or obligation to levy any taxes either to pay the principal of, premium, if any, or interest on the Bonds.

PILOTs

Pursuant to Section 99.845 of the Act and proceedings duly had by the City, PILOTs shall be collected by the County Collector of the County, and paid to the City with respect to the increased assessed valuation of taxable real estate in the RPA 1 Area. The City shall deposit such payments in the PILOTs Account of the Special Allocation Fund to be used as provided in the Indenture. Pursuant to Section 99.845 of the Act, PILOTs are defined as the ad valorem tax revenues from increased assessed valuation of the real property situated in the RPA 1 Area which the City and other taxing districts would have received had the City not adopted the Plan, and which would result from levies made after the time of the adoption of the Plan and during the time the current equalized value of real property in the RPA 1 Area exceeds the total initial equalized value of real property in the RPA 1 Area until the Plan is terminated.

EATs

Pursuant to the Act, EATs are generally defined as a specified portion (as described below) of the total additional revenue from taxes which are imposed by the City and the County which are generated by economic activity within the RPA 1 Area over the amount of such taxes generated by economic activity within the RPA 1 Area in the calendar year prior to the year in which the Plan is adopted (excluding certain taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes, other than PILOTs), which shall be allocated by appropriation to and paid by the collecting officer to the City who shall deposit such moneys in the Special Allocation Fund.

Pursuant to the Act, 50% of such additional revenue shall be included within the specified portion of tax collections constituting EATs. The City currently imposes (i) a one cent general sales tax and (ii) a 1/2 % percent capital improvement sales tax upon all sales within the RPA 1. The County currently imposes (i) a 1/2 cent general sales tax and (ii) a one-half cent road and bridge sales tax upon all sales within the RPA 1 Area.

In addition to the 50% allocation specified by the Act, the City has agreed pursuant to the Ordinance to appropriate from its non-captured 50% of the incremental increase in revenue arising from the levy of the City's one cent general sales tax on economic activity within the RPA1 to be used to make up any reasonably expected shortfall in Revenues on deposit in the Special Allocation Fund with the Trustee available to pay debt service on the Bonds.

Neither the City nor the County have authorized a "use tax" and until passed by a vote of the citizens, use tax collections are not included in the Revenues.

Projected EATs Revenue, PILOTs Revenues and City Sales Tax Collections in RPA1

The projected collections of EATs Revenue, PILOTs Revenues and City Revenues to be deposited in the Special Allocation Fund are detailed in herein under the caption "**ANTICIPATED DEBT SERVICE COVERAGE.**"

The EATs, PILOTs and City Revenues projections are made based upon historical collections but projected assuming no major changes the RPA1 or in the manner and at the times contemplated in the 2005 Plan. Further, the EATs Revenue and City Revenue projections are necessary, based on projections of sales

at such Lowes Home Improvement Center which is the only retail sales tax generator located in RPA1 which may or may not be realized. NO ASSURANCE CAN BE GIVEN THAT THE LOWE'S HOME IMPROVEMENT CENTER WILL CONTINUE TO BE OPERATED IN THE MANNER CONTEMPLATED IN THE 2005 PLAN, AND IF SO OPERATED, THAT THE SALES AT SUCH LOWES HOME IMPROVEMENT CENTER WILL EQUAL THE PROJECTIONS THEREOF SET FORTH ABOVE. ACCORDINGLY, NO ASSURANCE CAN BE GIVEN THAT THE EATs, PILOTs OR CITY REVENUES PROJECTIONS SET FORTH ABOVE WILL BE REALIZED.

The following tables set forth a historical summary of the EATs and PILOTs collected from RPA1 in the City:

EAT's
TIF #2, RPA #1 (Lowe's Home Improvement Center)

(Jan - Dec)

Year	City & County Sales Tax %	Barry County	Barry Co. E-911	City of Monett	Incremental Sales Tax Total for TIF - 50%	Monett Bottom 50%	CID Sales Tax Rate %	Sales Taxes Collected From CHD	Total Sales Tax Eligible for TIF
2006	2.500	123,798.83	-	185,698.23	154,748.53	92,849.12	-	-	247,597.65
2007	2.500	168,188.32	-	252,282.47	210,235.40	126,141.23	-	-	336,376.63
2008	2.500	162,003.62	-	243,005.43	202,504.53	25,174.57	0.50	51,777.95	279,457.05
2009	3.000	149,526.71	37,381.68	256,430.61	221,669.50	-	0.50	70,777.14	292,446.64
2010	3.000	137,349.22	34,337.31	240,361.14	206,023.84	-	0.50	77,016.23	283,040.07
2011	3.000	162,213.21	40,553.30	283,873.12	243,319.82	-	0.50	83,511.34	326,831.16
2012	3.125	138,320.08	34,580.02	242,060.14	207,480.12	-	0.50	32,132.42	239,612.54
2013	3.250	155,582.14	57,834.05	269,892.22	241,654.21	-	-	-	241,654.21

PILOT's
TIF#2, RPA #1 (Lowe's Home Improvement Center)

(Apr - Mar)

Year	Market Value	Assessment Rate	Assessed Value	Base Assessed Value	Incremental Assessed Value	Property Tax Rate	Collected by TIF
2007	17,700	32%	5,665	5,665	-	-	-
2008	8,076,828	32%	1,944,585	5,665	1,938,920	4.5118%	87,480
2009	6,731,250	32%	2,154,000	5,665	2,148,335	4.5005%	96,686
2010	6,816,506	32%	2,181,182	5,665	2,175,617	3.6577%	79,578
2011	6,877,584	32%	2,200,827	5,665	2,195,162	3.6872%	80,940
2012	6,370,106	32%	2,038,434	5,665	2,032,769	3.6228%	73,643
2013	6,370,106	32%	2,038,434	5,665	2,032,769	3.7051%	75,316
2014	6,381,437	32%	2,042,060	5,665	2,036,395	4.3125%	87,820

Total Revenue Available (PILOT's and EAT's)

Year	PILOT's	EAT's and CID*	City Revenues**	Total Funds Available
2007	87,480	336,377	126,141	549,998
2008	86,686	279,457	121,503	497,646
2009	79,578	292,447	128,215	500,239
2010	80,940	283,040	120,181	484,161
2011	73,643	326,831	141,937	542,411
2012	75,316	239,613	121,030	435,959
2013	87,820	241,654	134,946	464,420

* CID Tax was only collected through 2012

** Annually appropriated to pay the 2014 Bonds if PILOT's and EAT's are not sufficient to pay Debt Service; will not be used to prepay Bonds

Surplus

Annually, to the extent Revenues in the Special Allocation Fund are sufficient in amount to pay debt service on the Bonds, to pay the fees and expenses of the Trustee and any Paying Agent, and to remedy any deficiencies in the Debt Service Reserve Fund, the City has stated its intent in the Ordinance to declare the EATs Revenues, the PILOTs Revenues and the City Revenues as a surplus but only after the City has reimbursed itself for unreimbursed funds owed to the City for funds advanced by the City for payment of costs of the Bonds.

Thereafter, any remaining Surplus will be applied first to redeem the Bonds.

SECURITY FOR THE BONDS

Nature of Bonds; Limited Obligations; Sources of Payment

The Bonds are special and limited obligations of the City payable solely from, and secured as to the payment of both principal and interest by, the revenues derived from (i) Payments in Lieu of Taxes ("PILOTs") with respect to real property located within the Area, and (ii) 50% of the increase in certain sales taxes imposed by the City and by the County which are generated by economic activities occurring within the Area. The PILOTs and EATs are referred to collectively herein as the "Revenues." The Revenues shall be deposited as received by the City in a pledged fund created for such purpose (the "Special Allocation Fund"). The taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest. The Revenues shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Indenture.

The Bonds are not a general obligation of the City and are payable solely from the revenues described in this Official Statement. The information regarding the City contained herein should not be construed as an indication that the Bonds are payable from any source other than the revenues as described in this Official Statement. See "INTRODUCTORY STATEMENT - Security for the Bonds" herein.

THE BONDS AND THE INTEREST THEREON SHALL NOT CONSTITUTE A CONSTITUTIONAL DEBT OF THE CITY, THE COUNTY, THE 911 BOARD OR THE STATE; AND NEITHER THE CITY, THE COUNTY, THE 911 BOARD NOR THE STATE SHALL BE LIABLE THEREON, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT

LIMITATION OR RESTRICTION. THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY AND SECURED AS TO THE PAYMENT OF BOTH PRINCIPAL OF AND INTEREST SOLELY FROM THE REVENUES OF THE CITY'S SPECIAL ALLOCATION FUND.

Pursuant to Section 99.845 of the Act and proceedings duly held by the City, PILOTs shall be collected by the Collector of Barry County, Missouri, and paid to the City Clerk with respect to the taxable real estate in the Area. The City Clerk shall deposit such payments in the PILOTs Account of the Special Allocation Fund to be used as provided in the Ordinance and the Indenture. Pursuant to Section 99.845 of the Act, PILOTs are equal to the excess, if any, of (i) the current Ad Valorem Taxes which could be imposed in the absence of the Plan by applying the current Ad Valorem Tax levy to the current equalized assessed valuation of real property in the Area (or defined part thereof) over (ii) the Ad Valorem Taxes which could be imposed by applying the current Ad Valorem Tax levy to the initial equalized assessed valuation of real property in the Area (or defined part thereof) for the Base Year, as certified by the county assessor.

Although PILOTs will be deposited in the Special Allocation Fund and will be available for the payment of debt service on the Bonds, it is not expected that such moneys will actually be used for such purpose. To the extent that EATs in the Special Allocation Fund are sufficient in amount to pay debt service on the Bonds, the City has stated its intent in the Ordinance to declare the PILOTs as a surplus and to release them from the Special Allocation Fund to the various local taxing districts in the same proportion as ad valorem taxes on the real property within the Area would be distributed. In addition to the conditional provisions regarding the declaration of a Surplus set forth below, the City has agreed in the Ordinance to annually declare as a Surplus for the benefit of the School District that portion of the PILOTs that would have been disbursed to the School District in the absence of tax increment financing. However, to the extent PILOTs are needed for the payment of debt service on the Bonds, such Surplus to the School District shall be paid from the general revenues of the City.

EATs are generally defined as 50% of the total additional revenue from taxes which are imposed by the City and the County which are generated by economic activity within the appropriate Area (or defined part thereof) in excess of the amount of revenue from such taxes generated by economic activity within the appropriate Area (or defined part thereof) in the Base Year (defined in **Appendix A**) (excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes, other than PILOTs), which shall be allocated to and paid by the collecting officer to the treasurer of the City who shall deposit such moneys in the Special Allocation Fund.

Notwithstanding anything to the contrary in the foregoing, the pledge of PILOTs as security for the Bonds is unconditional and not subject to appropriation.

Nothing contained in the Ordinance shall be construed as imposing on the City any duty or obligation to levy any taxes either to pay the principal of, premium, if any, or interest on the Bonds.

A Reserve Fund is established pursuant to the Ordinance and will be funded from proceeds from the sale of the Bonds in an amount equal to \$116,287.50 (the "**Reserve Requirement**"). Amounts in the Reserve Fund are to be used to pay principal of, premium, if any, and interest on the Bonds to the extent of any deficiency in the Debt Service Fund and to pay and retire a portion of the last outstanding Bonds unless such Bonds and all interest thereon are otherwise paid.

Plan of Financing

The City expects to issue \$2,430,000* in Bonds to refund the outstanding Series 2005 Bonds. See "PLAN OF FINANCING", and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Estimated Sources and Uses of Funds.

The following is a summary of anticipated sources and uses of funds in connection with the issuance of the Bonds:

Sources of Funds:

Par Amount of Bonds	\$2,430,000.00
Transfers from Series 2005 DSR Funds	418,862.84
2005 A/B PILOTs EATs	403,820.83
2005 A/B County EATs	399,185.20
Transfers from Series 2005 Debt Service Funds	178,151.64
2005 A/B City EATs	21,759.05
2005 A/B CID Revenue Fund	85.62
Original Issue Discount (OID)	(36,979.60)

Total Sources **\$3,814,885.58**

Uses of Funds:

Current Refunding Fund	\$3,600,918.75
Debt Service Reserve	116,287.50
Total Underwriter's Discount	54,675.00
Costs of Issuance	43,004.33

Total Uses **\$3,814,885.58**

The payment of Underwriter's discount and the costs of issuing the Bonds relating to the payment of professional fees will be contingent on the Bonds being issued. See "UNDERWRITING" for a description of the Underwriter's discount.

Refunding

The Bonds are being issued to provide funds to partially pay together with the funds provided by the City the principal of and interest on the Series 2005 Bonds being refunded on June 26, 2014 as of the maturity date of July 1, 2014. A portion of the proceeds derived from the sale of the Bonds will be deposited with the Trustee and paying agent for the Series 2005 Bonds for deposit in the Current Refunding Fund. Such deposit will be used by the trustee for the Series 2005 Bonds to pay the principal and interest on the Series 2005 Bonds as of July 1, 2014.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. See "**BONDOWNERS RISKS**" in this Official Statement.

Security and Sources of Payment for the Bonds

The Indenture and Trust Estate. The Bonds and the interest thereon are special, limited obligations of the City, payable solely from the Revenues (as defined below) held by the Trustee as provided in the Indenture, and are secured by a transfer, pledge and assignment of and grant of a security interest in the Trust Estate to the Trustee and in favor of the Bondowners of the Bonds, as provided in the Indenture. The "Trust Estate" consists of funds on deposit under the Indenture, including all PILOTs and EATs and any City Revenue deposited in the Special Allocation Fund, all of which are pledged to the repayment of the Bonds (excluding funds in the Rebate Fund and the City's right to payment of its fees and expenses and to be indemnified in certain events) and all other moneys and securities from time to time held by the Trustee under the Indenture (except payments required to be made to meet the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), whether or not held in the Rebate Fund).

The Ordinance. Pursuant to the Ordinance, the City has pledged, as security for the payment of the Bonds, all of its rights and interest in (i) the PILOTs generated in the RPA I Area, and (ii) subject to annual appropriation, 50% of EATs generated in the RPA 1 Area and subject to annual appropriation all of the EATs, including the non-captured portion of the City's sales tax to make up any deficiency in Revenues required for payment of debt service on the Bonds, covenants to take all lawful actions within its control to cause the proper authorities of Barry County, Missouri (the "**County**") to assess and collect PILOTs and EATs applicable to County sales tax. The City further covenants in the Ordinance that the City officer responsible for formulating the City budget will be directed to include in the budget proposal submitted to the City Council each fiscal year that the Bonds are outstanding a request for an appropriation of 50% of EATs on deposit in the Special Allocation Fund an appropriation of all of the EATs, including the City's non-captured portion of the City's sales tax generated from the Center to make up any deficiency in Revenues required for payment of debt service on the Bonds, on deposit in the Special Allocation Fund.

Revenues. "Revenues" means (a) (i) all "Net Revenues" which are all PILOTs on deposit in the PILOTs Account of the Special Allocation Fund, (ii) all EATs on deposit in the City EATs Account and the County EATs Account of the Special Allocation Fund that have been appropriated to the payment of the Bonds, and (iii) all City Revenues annually appropriated by the City (Net Revenues do not include any amount paid under protest until the protest is withdrawn or resolved against the taxpayer or any sum received by the City which is the subject of a suit or other claim communicated to the City, which suit or claim challenges the collection of such sum), and the Reserve Fund under the Indenture, together with all investment earnings thereon, but excluding payments required to be made to meet the requirements of Section 148(f) of the Code (whether or not held in the Rebate Fund). The funds in the Special Allocation Fund are intended to be sufficient to pay, when due, the principal of and interest on the Bonds.

"PILOTs" are those revenues, if any, attributable to the increase in the current equalized assessed valuation of all taxable lots, blocks, tracts and parcels of real property in the RPA 1 Area over and above the certified total initial assessed valuation of the real property in the RPA 1 Area for 2004 (the last full year before tax increment financing for the RPA 1 Area was first adopted). Such increase is multiplied by the then current aggregate tax rate applicable to such property to determine the PILOTs. The PILOTs

generated within the RPA 1 Area have been irrevocably pledged by the City under the Ordinance to the payment of the Bonds. See the caption **THE BONDS - Actual Collection of PILOTs and EATs 2013 and Anticipated Debt Service Coverage** to this Official Statement for a historical listing of PILOTs collection in RPA1.

"EATs" are, subject to annual appropriation by the City, equal to 50% (except for the period ending two (2) years from the opening of the Center when it is 100%) of the total additional revenues from taxes or economic activity imposed by the City or other taxing districts (as such term is defined in the Act) and which are generated by economic activities within the RPA 1 Area over the amount of such tax revenues generated by economic activities within the RPA 1 Area, but excluding any taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments, other than PILOTs, and personal property taxes and certain taxes levied by the County for the purpose of public safety. Notwithstanding the foregoing, if a retail establishment relocates within one (1) year to the RPA 1 Area from another location in the County and the City Council of the City determines that such establishment is a direct beneficiary of tax increment financing, then the increase in EATs is measured against the amount of such sales taxes generated by such establishment in the year prior to its relocation. It is expected that there will be no retail establishments in the RPA 1 Area that will be subject to this exception. The application of EATs to the payment of the Bonds is subject to annual appropriation by the City. See the caption **THE BONDS - Actual Collection of PILOTs and EATs 2013 and Anticipated Debt Service** to this Official Statement for a historical listing of EATs collection in RPA1.

For a more detailed discussion of the Revenues pledged to payment of the Bonds, along with estimated future collections thereof, see the caption "**THE REVENUES**" herein.

The Bonds

The City will issue the Bonds pursuant to the Act and an Ordinance of the City (the "**Ordinance**") adopted by its City Council. The repayment of such Bonds is secured by the covenants of the City in the Ordinance and the pledge of the Trust Estate under a Trust Indenture, dated as of August 1, 2005 (the "**Indenture**") between the City and UMB Bank, N.A. (the "**Trustee**").

Definitions and Summaries; Inspection of Documents

All capitalized terms used in this Official Statement and not defined in the text hereof are defined under the caption "**DEFINITIONS OF WORDS AND TERMS**" set forth in **Appendix A** to this Official Statement. **Appendix A** also contains summaries of the Ordinance, the Indenture, the Redevelopment Agreement and the CID Agreement. Such summaries do not purport to be comprehensive or definitive. All references herein to the Plan, the Ordinance, the Indenture, the Redevelopment Agreement, the CID Agreement and the Continuing Disclosure Agreement are qualified in their entirety by reference to such documents, copies of which may be viewed at the office of Crews & Associates, Inc., First Security Center, Suite 800, 521 President Clinton Avenue, Little Rock, Arkansas 72201, (800) 766-2000 (the "**Underwriter**"), or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request. All references to the Bonds are qualified in their entirety by the definitive terms.

RISK FACTORS

The following is a discussion of certain risks that could affect payment of the Bonds. Such discussion is not, and is not intended to be, exhaustive and should not be considered as a complete description of all risks that could affect such payment. Prospective purchasers of the Bonds should analyze carefully all the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in the Appendices hereto, copies of which are available as described herein.

General

The Bonds are special, limited obligations of the City payable by the City solely from Revenues on deposit in the Special Allocation Fund and certain other funds held by the Trustee under the Indenture.

Nature of the Obligations

The Bonds are limited obligation of the City payable from deposits of Revenues made by the City into the Special Allocation Fund and transferred to the Trustee for payment of the Bonds. No representation or assurance can be given that the City will realize Revenues in amount sufficient to make the deposits of Revenues into the Special Allocation Fund. The realization of such revenues is dependent upon, among other things, the capabilities of owners and managers of Lowe's Home Improvement Center (the sole retailer located in RPA1), future changes in economic and other conditions that are unpredictable and cannot be determined at this time. The Bonds and the interest thereon do not constitute a debt or liability of the City, the County or the State within the meaning of any constitutional or statutory limitation. The City has no duty or obligation to levy any taxes to pay the principal of, premium, if any, or interest on the Bonds within the meaning of statutory and constitutional debt limits. The City has expressed its intention to appropriate EAT's Revenues and City Revenues sufficient to make debt service payments on the Bonds in the event EAT's Revenues are insufficient for such purposes; however, the City is under no obligation to make such appropriation.

Prospective investors in the Bonds should be aware that only PILOT's Revenue is not subject to annual appropriation by the City. Prospective investors should also be aware that only PILOT's Revenue and EAT's Revenue generated from RPA1 will be available for the payments on the Bonds.

Risk of Non-Appropriation

The application of EAT's Revenue and the City Revenue to the payment of the principal of and interest on the Bonds is subject to annual appropriation by the City. Although the City has covenanted in the Ordinance that the appropriation of EAT's to the Special Allocation Fund and the City Revenues will be included in the budget submitted to the City Council for each fiscal year, there can be no assurance that such appropriations will be made by the City Council and the City Council is not legally obligated to make such appropriation.

City's Economy

The estimates of EAT's Revenue and City Revenue used in the City's internal projections and in the projection under the caption "**DEBT SERVICE COVERAGE OF THE REVENUES**" herein are made based upon the current status of the national and local business economy and assumes a future performance of the retail market similar to the historical performance of such market in the Monett area. However, changes in the market conditions for the City, as well as changes in general economic conditions, could adversely effect the amount of Revenues collected. The City is obligated to make payments on the Bonds only to the extent of available money received by the City from PILOTs Revenues and subject to annual appropriation, EATs Revenue and subject to annual appropriation, City Revenues annually appropriated to be applied to payment of debt service on the Bonds. The actual amount of funds to be received by the City from the PILOTs Revenue is projected using no increase in equalized value of the real property in the RPA1 from the 2013 value of real property in the Area. The amount of EATs Revenue and City Revenue to be received by the City is subject to the amount of additional tax revenues generated by economic activities within the Area. Accordingly, because of these sources of funding the actual amount of revenues to pay debt service will be affected by the future economic conditions within the RPA1.

Sales tax revenue historically have been sensitive to changes in local, regional and national economic conditions. Such sales tax revenues have historically declined during economic recessions, when higher unemployment exists with the resulting adverse affects on consumption. Thus, a decline in general economic conditions could reduce the number and value of taxable sales transactions and thus reduce the amount of EAT's Revenues and City Revenues available for repayment of the Bonds.

While historical precedents would suggest a decline in economic conditions in the future will occur, it is impossible to predict when or to what extent any such occurrence of change in economic conditions, demographic characteristics, population or commercial activity will occur, and what impact any such changes would have on the EAT's Revenues and the City Revenues.

Competition from Developments Outside RPA1

Retail establishments located outside RPA1 which are currently existing or which are developed after the date of this Official Statement will be competitive with retail businesses located in RPA1 and could have an adverse impact on the available amount of EAT's Revenues and City Revenues generated for repayment of the Bonds.

Changes in State and Local Tax Law

Any taxing district authorized to impose sales taxes or levy ad valorem taxes within RPA1 could lower their tax rate, which would have the effect of reducing Revenues that could be available to make payments on the Bonds.

No Lease, Mortgage of the 2005 Projects or any other Facilities of the City

Payment of principal and interest on the Bonds is not secured by any deed of trust, mortgage or other lien on the 2005 Projects or other facilities or property of the City. Except as provided herein relating to PILOTs Revenues, the Bonds are payable solely from annual appropriation of EATs Revenues and City Revenues by the City and other money held by the Trustee under the Indenture. PILOTs Revenue that is

due and owing constitutes a lien against the real estate in RPA1 from which the PILOTs are created. Upon default in the payment of any PILOTs, the lien for unpaid PILOT's may be enforced by the County.

Failure to Maintain Assessed Valuation

There can be no assurance that assessed valuation of RPA1 will equal or exceed the historical valuations for the Center. If at any time during the term of the Bonds the actual assessed value is less than historically applicable, the amount of PILOTs Revenue will be less and the amount deposited in the Special Allocation Fund may not be sufficient to pay debt service on the Bonds.

Even if the County Assessor's determination of assessed valuation of the Center equals or exceeds the historical assessed value, landowners in RPA1 have the right to appeal such determination. If any such appeal is not resolved prior to the time when real estate taxes and PILOTs are due, the taxpayer may pay the taxes and PILOTs under protest. In such event, that portion of the taxes and the PILOTs being protested will not be available for deposit in the Special Allocation Fund until the appeal is concluded. If the appeal is resolved in favor of the taxpayer, the assessed value will be reduced, in which event the PILOTs Revenue will be less than the historical forecast. See the Caption "**TAX INCREMENT FINANCING IN MISSOURI**"- Assessment and Collection of Ad Valorem Taxes" in this Official Statement.

No Additional Interest on Mandatory Redemption upon Taxability

The Ordinance does not provide for payment of additional interest or penalty on the Bonds if the interest becomes taxable as gross income for Missouri income tax purposes.

For information with respect to events occurring subsequent to issuance of the Bonds that may require that interest on the Bonds be included in gross income for purposes of federal income taxation, see "**TAX MATTERS**" in this Official Statement.

Risk of Audit

The Internal Revenue Service (the "**Service**") has established an ongoing program to audit tax-exempt obligations to determine whether the interest on such obligations should be included in gross income for federal income tax purposes. Bond Counsel cannot predict whether the Service will commence an audit of the Bonds. Owners of the Bonds are advised that, if the Service does audit the Bonds, under current Service procedures, at least during the early stages of the audit, the Service will treat the City as the taxpayer, and the owners of the Bonds may have limited rights to participate in the audit. Public awareness of the audit could adversely affect market value of and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome thereof.

Reliance on Lowes Home Improvement Center

Lowes Home Improvement Center (the "**Center**") is under no obligation to own or continue operating the Center for the term of the Bonds. Although the development tract upon which the Center was developed was platted with two outlots, neither of the outlots has been developed and although Center and the outlots could be sold, the debt service on the Bonds will be dependent (regardless of ownership or occupancy) on the subsequent owners continuing to operate a retail business which will generate sales tax

which will create Revenues with for deposit in the Special Allocation Fund with which to pay principal and interest on the Bonds.

Suitability of Investment

An investment in the Bonds involves a certain degree of risk. The interest rate borne by the Bonds (as compared to prevailing interest rates on more secure tax-exempt bonds, such as those which constitute general obligations of fiscally sound municipalities or states) is intended to compensate the investor for assuming this element of risk. Furthermore, the tax-exempt nature of the interest on the Bonds is obviously more valuable to high tax bracket investors than to investors who are in lower tax brackets, and thus the value of the interest compensation to any particular investor will vary with the individual investor's respective tax bracket. Prospective investors should carefully examine this Official Statement, including the Appendices hereto, and their own financial conditions in order to judge their abilities to bear the economic risks of such investments, and whether or not the Bonds are appropriate investments for them.

Certain Bankruptcy Risks

The remedies available to the owners of the Bonds upon an Event of Default under the Ordinance or the Indenture may be dependent upon judicial actions which are often subject to discretion or delay. Under existing constitutional and statutory law, the remedies provided in the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Taxation of Interest on the Bonds

An opinion of Bond Counsel has been obtained to the effect that under the conditions stated therein (and subject to the matters discussed below under the caption "**TAX EXEMPTION**") interest on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes and other sources of law deemed relevant by Bond Counsel and is also exempt from all present State income taxation; however, application for a ruling from the Internal Revenue Service regarding the tax-exempt status of the Bonds has not been made and an opinion of counsel is not binding upon the Internal Revenue Service or the taxing authorities of the State. The laws, regulations, court decisions and administrative interpretations upon which the conclusions stated in the opinion of Bond Counsel are based are subject to change by the United States Congress, the U.S. Treasury Department and later administrative or judicial decisions. Moreover, such opinions are predicated on certain representations concerning the City and the manner of application of the proceeds of the Bonds; if the City fails to comply with such representations or if the representations regarding application of Bond proceeds are incorrect, the opinion may become inapplicable. There can be no assurance that interest on the Bonds will not become subject to federal income taxation or to income taxation in the State as a result of future changes. Furthermore, other than in the State, interest on the Bonds may be taxable under applicable state and local law, and Bond purchasers are urged to consult with their own tax advisors concerning such matters. See the caption "**TAX EXEMPTION**" herein.

Lack of Registration

The Bonds are not registered under the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended, and are not listed on a stock or any other securities exchange. Neither the Securities and Exchange Commission nor any other federal or state regulatory authority has passed upon the accuracy or adequacy of this Official Statement.

THE FOREGOING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING OF THE BONDS SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN A DECISION TO PURCHASE THE BONDS.

Forward-Looking Statements

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

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS, INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE. UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE CITY ON THE DATE HEREOF, AND THE CITY ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED UNDER THE CAPTION CONTINUING DISCLOSURE.

Reserve Fund. A Debt Service Reserve Fund will be funded initially from proceeds of the Bonds in the amount of \$116,287.50 (the "**Reserve Requirement**").

No Mortgage or General Obligation. The Bonds are not secured by a mortgage on any property in the RPA 1 Area. However, under the Act, PILOTs that are due and owing constitute a lien against the real estate in the RPA 1 Area. Upon a default in the payment of any PILOTs on real property in the RPA 1 Area, the lien for such unpaid PILOTs may be enforced by the City as provided in the Act.

Prospective investors are advised that none of the property comprising the Center, the Outlots, or the Series 2005 Projects is pledged as security for the Bonds and neither the Developer nor any partner, officer, director, agent or representative of any of such entities, has pledged its credit or assets or has provided any guaranty, surety or undertaking of any kind, moral or otherwise, to pay the principal of, premium, if any, and interest on the Bonds.

The Act Limitation on Life of Revenue Collection

Because the Act provides that twenty-three (23) years is the maximum amount of time between the adoption of an ordinance approving a redevelopment project within a redevelopment area and the retirement of obligations incurred to finance such redevelopment project costs, the obligations of the City with respect to the Bonds shall terminate on March 2, 2028, whether or not the principal amount of the Bonds or the interest thereon has been paid in full.

This limitation may be extended by ten (10) years by the staging of the redevelopment projects by the City. See discussion under caption "**TAX INCREMENT FINANCING IN MISSOURI - The Act**" herein.

INFORMATION REGARDING THE CITY

The information contained herein relates to and has been obtained from the City. The delivery of this Official Statement shall not create any implication that there has been no change in the affairs of the City since the date hereof or that the information contained or incorporated herein by reference is correct as of any time subsequent to its date.

Location, Size and Population

The City is located at the county line of Barry and Lawrence Counties, 42 miles southwest of Springfield, 39 miles southeast of Joplin, 180 miles south of Kansas City and 265 miles southwest of St. Louis. Its location is easily accessible to Table Rock Lake. U.S. Highway 60 and State Highway 37 intersect at Monett. Two interchanges on Interstate 44 are within 15 miles of the City. Population for the City was 8,922 according to the 2012 census estimate.

Government and Organization of the City

The City was incorporated as a town in 1888, and as a city March 3, 1914, under the provisions of the State of Missouri. The City is a third class city operating under a commission form of government. The Mayor and each commissioner are quasi-executives or managers of each city department. All executive,

legislative, and budgetary authority is vested within the three-person commission. The commission is elected every four years and the terms are not staggered.

<u>Commission Members</u>	<u>Terms Expire</u>
James Orr, Mayor	April 2016
Jerry Dierker, Commissioner	April 2016
Mike Brownsberger, Commissioner	April 2016

As the legislative body of the City, the commission is responsible for enacting all ordinances, resolutions and regulations governing the City and appointing the members of the various departments, pursuant to statutory or ordinance authority.

Municipal Services and Utilities

The City provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services. Other services include electric, water and sewer utilities and airport operations.

Transportation and Communication Facilities

Monett Municipal Airport serves the City and Barry County and is owned by the City. The paved runway extends for 5,000 feet. The facility is at an elevation of 1,315 feet at a distance of about 5 miles from the City. The City has two radio stations and a daily newspaper.

Educational Institutions and Facilities

The Monett R-I School District encompasses an area of 85 square miles, including the City and surrounding area in Barry and Lawrence Counties. It is located in one of the fastest growing areas in the State of Missouri, with both the City and the two counties in which the School District is located realizing population increases of 20% in the City of Monett, 5% in Barry County and 10% in Lawrence County from the 2000 to 2010 census. Extracurricular activities include volleyball, tennis, basketball and track for girls and football, wrestling, golf, baseball, tennis basketball and track for boys. During the school year, the School District had 2,300 students enrolled in pre-kindergarten through 12th grade. 53% of the eligible high school students were enrolled in vocational courses.

Southwest Area Career Center provides vocational program opportunities for approximately 360 students from 14 schools and parts of two additional counties. Programs include: Auto Collision Repair, Automotive Technology, Welding Technology, Graphic Communications, Business Technology, Drafting Design Technology, Culinary Arts, Machine Tool Technology, Construction Technology, Computer Maintenance & Networking, Child Care Careers, Health Occupations and Business Computer Programming.

Medical and Health Facilities

Cox-Monett Hospital is a 47 bed, 24-hour emergency care facility. It offers cardiac rehab, home health care, outpatient services, surgical services, physical and occupational therapy.

Recreational Opportunities

The City's park system offers an olympic-sized swimming pool, 18-hole grass-green golf course, skate park, walking/biking trail, tennis courts, soccer, softball and baseball fields, playgrounds, band shell, symphony orchestra, a beautiful senior citizens center and a regional library. The Monett Area YMCA constructed a new 60,000 square foot facility that opened in March, 2013.

Monett is also the home of the Monett Speedway which has entertained race fans since 1970. The red clay surface track offers a seating capacity of approximately 3,500 and a parking capacity of 1,000. Races are held every Sunday night during the racing season and showcases a variety of classes including Pro 4, Bomber, Factory Stocks, Modified and late models.

ECONOMIC INFORMATION CONCERNING THE CITY

Commerce, Industry and Employment

The City has developed into a diversified industrial, educational and service center, with over 6,000 employed in its industries. Durable goods manufacturers produce custom design windows and window walls, playground equipment, concrete products, conveyor equipment, cages, feeders and pet supplies, tool and die and machining. Nondurable goods manufacturers produce footwear, process poultry and other food products. The City is home for operations of international scope, including plants for Tyson Foods, EFCO Corporation, Jack Henry Associates, Inc., Mid-America Dairymen, Schreiber Foods, Miracle Recreation Equipment, and many others.

In 2014, the unemployment rate for Barry County was 6.0% and the state average was 6.7% (source: Missouri Department of Economic Development.). Local growth is expected to continue, both in the skilled labor (engineers, draftsmen, etc.) and unskilled (poultry industry) labor areas.

Population

The following table compares the City's population growth since 1960 with that of the State:

Year	City of Monett	Percentage Change	State of Missouri	Percentage Change
1960	5,359		4,320,000	
1970	5,800	10.8%	4,677,000	8.3%
1980	5,937	10.2	4,917,000	5.1
1990	6,529	10.9	5,141,000	4.6
2000	7,396	11.3	5,595,211	8.8
2010	8,873	19.9	5,988,927	7.0

Source: U.S. Department of Commerce, Bureau of the Census and the University of Missouri.

Employment

Within the State of Missouri only 10 counties have a labor force which depends on manufacturing for more than 30% of its employment. Barry County is one of those counties. Within Barry County, 52% of all employees work in the manufacturing field while 64% of the City's jobs are manufacturing based. The City continues to increase the number of jobs available and is likely to continue due to the diversity of the industries in the City.

Listed below are the 10 major employers located in the City and the number employed by each:

<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Employees</u>
Jack Henry & Associates	Banking Software	1,200
EDCO Corporation	Manufacturing	1,516
Tyson Foods, Inc.	Manufacturing	640
Miracle Recreations Equipment	Manufacturing	350
Cox Monett Hospital	Health Services	334
Schreiber Foods, Inc.	Manufacturing	160
International Dehydrated Foods, Inc.	Manufacturing	215
Wintech, Inc.	Manufacturing	100
Architectural Systems, Inc.	Manufacturing	90
Monett Steel Castings	Manufacturing	50

Source: Monett Chamber of Commerce

DEBT STRUCTURE OF THE CITY

Current Indebtedness of the City

The general financial condition of the City is good. The debt of the City is 56% of total assets. The City has been investing significantly in capital projects over the past five (5) years.

Tax Revenue

The City does not levy a property tax. In 2013, the City had sales tax revenue of \$2,445,228. This is a decrease of 2.3% from 2012.

Enterprise Fund Changes

In 2013, the City had Enterprise Fund operating revenues of \$24,752,695, an increase of 1.7% over 2012. Net cash flow from utility operations was \$4,769,224.

Authority to Incur Debt

The following table sets forth the City's debt limit and debt margin:

Total Assessed Value as of March 31, 2013	\$129,163,572
Debt limit (20%)	25,832,714
Amount of General Obligation Debt Outstanding	324,950
Legal Debt Margin	\$ 25,507,764

Overlapping Debt

The City has no overlapping debt.

General Obligation Debt

The City currently has \$324,950 in general obligation bonds.

Revenue Obligations

The City is authorized to issue revenue bonds to finance certain capital improvements, including improvements to its water system, sewage system, refuse disposal system, airport and golf facilities. These types of bonds require a simple majority approving vote of the qualified electorate voting on the specific proposition. All revenue bonds issued by the City are payable out of revenues derived from operation of the facility financed from the proceeds of such bonds. Revenue bonds do not carry the full faith and credit of the City in servicing the bonded-indebtedness and such bonds are not considered in determining the legal debt margin described above.

Capital Lease Obligations

The City has entered into tax-exempt municipal lease obligations to finance equipment purchases and facilities. These obligations are payable from the general revenues of the City and are subject to annual appropriation by the City.

Proprietary Fund Capital Lease and Revenue Bond Obligations

<u>Issue</u>	<u>Balance</u> <u>April 1 2012</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Balance</u> <u>March 31 2014</u>
Sewerage Revenue Bonds, Series 1992A	\$ 135,000		\$ 65,000	\$ 70,000
Sewerage Revenue Bonds, Series 2003	6,880,000		335,000	6,545 000
Water Tower 2005	236,240		76,078	160,162
Water Line Extensions 2010	<u>2,790,000</u>		<u>80,000</u>	<u>2,710,000</u>
TOTAL	<u>\$10,041,240</u>		<u>\$ 556,078</u>	<u>\$ 9,485,162</u>

General Fund Long-Term Capital Lease Obligations

<u>Issue</u>	<u>Balance</u> <u>March 31, 2013</u>
Country Club Construction Obligation	\$ 275,000
Golf Equipment Lease Obligation	63,074
TIF Revenue Bonds	7,460,000
Police Station/Equipment	1,463,188
Fire Truck	214,693
Community Building	<u>1,500,000</u>
TOTAL	<u>\$10,975,955</u>

The accounts of the City are organized into funds and accounts groups, each of which is considered to be a separate accounting entity. The major fund categories and account groups are:

Governmental Fund Types

Governmental funds use the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheet. Their operating statements present sources and uses of available resources during a given period.

Proprietary Fund Types

Proprietary funds use the economic resources measurement focus. The accounting objectives are determination of net income financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary funds equity is segregated into contributed capital and retained earnings.

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

The City complies with generally accepted accounting principals (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for established governmental accounting and financial reporting principles. Proprietary funds and similar component units apply Financial Accounting Standard Board (FASB) pronouncements and Accounting Principals Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

Basis of Accounting

The basis of accounting determines when transactions and economic events are reflected in financial statements, and measurement focus identifies which transactions and events should be recorded.

Modified Accrual Basis of Accounting

The City uses the modified accrual basis of accounting for governmental fund. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon thereafter to pay current liabilities. The City considers revenues to be available if they are expected to be collected within 30 days of the end of year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due. Transfer between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Accrual Basis of Accounting

The accrual basis of accounting is used in proprietary fund types. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Budgets and Budgetary Accounting

The department heads of the City submit annual budgets that are compiled by the City Clerk, to the commission in accordance with the City Charter and with Section 67.010, RSMo.

The budget is prepared on the cash basis of accounting, which is another comprehensive basis of accounting. The cash basis of accounting recognizes revenues when collected and expenditures which paid. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

Risk Management

The City is exposed to various risks of loss related to torts: theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City.

Retirement Plans

Plan Description. The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Section 401(a) of the Code and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained in writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

Funding Status. The City's full-time employees contribute 4% of their gross pay to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 14.0% (general), 11.6% (police), 14.5% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Missouri Local Government Employees Retirement System (LAGERS) Plan Description

The City of Monett participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri, LAGERS is a defined benefit pension plan which provides retirement, disability and death benefits to plan members and beneficiaries.

LAGERS was created and governed by statute, Section RSMo. 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issued a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102, or by calling 1-800-447-4334.

Funding Status

Full-time employees of the City of Monett contribute 4% of their gross pay to the pension plan. The June 30th statutorily required contribute rates at 14.0% (General), 11.6% (Police) and 14.5% (Fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$609,235
Interest on net pension obligation	4,942
Adjustment to annual required contribution	<u>(5,054)</u>
Annual pension cost	609,123
Actual contributions	<u>604,970</u>
Increase (decrease) in NPO	4,153
NPO beginning of year	<u>68,172</u>
NPO end of year	<u>\$ 72,325</u>

The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010 was 30 years for the General division, 30 years for the Police division and 30 years for the Fire division. The amortization period as of February 28, 2011 was 19 years for the General division, 15 years for the Police division and 30 years for the Fire division.

Three-Year Trend Information

<u>Year Ended</u> <u>June 30</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2010	508,336	96.7	16,775
2011	567,449	90.9	68,172
2012	609,123	99.3	72,325

Contribution Information

All Monett City full-time employees participate in LAGERS. The payroll for employees covered by LAGERS for the year ended March 31, 2013, was \$4,645,382; the City's total payroll was \$4,894,382. All City full-time employees are eligible to participate in the LAGERS Program. Employees who retire at or after age 60 (55 for police and fire employees) with 5 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 1.60 percent of their final-average salary for each year of credited service. Final-average salary is the employees' monthly average of gross salary paid an employee during the period of sixty months or, if an election has been made in accordance with the plan, thirty-six consecutive months of credited service producing the highest monthly average within the last 120 months of credited service. Benefits fully vest on reaching 5 years of service. Vested employees may retire at or after age 55 (age 50 for police and fire employees) and receive reduced retirement benefits.

Litigation and Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor as a result of these audits is not believed to be material.

Schedule of Funding Process - Retirement Year Ended March 31, 2013

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Accrued Liability</u>	<u>(b-a) Unfunded Accrued Liability (UAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAL as a Percentage of Covered Payroll</u>
02/28/2010	9,384,712	10,625,773	1,241,061	88	4,453,440	28
02/28/2011	9,908,020	11,019,500	1,111,480	90	4,443,165	25
02/29/2012	10,818,828	11,451,979	633,151	94	4,443,828	14
02/29/2012#	10,818,828	12,985,570	2,166,742	83	4,443,828	49

After benefit changes.

NOTE: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actual assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a completion description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance, validity and tax exemption of the Bonds are subject to the unqualified approving opinion of Yates, Mauck, Bohrer, Elliff & Fels, P.C., Springfield, Missouri, Bond Counsel, which approving opinion will be available at the time of delivery of the Bonds. Certain legal matters will be passed upon for the City by its counsel, Amy Boxx, City Attorney, Monett, Missouri.

Bond Counsel has assisted in the preparation of this Official Statement, but the factual and financial information appearing herein has been supplied or reviewed by certain officials of the City, the Developer and the Underwriter, and Bond Counsel expresses no opinion as to the accuracy or sufficiency thereof except for the matters appearing in the sections of this Official Statement captioned "INTRODUCTORY STATEMENT," "THE BONDS," "APPROVAL OF LEGAL PROCEEDINGS," "TAX EXEMPTION," "CONTINUING DISCLOSURE," and in APPENDIX A: DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF THE ORDINANCE AND THE INDENTURE, and accordingly, Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other statements, material or financial information contained herein or used in the sale or offering for sale of the Bonds.

LITIGATION

There is not now pending or, to the knowledge of the City, threatened, any litigation seeking to restrain or enjoin or in any way limit the approval or the issuance and delivery of this Official Statement or the Bonds or the proceedings or authority under which they are to be issued. There is no litigation pending or, to the knowledge of the City, threatened, which in any manner challenges or threatens the powers of the City to enter into or carry out the transactions contemplated by the Indenture or the Ordinance.

TAX EXEMPTION

In the opinion of Yates, Mauck, Bohrer, Elliff & Fels, P.C., Bond Counsel, under existing law, the interest on the Bonds (including any original issue discount properly allocable to the owner thereof) (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed upon such corporations. The opinion referred to in clause (a) above is subject to the condition that the City and the Trustee comply with the requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. The City and the Trustee have covenanted to comply with all such requirements.

Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

Prospective purchasers of the Bonds should be aware that (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution (within the meaning of Section 265(b)(5) of the Code), that portion of a Bondowner's interest expense allocable to the interest on the Bonds except with respect to certain financial institutions within the meaning of Section 265(b) of the Code; (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum certain items, including interest on the Bonds; (iii) interest on the Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by Section 844 of the Code; (iv) passive investment income of Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; and (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of the interest on the Bonds.

Missouri Tax Exemption

The interest on the Bonds is exempt from income taxation by the State, provided that no opinion is expressed as to whether the interest on the Bonds is subject to the State franchise tax imposed on financial institutions.

Bond Counsel expresses no opinion as to whether the interest on the Bonds is subject to the tax imposed on financial institutions pursuant to Chapter 148 of the Revised Statutes of Missouri, as amended.

ORIGINAL ISSUE DISCOUNT

The initial offering price for the Series 2005B Bonds may be less than the stated redemption price at maturity (as defined in Section 1272 of the Code and Treasury Regulations thereunder). An amount equal to the difference between the initial offering price of such Series 2005B Bonds (the "Discount Bonds") (assuming that a substantial amount of the Series 2005B Bonds of that maturity are sold at such price) and the stated redemption price at maturity constitutes original issue discount, allocable to the holding period of an initial purchaser of such Discount Bonds, and will, upon the disposition of such Discount Bonds (including by reason of payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond. The allocation of such original issue discount will generally result in an amount treated as interest that is different than the amount of the payment denominated as interest actually received by an initial purchaser of a Discount Bond during a taxable year.

Such interest may be required to be taken into account in determining the alternative minimum taxable income of a corporation, for purposes of calculating a corporation's alternative minimum tax imposed by Section 55 of the Code, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States of America, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement Benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or can-y, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the sale or other taxable disposition of a Discount Bond prior to Stated Maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period during which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the characterization for federal income tax purposes of accrued interest upon disposition of Discount Bonds and with respect to the state and local tax consequences of owning Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

UNDERWRITING

The Underwriter, pursuant to the Bond Purchase Agreement entered into between the Underwriter and the City, has agreed, subject to certain conditions, to purchase from the City and the City agrees to sell to the Underwriter the Bonds at a purchase price equal to \$2,375,325 after Underwriter's discount of two and one quarter percent (2.25%) less a discount of \$36,979 for a total purchase price of \$2,338,345. The Underwriter may sell certain of the Bonds at a price greater than such purchase price, as shown on the inside front cover page hereof. The Underwriter is purchasing the Bonds from the City for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

The obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed, from time to time by the Underwriter.

The Underwriter has read and participated in the preparation of certain portions of this Official Statement and has supervised the compilation and editing thereof. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the City, as referred to herein. The Underwriter has not, however, independently verified the factual and financial information contained in this Official Statement, and accordingly, expresses no review as to the accuracy thereof.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the Owners to provide certain financial information and operating data relating to the City by not later than 180 days after the end of each fiscal year beginning with the fiscal year ending December 31, 2014 (the "**Annual Information**"), and to provide notices of the occurrence of certain enumerated events, if deemed by the City to be material. The Annual Information will be filed by the Trustee on behalf of the City with the Municipal Securities Rulemaking Board ("**MSRB**"), and with any State Information Depository for the State if any is in existence. The notices of material events will be filed by the Trustee on behalf of the City with the MSRB. The specific nature of the information to be contained in the Annual Information or the notices of material events is contained in the Continuing Disclosure Agreement, a copy of which is attached hereto as **Appendix C**. These compliance covenants have been made in order to assist the Trustee in complying with SEC Rule 15c2-12(b)(5) under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, Section 240.15c2-12) (the "**Rule**"). The City is currently up to date concerning its continuing disclosure obligations based on its previous undertakings with regard to the Rule.

Failure to comply with the terms of the Continuing Disclosure Agreement will not result in a default under the Ordinance. In its actions under the Continuing Disclosure Agreement, the Trustee is acting not as Trustee but as the City's agent. The Continuing Disclosure Agreement does not create, limit or affect the rights of Bondowners. The Trustee has no obligation to verify or investigate any information disclosed pursuant to the Continuing Disclosure Agreement, or to make disclosure about the Bonds, the City or any other matter except as expressly provided in the Continuing Disclosure Agreement.

During the past five (5) years, the City has had instances of late filings of information required to be filed under previous continuing disclosure agreements including filing parts of the annual report, such as portion of the required operating data, multiple years late. Additionally, the City has previously failed to provide the unaudited financials with its annual report when the audits were unavailable. The audits have subsequently been filed. The City is currently reviewing all of its written continuing disclosure agreement and will propose amendments to such outstanding agreements and/or new policies where necessary to reflect procedures that will aid in the City's on-going compliance with such agreements.

MISCELLANEOUS

References herein (and in the appendices attached hereto) to the Indenture, the Ordinance, CID Agreement, the Continuing Disclosure Agreement and the Plan do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to such documents, copies of which may be viewed at the office of Crews & Associates, Inc., First Security Center, Suite 800, 521 President Clinton Avenue, Little Rock, Arkansas 72201 (800) 766-2000, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request. All references to the Bonds are qualified in their entirety by the definitive terms thereof and the information with respect thereto included in the Ordinance and the Indenture.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The information contained in this Official Statement has been taken from sources considered to be reliable, but is not guaranteed. To the best of the knowledge of the undersigned this Official Statement does not include any untrue statement of a material fact; nor does it omit the statement of any material fact required to be stated herein, or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

The execution and delivery of this Official Statement has been duly authorized by the City.

CITY OF MONETT, MISSOURI

By: 
~~James O. ...~~
Mike Brownsberger, Mayor Pro-Tem

APPENDIX A

DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF THE ORDINANCE AND THE INDENTURE

DEFINITIONS OF WORDS AND TERMS

“Account” means any of the accounts established in Article VI hereof or in Section 3.01 of the Indenture.

“Act” means the “Real Property Tax Increment Allocation Redevelopment Act” or the “Act” contained in Sections 99.800 through 99.865 of Missouri Revised Statutes, 1994, as amended.

“Ad Valorem Tax” means a tax based upon the assessed value of real property.

“Annual Financial and Operating Information” means certain financial information which shall be based on financial statements prepared by the City in accordance with generally accepted accounting principals (“GAAP”) for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”), and certain operating data with respect to the City and the RPA1, provided at least annually, which Annual Financial and Operating Information may, but is not required to, include Audited Financial Statements.

“2005 Area” means the economic development area defined in the 2005 Plan consisting of real estate included in the city limits of the City as of the date of the adoption of the 2005 Plan designated for redevelopment.

“Audited Financial Statements” means the City's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

“Authorized City Representative” means the Mayor or Administrator of the City or such other person at the time designated by resolution of the City Council to act on behalf of the City as evidenced by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the City by its Mayor. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized City Representative.

“Base Year” means the calendar year 2004 for the 2005 Plan.

“Beneficial Owner” means any person for which a Participant acquires an interest in any Bond.

“Blighted Area” means an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provisions of housing accommodations or constitutes an

economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use.

“911 Board” means the Barry County 911 Board which is public board, created by the County which operates an emergency call or dispatch center for the County.

“911 Board EATs Account” means the account by that name created in the Special Allocation Fund into which shall be deposited the Captured 911 Board EATs collected from the 2005 Area based upon the 911 Board Sales Tax.

“911 Board Sales Tax” means the sales tax approved by the voters of the County and levied and collected for the 911 Board on retail sales within the 2005 Area.

“Bond” or **“Bonds”** means the City of Monett, Missouri, Annual Appropriation-Supported Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East US Highway 60 and RPA1 Infrastructure Redevelopment Projects) issued pursuant to the Ordinance in the aggregate principal amount of \$2,430,000 authenticated and delivered by the Trustee under and pursuant to the Indenture, the proceeds of which are to be used in part by the City to redeem and retire the Series 2005 Bonds.

“Bond Counsel” means Yates, Mauck, Bohrer, Elliff & Fels, P.C. or an attorney or firm of attorneys with experience in matters relating to the issuance and tax exemption of obligations by states and political subdivisions, selected and accepted by the City.

“Bondowner” or **“Owner”** or any similar term, when used with reference to a Bond or Bonds Outstanding, means any person who shall be the registered owner of any Bond or Bonds Outstanding.

“Bond Payment Date” means each date on which interest on, or both principal of and interest on, all or any of the Bonds shall be due and payable in accordance with their terms, whether at Stated Maturity or by acceleration or by call for redemption, so long as any of the Bonds shall be Outstanding.

“Bond Register” or **“Register”** means the books for the registration, transfer and exchange of Bonds kept in the office of the Bond Registrar.

“Bond Registrar” means the Trustee, and any successors, assigns or delegates designated pursuant to the Indenture.

“Business Day” means a day other than a Saturday, Sunday or holiday on which the Trustee shall be scheduled in the normal course of its operation to be open to the public for the conducting of business.

“Captured EATs” means 50% of the EATs resulting from incremental increase in economic activity in the 2005 Area which is captured resulting from adoption of the 2005 Plan derived from collections of EATs in RPA1 of the 2005 Area (or defined part thereof) and specified as captured in the Act.

“Cede & Co.” means Cede & Co., as nominee of The Depository Trust Company, New York, New York.

“**City**” means the City of Monett, Missouri, a third class city and political subdivision of the State and its successors and assigns.

“**City Clerk**” means the person duly appointed by the City Council to act as the clerk and as the custodian of the official records of the City.

“**City Council**” means the duly elected City Commission as the legislative body of the City.

“**City EATs Account**” means the account by that name created in the Special Allocation Fund into which shall be deposited the Captured EATs collected from the 2005 Area based upon the City Sales Tax.

“**City Revenue**” means the amount annually appropriated by the City Council from non-captured City Sales Tax collections in RPA1 appropriated by the City for payment of shortfalls in Revenues on deposit with the Trustee in the Revenue Fund and available to pay debt service on the Bonds.

“**City Sales Tax**” means the sales tax levied and collected by the City on all retail sales within RPA1 of the City.

“**Code**” means the Internal Revenue Code of 1986, as amended. References to the Code, or Sections of the Code, shall include any applicable regulations and proposed regulations thereunder and any successor provisions to those Sections, regulations or proposed regulations.

“**Condemnation**” means the taking of title to, or use of the property under the exercise of eminent domain by any governmental entity or any other person acting under governmental authority.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement, dated as of June 1, 2014, executed by the City and the Trustee, a copy of which is attached as Appendix C to the Official Statement.

“**Cost of Issuance Fund**” means the Issuance Expense Fund ordered to be created and established with the Trustee in Section 604 of this Ordinance and acknowledged in Section 3.01 of the Indenture.

“**Costs of Issuance**” means all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, issuance and sale of the Bonds, including printing costs, costs of preparation and reproduction of documents, filing and recording fees and charges of the Trustee and the City, legal fees of parties to the transaction and other initial fees and disbursements contemplated by the Ordinance and the Indenture.

“**County**” means Barry County, Missouri, a body corporate and political subdivision of the State.

“**County Commission**” means the Barry County Commission as the governing body of the County.

“**County EATs Account**” means the account by that name created in the Special Allocation Fund into which the EATs Revenues collected from the County Sales Tax shall be deposited.

“**County PILOTs Account**” means the account by that name created in the Special Allocation Fund into which is deposited the County PILOTs.

“County Sales Tax Account” means the account by that name created in the Special Allocation Fund.

“County Sales Tax” means the sales tax levied by the County on all retail sales in the 2005 Area and RPA1 collected by the Missouri Department of Revenue for the County.

“CPA Group a Professional Corporation” means the firm of Certified Public Accountants that conducted the annual audit of the City for fiscal year end March 30, 2013.

“Debt Service Fund” means the fund by that name created pursuant to Section 602 of the Ordinance and an account by that name maintained with the Trustee in the Revenue Fund pursuant to the Indenture containing a Principal Account, an Interest Account and an Extraordinary Redemption Account.

“Debt Service Reserve Fund” means the fund by that name created pursuant to Section 603 of this Ordinance and an account by that name maintained with the Trustee in the Revenue Fund pursuant to the Indenture into which is deposited from the proceeds of the Bonds an amount equal to the Debt Service Reserve Requirement,

“Default” or **“Event of Default”** means any occurrence or event specified in Article VIII of the Indenture.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Dissemination Agent” means, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation under the Continuing Disclosure Agreement.

“EATs” means the total additional revenues produced from imposition of taxes on economic activities within the 2005 Area (or applicable defined part thereof) by all taxing jurisdictions levying sales taxes on economic activities in the RPA1 of the 2005 Area (or applicable defined part thereof) (which on the date of the adoption of the 2005 Plan including the City Sales Tax, the County Sales Tax and the 911 Board Sales Tax over the amount of revenues from taxes generated on economic activity within the RPA1 of the 2005 Area (or applicable defined part thereof) in the applicable Base Year (excluding revenues produced by the imposition of taxes on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes) other than PILOTs, which shall be allocated to and paid by the collecting officer to the City who shall deposit such moneys in the Special Allocation Fund in the account specified for deposit from that source.

“Extraordinary Redemption Account” means the Extraordinary Redemption Account in the Debt Service Fund established in Section 3.02 of the Indenture.

“Fiscal Year” means any period of 12 consecutive months adopted by the City as its fiscal year for financial accounting and reporting purposes, which, as of the execution of the Indenture, commenced on October 1 and ended on September 30.

“**GAAP**” means generally accepted accounting principles as in effect from time to time in the United States of America.

“**Indenture**” means the Trust Indenture by and between the City and UMB Bank, N.A., as Trustee, dated as of June 1, 2014, under which the Bonds are authenticated and delivered and under which a Trust Estate is created which secures the repayment of the principal of and interest on the Bonds, as from time to time amended and supplemented by supplemental Trust Indentures in accordance with the provisions of Article X of the Trust Indenture.

“**Interest Payment Date**” means the Stated Maturity of an installment of interest on any Bond.

“**Issue Date**” means June 26, 2014.

“**Material Event**” means any of the events listed in Section 2(c) of the Continuing Disclosure Agreement.

“**Material Event Notice**” means written or electronic notice of a Material Event.

“**MSRB**” means the Municipal Securities Rulemaking Board established in accordance with Section 15B(b)(1) of the Securities Exchange Act of 1934.

“**Net Proceeds**” means all moneys on deposit (including investment earnings thereon) in (i) the PILOTs Account of the Special Allocation Fund, (ii) subject to annual appropriation by the City, City EATs, County EATs and 911 Board EATs of the Special Allocation Fund, and (iii) subject to annual appropriation, any City Revenues on deposit in the Special Allocation Fund. Net Proceeds do not include (I) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, and (ii) any sum which is subject to a suit or other claim which suit or claim challenges the collection of such sum.

“**Obligations**” means bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the City to carry out a redevelopment project or to refund outstanding obligations.

“**Official Statement**” means collectively, the Preliminary Official Statement dated May 30, 2014 and the the Official Statement dated June __, 2014 relating to the issuance of the Bonds and provided to furnish information in connection with the offering and sale of the Bonds.

“**Opinion of Counsel**” means a written opinion of an attorney or firm of attorneys addressed to the Trustee, for the benefit of the Trustee and the Owners of Bonds, who may be (except as otherwise expressly provided in the Indenture) counsel to the City, the Owners of the Bonds or the Trustee, and who is acceptable to the Trustee.

“**2005 Ordinance**” means Ordinance No. 7585 of the City pursuant to which the 2005 Area was defined, the 2005 Plan was adopted and the Series 2005 Bonds were issued.

“**Ordinance**” means this Ordinance and any other ordinance adopted by the City Council authorizing the issuance of the Bonds, the execution, delivery and performance of the documents necessary to carry out the issuance, security for and delivery of the Bonds.

“Original Purchaser” means Crews & Associates, Inc., Little Rock, Arkansas.

“Other Taxing Districts” means those taxing districts or jurisdictions which have taxing authority and which overlap the City, more specifically the County, the Monett R-1 School District, the Barry County Health Department, the Barry County Ambulance District, the Barry County Board for Developmentally Disabled, the Barry County 911 Board and the State of Missouri.

“Outstanding” or **“Bonds Outstanding”** or **“Outstanding Bonds”** means all Bonds which have been authenticated and delivered by the Trustee under this Ordinance and the Indenture, except:

- (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (b) Bonds for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Trustee in trust for the Owners of such Bonds, provided that, if such Bonds are to be redeemed prior to the maturity thereof, irrevocable notice of such redemption shall have been duly given pursuant to the Ordinance and the Indenture, to the satisfaction of the Trustee, or waived;
- (c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Ordinance;
- (d) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in Section 308 of the Ordinance; and
- (e) Bonds for the payment of the principal (or redemption price) of and interest on which cash or Government Securities, or both, are held by the Trustee or other bank or trust company with the effect specified in Section 1201 of the Ordinance.

“Owner” means the same as Bondowner or Registered Owner.

“Participant” means any broker, dealer, bank or other financial institution from time to time for which the Securities Depository holds Bonds.

“Paying Agent” means the Trustee, or any successor authenticating agent or trustee pursuant to Section 9.12 of the Indenture.

“Payments in Lieu of Taxes” or **“PILOTS”** means the payments imposed pursuant to the Act, which are equal to the excess, if any, of (i) the current Ad Valorem Taxes and which could be levied in the absence of the 2005 Plan by applying the current Ad Valorem Tax levy to the current equalized assessed valuation of real property in the Area (or applicable defined part thereof) over (ii) the Ad Valorem Taxes which could be imposed by applying the current Ad Valorem Tax levy to the initial equalized assessed valuation of real property in the Area (or applicable defined part thereof) for the applicable Base Year, as certified by the county assessor. Such payments may be imposed until the redevelopment area designation is terminated pursuant to subsection 2 of Section 99.850 of the Act. On the Date of Issuance there is being collected a County PILOT and a School District PILOT.

“Person” means an individual, partnership (including limited partnerships), joint venture, association, society, corporation, joint-stock company, limited liability company, trust (public or private) or unincorporated organization, or a government agency or political subdivision thereof.

“2005 Plan” means the Tax Increment Financing Redevelopment Plan of the City adopted in the 2005 Ordinance as the comprehensive program of the City for redevelopment of blighted areas of the City by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment project area as a blighted development area and to thereby enhance the tax bases of the taxing districts which extend into the 1992 Area and conforming to the requirements of Section 99.810 of the Act.

“Pledged Revenues” means all Net Proceeds and all moneys held by the Trustee in the Revenue Fund transferred by the City the from Special Allocation Fund for deposit to the Debt Service Fund, and the Debt Service Reserve Fund under the Indenture together with investment earnings thereon. Initially the proceeds of the issuance and sale of the Bonds, pending use for their intended purpose, shall be Pledged Revenues.

“2005 Projects” means the redevelopment projects described in the 2005 Plan and all streets, roads, proper layout, sewer, water and bridge improvements acquired and constructed pursuant to the 2005 Plan, and all of the activities or tasks of the City identified in the 2005 Plan, including all redevelopment projects developed in furtherance of the objectives of the 2005 Plan paid for, in whole or in part, from the proceeds of the sale of the Series Bonds or the proceeds of any payment by the City.

“Project Costs” means the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the 2005 Plan and the 2005 Projects or any other redevelopment projects. Such costs include, but are not limited to, the following: (a) costs of studies, surveys, plans, and specifications; (b) professional service costs, including but not limited to, architectural, engineering, legal, marketing, financial, planning or special services; (c) property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land; (d) costs of rehabilitation, construction, or repair or remodeling of existing buildings and fixtures; (e) initial costs for a blighted area; (f) costs of construction of public works or improvements; (g) financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of Obligations, and which may include payment of interest on any Obligations issued in accordance with the 2005 Plan accrued during the period of construction of any redevelopment project for which such Obligations are issued and for not more than 18 months thereafter, and including reasonable reserves related thereto; (h) all or a portion of a taxing district’s capital costs resulting from the redevelopment project necessarily incurred or in furtherance of the objectives of the redevelopment plan and project, to the extent the City by written agreement accepted and approved such costs; and (i) relocation costs to the extent, if any, that the City determined that relocation costs would be paid or were required to be paid by federal or state law, all as more particularly described in Section 204 of the Ordinance.

“Purchase Agreement” means the Bond Purchase Agreement by and between the City and Crews & Associates, Inc., Little Rock, Arkansas, as the Original Purchaser of the Bonds.

“Rebate Fund” means the fund by that name created in the Indenture.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Ordinance.

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which it is to be redeemed pursuant to the terms of the Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Refunding Fund” means the current refunding fund by that name established with the Trustee, in accordance with the Indenture, into which the Trustee will deposit the proceeds from the issuance and sale of the Bonds after funding the Cost of Issuance Fund, the Reserve Fund and the Debt Service Fund.

“Regular Record Date” for the interest payable on any interest payment date means the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date.

“Register” means the registration books of the City kept by the Trustee to evidence the registration, transfer and exchange of Bonds.

“Registrar” means the Trustee when acting as such under the Indenture.

“Repository” means any nationally recognized municipal securities information repository within the meaning of Rule 15c2-12.

“Reserve Requirement” means, as of any computation date with respect to the Bonds, the sum of \$117,787.50 funded from the proceeds of the Bonds, provided, however, that if the Trustee shall receive an opinion of Bond Counsel to the effect that the Reserve Requirement for the Bonds must be reduced in order for the amounts on deposit in the Reserve Fund to continue to be invested without yield restriction under the Code, the amounts held in the Reserve Fund shall be reduced in conformity with said opinion.

“Revenues” means all PILOTs, and when appropriated by the City, the Captured Portion of the EATs collected within the RPA1 and when appropriated by the City Revenue which was not captured as City EATs (or applicable defined part thereof) (**“City Revenues”**), and which are to be deposited to the Special Allocation Fund and the additional sums appropriated annually by the City for deposit in the Special Allocation Fund.

“Rule 15c2-12” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“School District” means the Monett R-1 School District, a body corporate and political subdivision of the State.

“School District PILOTs Account” means the account by that name created in the Special Allocation Fund.

“Securities Depository” means The Depository Trust Company, New York, New York or any successor Securities Depository appointed pursuant to the Indenture.

“Series 2005 Bonds” means the \$3,510,000 aggregate principal amount of Tax Increment Allocation Bonds, Series 2005 A and Series 2005 B (U.S. Highway 60 and RPA1 Infrastructure Improvement Projects).

“Series A 2005 Bonds” means the \$975,000 aggregate principal amount of Tax Increment Allocation Bonds, Series A (East US Highway 60 Improvement Project) issued and secured pursuant to the 2005 Ordinance.

“Series B 2005 Bonds” means the \$2,535,000 aggregate principal amount of Tax Increment Allocation Bonds, Series B (RPA1 Infrastructure Projects) issued and secured pursuant to the 2005 Ordinance.

“Special Allocation Fund” means the fund created in the treasury of the City, designated as “City of Monett, Missouri, Tax Increment Allocation - TIF #2 Special Allocation Fund,” created pursuant to the provisions of the Act, which in accordance with this Ordinance is to be maintained and when transferred to the Trustee for deposit into the “Revenue Fund” under the Indenture. There is created in the Special Allocation Fund a City EATs Account, a City PILOTs Account, a County EATs Account, a County PILOTs Account, a 911 Board EATs Account and a School District PILOTs Account. All moneys and revenues received by the City as PILOTs and, when appropriated by the City, EATs, and which are to be used by the City for transfer to the Trustee (i) to make payments to the Debt Service Fund for the payment of the principal of and interest on the Bonds, (ii) to pay the fees and expenses of the Trustee and Paying Agent, (iii) to make the required deposits to the Reserve Fund, (iv) to call Bonds for extraordinary redemption pursuant to Section 404 of the Ordinance, and (v) from which surplus funds on deposit will be declared to be Surplus and repaid to the City and the Other Taxing Districts as may be determined from time to time by the City in such amount as the City and the Other Taxing Districts would have otherwise received from such collections were it not for the tax increment allocation financing adopted by the City, all in accordance with this Ordinance and the 2005 Plan. Following payment in full of the Bonds, or provision for such payment having been made in accordance with the provisions of Section 1201 of the Ordinance, moneys in the Special Allocation Fund may be used by the City for any lawful purpose of the City.

“Special Record Date” for the payment of any Defaulted Interest, as defined in Section 305, means a date fixed by the Paying Agent pursuant to Section 305.

“State” means the State of Missouri.

“State Information Repository” means any appropriate state information repository for the State within the meaning of Rule 15c2-12. As of the date of the Continuing Disclosure Agreement, no State Repository has been designated in the State.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“Surplus” means the portion of the EATs Revenues, the PILOTs Revenues or City Revenues within the moneys on deposit with the City in the Special Allocation Fund or not yet collected, in excess of the moneys necessary to make the transfers required in Sections 702(a) through (f) of the Ordinance, which the City Treasurer shall, if collected, pay to the County Collector who shall immediately thereafter pay such

Surplus to the Other Taxing Districts in the same manner and proportion as the rates of collection of such Other Taxing Districts by the County Collector or the City but for the tax increment allocation financing adopted by the City and means the portion of the EATs within the moneys on deposit with the City in the Special Allocation Fund or not yet collected, in excess of the moneys necessary to make the transfers required in Sections 702(a) through (f) of this Ordinance, which the Director of Finance of the City shall, if collected, pay to the Other Taxing Districts in the same manner and proportion as the rates of collection of such Other Taxing Districts but for the tax increment allocation financing adopted by the City. In applying this definition, the City Council shall first declare as Surplus, the PILOTs Revenues and the EATs Revenues. The amounts declared to be Surplus shall be paid to the Taxing Districts annually twenty days after the Bond Payment Date.

“Tax-exempt” means that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

“Tax Compliance Agreement” means the Tax Compliance Agreement, dated as of even date herewith, between the City and the Trustee, as from time to time amended in accordance with the provisions hereof.

“Taxing District” means any political subdivision of the State having the power to collect and levy taxes.

“TIF Commission” means the Tax Increment Financing Commission of the City created in accordance with the Act.

“2005 Trust Agreement” means the Trust Agreement dated as of August 1, 2005, between the City and the Trustee, pursuant to which the repayment of the Bonds is secured, as from time to time amended and supplemented.

“Trust Estate” means the property rights, money, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses of the Indenture.

“Trustee” means UMB Bank, N.A., Kansas City, Missouri, its successors and assigns, and any co-trustee at the time serving as such under the Indenture and any other corporation which, at the time, may be substituted in its place, pursuant to, and at the time serving as Trustee, under the Indenture.

SUMMARY OF THE ORDINANCE

The following is a summary of certain provisions of the Ordinance and is qualified in its entirety by reference to the Ordinance.

Establishment of Special Allocation Fund

There is created in the treasury of the City a separate fund known as the “City of Monett, Missouri, Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 -

TIF #2 Special Allocation Fund (the "Special Allocation Fund"), in which is established a County PILOTs Account, a School District PILOTs Account, a City EATs Account, a County EATs Account, a 911 Board EATs Account and a City Revenue Account.

Disposition of Bond Proceeds

The net proceeds received from the sale of the Series 2014 Bonds, including any premium, discount or accrued interest thereon, shall be assigned simultaneously with the delivery of the Series 2014 Bonds, with the Trustee under the Indenture who shall deposit such transferred proceeds in the Cost of Issuance Fund under the Indenture. The Trustee shall also deposit in the Interest Account of the Debt Service Reserve Fund an amount which together with other moneys of the City held under the 2005 Indenture which shall be simultaneous with the issuance of the Bonds be transferred to the Trustee and the Trustee shall deposit such amounts into the Current Refunding Fund which amounts shall be used to defease the Series 2005 Bonds; for the purpose of accrued interest on the Series 2014 Bonds; in the Debt Service Reserve Fund the Reserve Requirement; into the Current Refunding Fund.

Special Allocation Fund

In the Ordinance, the City has covenanted that, on or prior to the date of issuance of the Bonds and continuing thereafter so long as the Bonds are Outstanding, all Revenues from the collection of EATs, PILOTs and City Revenues paid and credited to the appropriate account of the Special Allocation Fund within 10 business days of receipt. Said Revenues shall be segregated and kept separate and apart from all other collections, moneys, revenues, funds and accounts of the City and shall not be commingled with any other collections, moneys, revenues, funds and accounts of the City. The Special Allocation Fund shall be administered and applied solely for the purpose and in the manner provided in the Ordinance so long as any of the Bonds remain outstanding.

Debt Service Reserve Fund

There is established with the Trustee in the name of the City a separate fund designated as the Debt Service Reserve Fund. The Trustee shall deposit to the credit of the Debt Service Reserve Fund an aggregate amount equal to the Reserve Requirement with respect to the Bonds.

Application of Moneys in Funds and Accounts

The City covenants and agrees in the Ordinance that from and after delivery of the Bonds and continuing so long as any of the Bonds shall remain Outstanding, the City will administer and allocate all of the moneys in the Special Allocation Fund on the dates and in the amounts as follows:

(a) There shall first be paid and credited to the Trustee for credit to the Interest Account of the Debt Service Fund, to the extent necessary to pay the interest on the Bonds, when due at Stated Maturity, beginning August 1, 2014 and continuing on or before the first day of each month thereafter, to and including the January 1, 2015 monthly deposit, an equal pro rata portion of the amount of interest becoming due on the Bonds on January 1, 2015; and thereafter, beginning with the August 1, 2014 monthly deposit and continuing on or before the first day of each month thereafter as long as any of the Bonds shall remain Outstanding and unpaid, an amount not less than 1/6 of the amount of interest that will become due on the Bonds on the next succeeding Bond Payment Date; payments to the Interest Account with respect to the

Bonds shall be reduced by an amount equal to the money remaining in such Interest Accounts after the payment of the principal of and interest on the Bonds, on a Bond Payment Date, and amounts to be deposited to the Interest Account with respect to the Bond shall be reduced by the amount of moneys on hand in such Interest Accounts due to accrued interest deposited in such Interest Account by reason of accrued interest received from the sale of the Bonds.

(b) There shall next be paid to the Trustee and any Paying Agent on each Bond Payment Date an allocable portion of the Trustee and Paying Agent fees for the services of the Trustee and the Paying Agent for the next annual period.

(c) After all payments and credits at the time required to be paid under the provisions of paragraphs (a) and (b) above have been made, there shall next be paid and credited on or before the first day of each month in the event the Trustee has withdrawn moneys from the Debt Service Reserve Fund (other than investment earnings), beginning with the first day of each month after such withdrawal and continuing on the first day of each month thereafter, all remaining moneys in the City EATs Account, the 911 Board EATs Account and the County EATs Account of the Special Allocation Fund until the Debt Service Reserve Fund is equal to its Reserve Requirement.

(d) After all payments and credits at the time required to be paid under the provisions of paragraphs (a) through (d) above have been made, there shall first be paid and credited on or before January 1 of each year to the Extraordinary Redemption Account of the Debt Service Fund with respect to the Bonds the remaining moneys in the City EATs Account, the County EATs Account, the County PILOTs Account, the School Board PILOTs Account or the City Revenue Account of the Special Allocation Fund for use in redeeming Bonds pursuant to the provisions of the Ordinance.

The City authorizes and directs the Trustee to withdraw sufficient moneys from the appropriate accounts in the Debt Service Fund to pay the principal of, premium, if any, and interest on the Bonds, the same become due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal of, premium, if any, and interest on the Bonds. The City may also first cause such excess moneys in the Extraordinary Redemption Account of the Debt Service Fund or such part thereof or other moneys of the City, as the City may direct, to be applied by the Trustee for the purchase of Bonds in the open market for the purpose of cancellation, at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of delivery for cancellation. After payment in full of the principal of, premium, if any, and interest on the Bonds (or provision being made for the payment thereof as specified in the Indenture), and the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be paid under the Indenture and the Ordinance, all amounts remaining in the Debt Service Fund shall be paid to the City.

Investment of Moneys in Accounts

Cash moneys in each of the funds and accounts created by and referred to in the Ordinance have been assigned to the Trustee to secure the City's obligations under the Ordinance and the City acknowledges moneys in the Debt Service Fund and the Debt Service Reserve Fund shall be invested by the Trustee, subject to the Tax Compliance Agreement, in Investment Securities in accordance with the Indenture. Moneys in the Special Allocation Fund shall be invested upon instructions from the Authorized City Representative in Investment Securities. Moneys held in each of the other funds and accounts created or ratified and confirmed by the Ordinance may be invested by the Trustee in direct obligations of, or

obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America; provided, however, that no such investment shall be made for a period extending longer than the date when the moneys invested may be needed for the purpose for which such fund or account was created. All interest on any investments held in any fund or account shall accrue to and become a part of such fund or account, except that all interest on any investments held in the Debt Service Reserve Fund in excess of the Reserve Requirement shall accrue and become part of the Debt Service Fund. In determining the amount held in any fund or account under any of the provisions of the Ordinance, obligations of or guaranteed by the United States of America shall be valued at the purchase price or fair market value thereof, whichever is lower. Any expenses incident to the investment of moneys held in any fund or account shall be charged to and paid from the fund or account to which the income from such investment is payable. In determining the amount held in any fund or account under any of the provisions of the Ordinance, obligations in which moneys have been invested shall be valued at the purchase price or the fair market value thereof, whichever is lower.

Deficiency of Revenues

If at any time the moneys derived by the City from the collection of Revenues shall be insufficient to make any payment on the date or dates specified, the City may make good the amount of such deficiency by appropriating additional payments or credits out of the first available Revenues thereafter received by the City, such payments and credits being made and applied subject to the provisions of the Ordinance and in the order specified in the Ordinance and the Indenture.

If at any time the moneys in the Principal Account and the Interest Account of the Debt Service Fund are not sufficient to pay the principal of and interest on the Bonds as and when the same become due, then moneys in the Debt Service Reserve Fund may and shall be used by the Trustee to prevent any default in the payment of the principal of and interest on the Bonds.

Arbitrage and Tax Covenant

The City covenants and agrees that it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purpose for which the Bonds are issued, and that no part of the proceeds of the Bonds shall be invested in any securities or obligations except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Bonds, would have caused any of the Bonds to be or become "Arbitrage Bonds" within the meaning of Section 148(a) of the Code, and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Bonds.

The City will comply with all provisions of the Code relating to the exemption from federal gross income taxation of the interest on the Bonds. The City will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excludable from federal gross income, to the extent any such actions can be taken by the City Council of the City.

The City covenants and agrees that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on

the Bonds under Section 103 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Bonds. In the event that at any time the City is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held by the City under the Ordinance, the City shall take such action as may be necessary.

The City covenants that it has elected to have the provisions of 265(b)(3) applied to the Bonds and that it does not reasonably expect to issue more than \$10,000,000 in tax-exempt obligations during calendar year 2014.

Without limiting the generality of the foregoing, the City agrees that there shall be paid from the general fund of the City from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds. The City specifically covenants to pay or cause to be paid from the general fund of the City to the United States arbitrage earnings required to be rebated in accordance with the covenants and agreements in the Tax Compliance Agreement out of its general fund.

Particular Covenants of the City

The City covenants and agrees with each of the purchasers and owners of any of the Bonds, that so long as any of the Bonds remain Outstanding and unpaid:

(a) *Annual Budget.* Prior to the commencement of each Fiscal Year, the Finance Director of the City or other representative of the City designated by the City Council of the City will cause to be prepared and filed with the City Clerk a budget setting forth the estimated receipts and expenditures of the Revenues for the next succeeding Fiscal Year.

(b) *Annual Audit.* Unless the Special Allocation Fund is maintained at a banking institution other than the Trustee, the City will annually, promptly after the end of the Fiscal Year, cause an audit to be made of the Special Allocation Fund for the preceding fiscal year by a certified public accountant or firm of certified public accountants to be employed for that purpose and paid from the Revenues in the Special Allocation Fund. Said annual audit shall cover in reasonable detail the allocations, collections and disbursements made from the Special Allocation Fund.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk and a duplicate copy shall be mailed to the Original Purchaser of the Bonds. Such audits shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Bondowner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer, user or Bondowner.

(c) *Performance of Duties.* The City will faithfully and punctually use its best efforts to perform or otherwise make arrangements to assure the performance of all duties and obligations with respect to the development of the Projects and operation and maintenance of the Projects throughout the term of the Bonds in accordance with the Act and the Ordinance so as to continue to develop Revenues sufficient to pay the principal of and interest on the Bonds as and when the same become due.

(d) *Books and Records.* The City will install and maintain proper books, records and accounts (entirely separate from all other records and accounts of the City) in which complete and correct entries will be made of all dealings and transactions of or in relation to the RPA1. Such accounts shall show the amount of Revenues received from the PILOTs and EATs, the application of such Revenues, and all financial transactions in connection therewith. Said books shall be kept by the City according to generally accepted accounting practices as applicable to the completion of the 2005 Plan.

(e) *Borrowers' Right to Review.* The Borrower or Borrowers of any of the Bonds shall have the right at all reasonable times to inspect the Plan, Projects and all records, accounts and data relating thereto, and any such Borrower shall be furnished all such information concerning said 2005 Plan or 2005 Projects which he may reasonably request but copies of the 2005 Plan need only be made available to Borrowers who are willing to pay to the City the costs of copying the 2005 Plan.

(f) *Compliance with Law.* The City will faithfully and punctually perform all duties and obligations with respect to the development of its Plan now or hereafter imposed upon the City by the constitution and laws of the State and by the provisions of the Ordinance. The City will comply with provisions of the Act relating to the excludability of the interest on the Bonds from gross income for federal income tax purposes. The City will adopt such other ordinances and take such other actions as may be necessary to comply with the Act and with all other applicable future laws, regulations, published rulings and judicial decisions in order to preserve the tax exempt status of the interest on the Bonds, to the extent any such action can be taken by the City Council of the City.

Acceleration of Maturity in Event of Default

The City covenants and agrees that if it shall default in the payment of the principal of or interest on any of the Bonds as the same shall become due, or if the City or its City Council or any of the officers, agents or employees thereof shall fail or refuse to comply with any of the provisions of the constitution or statutes of the State, or of the Ordinance or the Indenture, which failure shall have continued for a period of 60 days after written notice thereof, by registered or certified mail, then, at any time thereafter and while such default shall continue, the Borrowers of not less than 25% in aggregate principal amount of the Bonds then Outstanding may, by written notice to the City filed in the office of the City Clerk or delivered in person to said City Clerk, declare the principal of all Bonds then Outstanding to be due and payable immediately, and upon any such declaration given as aforesaid, all of said Bonds shall become and be immediately due and payable, anything in the Ordinance or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if at any time after the principal of said Outstanding Bonds shall have been so declared to be due and payable, all arrears of interest upon all of said Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds shall have been paid in full, and all other defaults, if any, by the City under the provisions of the Ordinance and under the provisions of the statutes of the State shall have been cured, then and in every such case the Borrowers of a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the City, may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

Remedies

The provisions of the Ordinance shall constitute a contract between the City and the Bondowners of the Bonds, and the Bondowner or Bondowners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right, for the equal benefit and protection of all Bondowners of Bonds similarly situated:

(a) By mandamus or other suit, action or proceedings at law or in equity to enforce his or their rights against the City and its officers, agents and employees, and to require and compel the City and its officers, agents and employees to perform all duties and obligations required by the provisions of the Ordinance or by the Constitution and laws of the State;

(b) By suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) By suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondowner of the Bonds.

Nothing contained in the Ordinance, however, shall be construed as imposing on the City any duty or obligation to levy any taxes either to meet any obligation incurred in the Ordinance or to pay the principal of or interest on the Bonds.

No one or more Bondowners shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Ordinance, or to enforce any right under the Ordinance, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Bondowners of such Outstanding Bonds. No remedy upon the Bondowners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred in the Ordinance. No waiver of any default or breach of duty or contract by the Bondowner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Bondowner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Bondowners of the Bonds by the Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. In case any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondowner, then, and in every such case, the City and the Bondowners of the Bonds shall be restored to their former positions and rights under the Ordinance, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

Amendments

The rights and duties of the City and the Bondowners, and the terms and provisions of the Bonds or of the Ordinance, may be amended or modified at any time in any respect by ordinance of the City with the written consent of the Bondowners of not less than 66 and 2/3% in aggregate principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such

Bondowners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the City is required to pay by way of principal or of interest on any Bond;
- (c) permit the creation of a lien on the revenues of the City's Special Allocation Fund prior or equal to the lien of the Bonds;
- (d) permit preference or priority of any Bonds over any other Bonds; or
- (e) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Ordinance.

Any provision of the Bonds or of the Ordinance may, however, be amended or modified at any time in any respect with the written consent of the Bondowners of all of the Bonds at the time Outstanding.

SUMMARY OF THE INDENTURE

The following is a summary of certain provisions of the Indenture and is qualified in its entirety by reference to the Indenture.

Liability Under Bonds

Each Bond, and the interest thereon, shall be special limited obligations of the City secured solely by the Revenues established under the Ordinance and held by the Trustee under the Indenture. The Bonds do not constitute or create an indebtedness, liability or moral obligation of the City. Neither the faith or credit nor taxing power of the City, the County, the 911 Board, the School District or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the City, the County, the 911 Board, the School District or any political subdivision liable on the Bonds. No covenant, stipulation, obligation or agreement contained in the Indenture or in the Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future official, commissioner, employee or agent of the City in his or her individual capacity.

Custody of Funds and Accounts

Each fund, account and subaccount created by the Indenture shall be held by the Trustee solely for the benefit of the Bondowners. All such funds, accounts and subaccounts to the extent not used for the repayment of the Bonds shall be held by the Trustee for the benefit of the City. Each fund, account and subaccount created from time to time under the Indenture shall have such further designations as the Trustee shall deem appropriate in order to properly account for all moneys subject to the Indenture or as shall be set forth in a bank officer's certificate.

Disposition of Bond Proceeds

The net proceeds received from the sale of the Bonds (including any premium) which, by the execution of the Indenture are assigned to the Trustee simultaneously with the delivery of the Bonds, (i) shall be deposited in the Interest Account of the Debt Service Fund, (ii) an amount equal to the Reserve Requirement shall be deposited in the Debt Service Reserve Fund, (iii) an amount equal to the Costs of Issuance shall be deposited in the Cost of Issuance Fund, (iv) an amount equal to the portion of the proceeds required to redeem and defease the Series 2005 Bonds shall be deposited in the current Refunding Fund established with the Trustee under the Indenture, and the Trustee, pursuant to rise Indenture, shall invest and expend the proceeds of the issuance of the Bonds in accordance with the Indenture.

Moneys in the Cost of Issuance Account Fund shall be used by the Trustee for the payment of the Costs of Issuance and confirmed in the Closing Certificate of the City provided to the Trustee.

Assignment and Application of Moneys in the Project Funds

(a) The City assigns the proceeds of the Bonds to the Trustee to be held in trust. The proceeds shall be deposited by the Trustee in accordance with the Disposition of Bond Proceeds summary.

Special Allocation Fund

From and after the delivery of the Bonds, and continuing as long as any of the Bonds remain Outstanding under the Indenture, all of the collections derived by the City from the collection of PILOTs, EATs and City Revenues shall be paid over by the City and deposited with the Trustee within 10 business days of receipt.

Debt Service Fund

There shall be deposited into the Debt Service Fund (i) all accrued interest on the Bonds and the premium, if any, paid by the Original Purchaser of the Bonds; (ii) all amounts transferred by the Trustee from the Revenues on deposit in the Special Allocation Fund in the amounts specified in the Indenture; (iii) all interest and other income derived from investments of moneys in the Debt Service Fund; (iv) all remaining amounts in the EATs Account after making the deposits required by the Indenture for use in redeeming the Bonds prior to maturity; and (v) all other moneys received by the Trustee under and pursuant to any of the provisions of the Ordinance when accompanied by the directions from the person depositing such money that such moneys are to be paid into the Debt Service Fund.

Use of Moneys in the Reserve Fund

All amounts deposited in the Reserve Fund from the proceeds of the Bonds and any amounts deposited in the Reserve Fund from any other sources (including moneys deposited in the Reserve Fund pursuant to transfers made by the City under the Ordinance) shall be used solely to prevent any Default in the payment of the principal of, or interest or redemption premium, if any, on the Bonds, if moneys in the Principal Account and Interest Account of the Debt Service Fund are insufficient to pay the same when due. The Trustee shall make a valuation of the value of the cash and Investment Securities in the Reserve Fund, on an annual basis, no later than 90 days after the last day of each Fiscal Year of the City and at such other rimes as the City or the Trustee deems appropriate (the "**Valuation Date**"). If, on such Valuation Date, the

amount on deposit in the Reserve Fund is less than the Reserve Requirement, the City is required to make monthly deposits to the Trustee for payment from the Special Allocation Fund into the Reserve Fund in the manner provided in the Indenture until the amount of such deficiency is restored to equal the Reserve Requirement.

Moneys in the Reserve Fund shall, at all times, be maintained in an amount not less than the Reserve Requirement. Whenever the moneys in the Reserve Fund, on any Valuation Date, are in excess of the Reserve Requirement for all Outstanding Bonds, such excess shall be deposited into the principal account of the Debt Service Fund. On the date that the last of the Bonds come due, all money in the Reserve Fund shall be transferred to the principal account of the Debt Service Fund to provide funds for payment of the principal and interest on the Bonds.

Investments of Moneys in Various Funds

Except as otherwise provided in the Indenture, moneys held in the Debt Service Reserve Fund, the Debt Service Fund and the Special Allocation Fund, and each of the accounts under such Funds, shall, pursuant to written direction of the City, signed by an Authorized City Representative, be separately invested and reinvested by the Trustee therefor in Investment Securities which mature or are subject to redemption prior to the date when such moneys will be needed; provided, however, that such moneys shall not be invested in such manner as will violate the provisions of the Indenture. Any such Investment Securities shall be held by or under the control of the Trustee for the fund or account of which such investment is a part and shall be deemed at all times a part of the fund or account in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Investment Securities shall be credited to such fund or account, and any loss resulting from such Investment Securities, shall be charged to such fund or account.

The Trustee may make any and all investments permitted by the provision of this Section through its own bond department or short-term investment department, provided the Trustee, in doing so, complies with the investment instructions provided by the City.

Payment of Principal, Premium, if any, and Interest

The City covenants and agrees that it will, but solely from the Revenues and other revenues and receipts derived under the Ordinance, promptly pay or cause to be paid the principal of, redemption premium, if any, and interest on, every Bond issued under the Ordinance, and which are secured by the lien created under the Indenture, at the place, on the dates and in the manner provided in the Indenture and in the Bonds, provided that the principal of, premium, if any, and interest shall be payable by the City solely and only from the Trust Estate, and nothing in the Bonds or the Indenture shall be considered as assigning or pledging any other funds or assets of the City other than the Trust Estate, and to this end the City covenants and agrees that it will use its best efforts to cause the Projects to be continuously and sufficiently maintained and operated so that, should there be a Default under the Bonds, the City shall fully cooperate with the Trustee and with the Bondowners to the end of fully protecting the rights and security of the Bondowners.

Defaults; Events of Default

If any of the following events occur, it is defined as and declared to be and to constitute an "Event of Default" under the Indenture:

- (a) the City shall fail to make due and punctual payment of any interest on any Bond;
- (b) the City shall fail to make due and punctual payment of the principal of, or premium on, any Bond, whether at the stated maturity thereof, accelerated maturity, or when the same is scheduled to be called for redemption;
- (c) the City shall fail to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in the Indenture, the Ordinance or in the Bonds (other than as specified in the Indenture), which failure shall have continued for a period of 60 days after written notice, by registered or certified mail, to the City specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Bondowners of not less than 25% in aggregate principal amount of Bonds then Outstanding or, unless the Trustee, or the Trustee and Bondowners of an aggregate principal amount of Bonds not less than the aggregate principal amount of Bonds the Bondowners of which requested such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the Bondowners of such principal amount of Bonds, as the case maybe, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the City, or the Trustee on behalf of the City, within such period and is being diligently pursued;
- (d) the City shall file a voluntary petition in bankruptcy, or the City shall fail to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on its operation, or City shall be adjudicated as a bankrupt, or the City shall make assignment for the benefit of creditors, or the City shall enter into an agreement of composition with creditors, or a court of competent jurisdiction shall approve a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy law, or under any similar acts which may be enacted.

Acceleration

- (a) Upon the occurrence of an Event of Default, the Trustee may and shall upon direction of 25% of the Bondowners by written notice to the City, declare the principal of all Bonds then Outstanding to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in the Indenture or the Bonds to the contrary notwithstanding.
- (b) Unless otherwise provided in the Indenture, any such declaration shall be by notice in writing to the City and, upon said declaration, principal of and interest on all Bonds shall become and be immediately due and payable. The Trustee immediately upon such declaration shall give notice thereof in the same manner and within the same time period as provided in the Indenture with respect to the redemption of the Bonds. Such notice shall specify the date on which payment of principal and interest shall be tendered to the Bondowners of the Bonds. Upon any declaration of acceleration under the Indenture, the Trustee shall immediately exercise such rights as it may have under the Indenture to declare all payments thereunder to be immediately due and payable.

(c) If, at the time of such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal of and interest on the Bonds, together with the reasonable and proper expenses of the Trustee and all other sums then payable by the City under the Indenture shall either be paid or provision satisfactory to the Trustee shall be made for such payment, then and in every such case the Trustee shall, but only with the approval of the Bondowners of not less than a majority in aggregate principal amount of the Bonds Outstanding, rescind such declaration of acceleration.

(d) The provisions of the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement under the Indenture (after an opportunity for hearing by the City):

(i) all sums payable under the Indenture (except the principal of and interest on Bonds which have not reached their stated maturity dates but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds in respect of which the Default shall have occurred, shall have been duly paid or provision shall have been duly made therefor by deposit with the Trustee or the Paying Agent, and

(ii) all existing Events of Default shall have been cured, then, and in every case, the Trustee shall waive the Event of Default and its consequences and shall rescind and annul that declaration. No waiver or rescission and annulment shall extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

(e) In case of any rescission, then and in every such case the City, the Trustee and the Bondowners shall be restored to their former position and rights under the Indenture respectively, but no such rescission shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

(f) Notwithstanding any provision in the Indenture to the contrary, as long as the Bonds are Outstanding, the Trustee shall not, without the consent of the Bondowners of a majority in aggregate principal amount of the Bonds, declare a default with respect to the Bonds or otherwise enforce the provisions of the Indenture securing the Bonds.

Exercise of Remedies by the Trustee

(a) If an Event of Default shall have occurred and be continuing, at the direction of the Bondowners of not less than 25% in aggregate principal amount of the Bonds then Outstanding and after being indemnified as provided in the Indenture, the Trustee shall pursue and exercise any available remedy, including without limitation actions at law or in equity by suit, action, mandamus or other proceedings or exercise of one or more of the rights and remedies conferred by the Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondowners, to enforce the payment of Bond payments or the observance and performance of any other covenant, agreement or obligation under the Indenture, the Ordinance or any other instrument providing security, directly or indirectly, for the Bonds, to enforce the payment of principal of, premium, if any, and interest on the Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the City as set forth in the Indenture.

(b) All rights of action (including the right to file proofs of claim) under the Indenture or under the Ordinance may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Bondowner of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Bondowners of the Outstanding Bonds subject to the provisions of the Indenture.

No remedy conferred upon or reserved to the Trustee (or to the Bondowners) by the Indenture is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or otherwise to the Trustee or to the Bondowners, or now or existing.

No delay in exercising or omission to exercise any remedy, right or power accruing upon any Default or Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any Default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

No waiver of any Default or Event of Default under the Indenture, whether by the Trustee or by the Bondowners, shall extend to or shall affect any subsequent Default or Event of Default or shall impair any remedy, right or power consequent thereon.

As the assignee of all right, title and interest of the City in and to the Revenues under the Ordinance (except for the unassigned rights of the City), the Trustee is empowered to enforce each remedy, right and power granted to the City under the Ordinance. In exercising any remedy, right or power thereunder or under the Indenture, the Trustee shall take any action which would best serve the interests of the Bondowners the judgment of the Trustee, applying the standards described in the Indenture.

Limitation on Rights and Remedies of Bondowners of Bonds

No Bondowner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust under the Indenture or for the appointment of a receiver or any other remedy under, unless (a) a Default has occurred of which the Trustee has been notified as provided in the Indenture or which, by such subsection, it is deemed to have notice, (b) such Default shall have become an Event of Default, (c) the Bondowners of not less than 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies, rights and powers granted in the Indenture or to institute such action, suit or proceeding in its own name, and shall have offered to indemnify the Trustee as provided in the Indenture, and (d) the Trustee shall thereafter fail or refuse to exercise the remedies, rights and powers granted in the Indenture, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are conditions precedent in every case to the institution of and suit, action or proceeding described above; it being understood and intended that no one or more Bondowners shall have any right in any manner whatsoever to affect, disturb or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the owners of all Bonds Outstanding. Nothing in the Indenture contained shall, however, affect or impair the right of any Bondowner to payment of the principal of and interest on any Bond at and after the maturity

thereof or the obligation of the City to pay principal of, premium, if any, and interest on each of the Bonds issued under the Indenture to the respective Bondowners thereof at the time, place, from the source and in the manner in the Indenture and in the Bonds expressed.

Remedies Cumulative

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or to the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondowners under the Indenture or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default under the Indenture, whether by the Trustee or by the Bondowners, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

In case the Trustee shall have proceeded to enforce any right, remedy or power under the Indenture in any suit, action or proceedings by the appointment of a receiver or otherwise, and such suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the City, the Trustee and the Bondowners of the Bonds shall be restored to their former position and rights under the Indenture, respectively, with regard to the property subject to the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Waivers of Events of Default

Except as provided in the Indenture, the Trustee may at anytime, in its discretion, waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of the Bonds. The Trustee shall do so upon the written request of the Bondowners of at least a majority in aggregate principal amount of all the Bonds then Outstanding. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned or determined adversely to it, the City, the Trustee and the Bondowners shall be restored to their former positions and rights under the Indenture, respectively. No waiver or annulment and rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been undertaken.

Notice of Defaults Under Section 801(c); Opportunity of the City and the Trustee to Cure Such Defaults

No Default under the Indenture shall constitute an Event of Default until actual notice of such Default by first class mail (postage prepaid) shall be given to the City by the Trustee or by the Bondowners of not less than 25% in aggregate principal amount of all Bonds Outstanding and the City shall have had 60 days after receipt of such notice to correct such Default or cause such Default to be corrected, and shall not have corrected such Default or caused such Default to be corrected within the applicable period; provided, however, if the Default be such that it cannot be corrected within the applicable period, it shall

not constitute an Event of Default if corrective action is instituted by the City or the Trustee within the applicable period and diligently pursued until the Default is corrected.

With regard to any alleged Default concerning which notice is given to the City and the Trustee under the provisions of this Section, the City grants the Trustee full authority for the account of the City to perform any covenant or obligation alleged in such notice to constitute an Event of Default, in the name and stead of the City with full power to do any and all things and acts to the same extent that the City could do and perform any such things and acts and with power of substitution.

Supplemental Trust Agreements Not Requiring Consent of Bondowners

The City and the Trustee may from time to time, without the consent of or notice to any of the Bondowners, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions of the Indenture and as shall not adversely affect the interests of the Bondowners, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Indenture or to correct or supplement any provision in the Indenture which may be inconsistent with any other provision in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondowners or the Trustee or either of them;
- (c) To subject to the pledge and lien of the Indenture additional revenues, properties or collateral;
- (d) To more precisely identify the Projects in accordance with the Ordinance or to substitute or add additional property thereto;
- (e) To modify, amend or supplement the Indenture, or any indenture supplemental to the Indenture, in such manner as to permit the qualification of the Indenture and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any supplemental indenture such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute;
- (f) To evidence the appointment of a separate Trustee, co-trustee or Bond Registrar or the succession of a new Fiduciary under the Indenture;
- (g) To make any other change not prejudicial to the Bondowners; and
- (h) To evidence the appointment of a separate trustee or a co-trustee or the succession of a new trustee.

Supplemental Indentures Requiring Consent of Bondowners

Exclusive of Supplemental Indentures covered by the Indenture and subject to the terms and provisions contained in this Section, and not otherwise, the Bondowners of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the City and the Trustee of such other Indenture or Indentures Supplemental thereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that nothing contained in this Section shall permit, or be construed as permitting, without the consent of the Bondowners of all Outstanding Bonds: (a) an extension of the maturity date of the principal of or the interest on any Bond issued under the Indenture, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (e) the creation of any lien other than alien ratably securing all of the Bonds at any time Outstanding under the Indenture, or (f) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee.

If at any time the City shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each Bondowner of a Bond. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondowners of the Bonds. If, within 60 days or such longer period as shall be prescribed by the City following the mailing of such notice, the Bondowners of not less than two-thirds in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof, no Bondowner of any Bond shall have any right to object to any of the terms and provisions contained in the Indenture, or the operation thereof, or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, the Indenture shall be deemed to be modified and amended in accordance therewith.

City's Consent to Supplemental Indenture

A Supplemental Indenture which affects any rights of the City shall not become effective unless and until the City shall have consented in writing to the execution and delivery of such Supplemental Indenture, provided that receipt by the Trustee of a Supplemental Ordinance adopted by the City in connection with the issuance of additional bonds shall be deemed to be the consent of the City to the execution of a Supplemental Indenture pursuant to the Indenture.

Satisfaction and Discharge of the Indenture

When the principal of, redemption premium, if any, and interest on all the Bonds shall have been paid in accordance with their terms or provisions have been made for such payment as provided in the Indenture, and provisions shall also be made for paying all other sums payable under the Indenture, including the fees and expenses of the Trustee to the date of retirement of the Bonds, then the right, title

and interest of the Trustee in respect of the Indenture shall thereupon cease, determine and be void, and thereupon the Trustee shall cancel, discharge and release the lien of the Indenture and shall execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge of the lien of the Indenture, and shall assign and deliver to the City any property and revenues at the time subject to the Indenture which may then be in its possession, except amounts in the Series 2005A Debt Service Fund or the Series 2005B Debt Service Fund required to be paid to the City under the Indenture and except funds or securities in which such funds are invested, held by the Trustee for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

The Trustee is authorized to accept a certificate by the City that the whole amount of the principal, redemption premium, if any, and interest so due and payable upon all of the Bonds then Outstanding has been paid or such payment provided for in accordance with the Indenture as evidence of satisfaction of the Indenture.

Bonds Deemed to be Paid

Bonds shall be deemed to be paid within the meaning of the Ordinance when payment of the principal of and the applicable redemption premium, if any, on such Bond, plus interest thereon to the due Redemption Date as provided in the Indenture, or otherwise, either (a) shall have been made or caused to be made in accordance with the terms thereof, or (b) shall have been provided for by depositing with the Trustee, in trust irrevocably set aside, exclusively for such payment, Government Obligations in such amount and at such times as will insure the availability of sufficient moneys to make such payment. At such time as any Bond shall be deemed to be paid under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefit of the Indenture, except for the purpose of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (b) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been mailed in accordance with the Ordinance or irrevocable instructions shall have been given to the Trustee to give such notice.

Notwithstanding any provision of any other Section of the Indenture which may be contrary to the provisions of this Section, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of Bonds (including redemption premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

APPENDIX B

ANNUAL FINANCIAL REPORTS
WITH INDEPENDENT AUDITOR'S REPORT
FOR FISCAL YEAR ENDED MARCH 31, 2013

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**CITY OF MONETT,
MISSOURI
ANNUAL FINANCIAL REPORTS
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
MARCH 31, 2013**

**CITY OF MONETT,
MISSOURI**

**ANNUAL
FINANCIAL REPORTS**

**FOR THE YEAR ENDED
MARCH 31, 2013**

CITY OF MONETT, MISSOURI

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INTRODUCTION SECTION

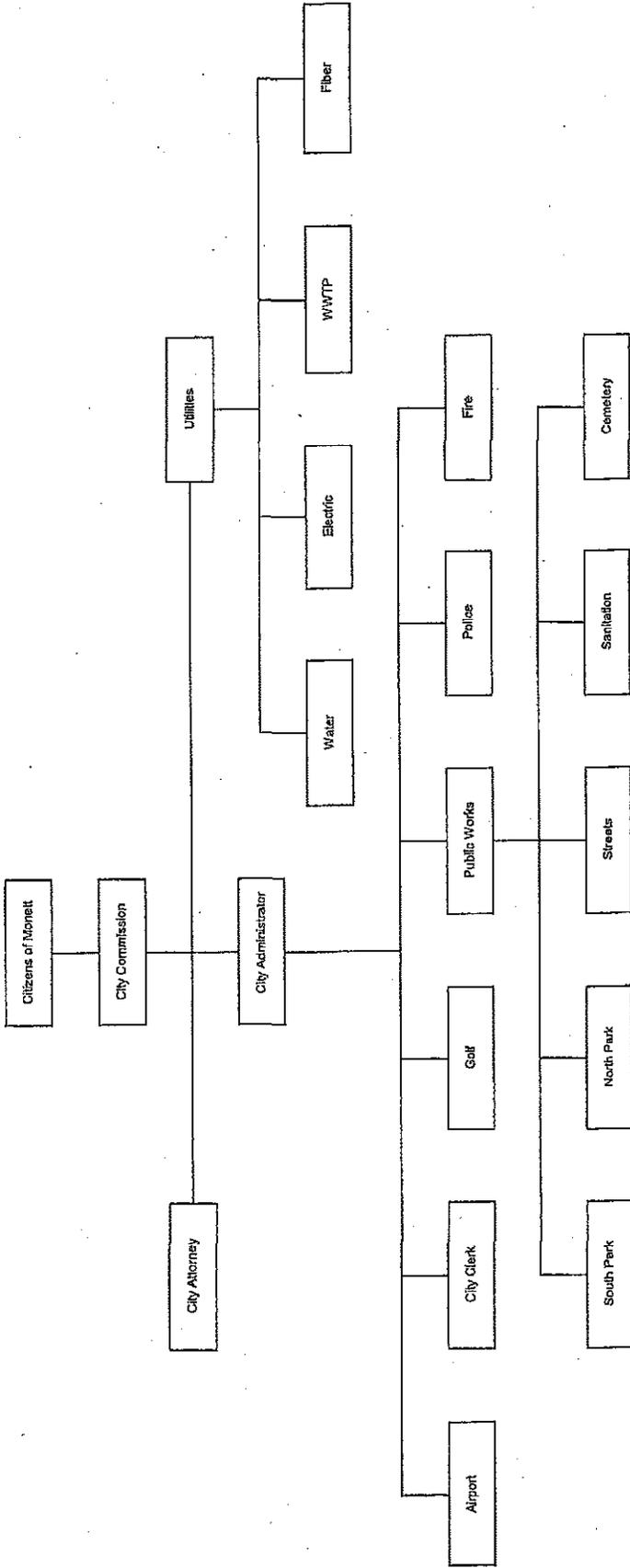
City of Monett, Missouri
List of Elected and Appointed Officials
March 31, 2013

Elected Officials

Mayor	James Orr
Commissioner	Jerry Dierker
Commissioner	Michael Brownsberger

Appointed Officials

City Administrator	Dennis Pyle
Airport Superintendent	Howard Frazier
City Clerk/Treasurer	Janie Knight
Fire Chief	Tom Jones
Golf Superintendent	Mike Knight
Police Chief	Tim Schweder
Public Works Superintendent	Russ Balmas
Utilities General Manager	Pete Rauch
Utilities Assistant Superintendent	Skip Schaller



INDEPENDENT AUDITORS' REPORT

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



A Professional Corporation
BIG FIRM QUALITY, SMALL FIRM VALUES
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CASSVILLE, MISSOURI 65625
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor James Orr,
Commissioner Jerry Dierker and Commissioner Michael Brownsberger
City of Monett, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, of the City of Monett, Missouri as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund, of the City of Monett, Missouri as of March 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and Schedule of Funding Process – Retirement System on pages 5-12, 46-50 and 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monett, Missouri basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The introductory sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2013, on our consideration of the City of Monett, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Monett, Missouri's internal control over financial reporting and compliance.

The CPA Group, PC

THE CPA GROUP, P.C.

Monett, MO
November 1, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Monett, Missouri

THIRD CLASS CITY - COMMISSION FORM OF GOVERNMENT

James Orr, Mayor • Michael Brownsberger, Commissioner • Jerry Dierker, Commissioner

217 Fifth Street • P.O. Box 110 • Monett, Missouri 65708

City Clerk - (417) 235-3763

City Collector - (417) 235-3544

Council - (417) 235-3355

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Management's Discussion and Analysis

As management of the City of Monett, Missouri, we offer readers this narrative overview and analysis of the financial activities of the City of Monett, Missouri (the City) for the fiscal year ended March 31, 2013. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements, including footnotes, which follow this section.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$37,223,915 (*net position*). Of this amount, \$6,922,753 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased \$129,594. Of this amount, (\$467,175) was from the City's "governmental activities" and a gain of \$337,581 from the "business-type activities".
- The City's total debt increased by \$94,733 during the current fiscal year. The City's fiscal year started with existing debt of \$20,956,545, additional debt was issues for \$1,777,709, and principal payments of \$1,682,976 were made during the year, which created ending fiscal year debt balance of \$21,051,278.

Overview of the Financial Statements

This discussion and analysis is intended to provide an introduction to the basic financial statements. The basic financial statements comprise three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are a broad overview of the City's finances, in a manner similar to a private business.

The *statement of net position* presents all of the City's assets and liabilities with the difference between the two reported as *net positions*. Net position is an important measure of the City's overall financial health. The increases or decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2013**

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and incurred but unused vacation leave).

Both of the government-wide financial statements report functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include policy development and administration, public safety, public works, parks and recreation, and municipal airport. The business-type activities of the City of Monett, Missouri include water, electric, sewer, sanitation and fiber optic operations.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Proprietary funds. The City uses two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, electric, sewer, sanitation and fiber optic operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its hazardous material, safety, and mechanic operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2013**

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

Net position may serve as a useful indicator of the City's financial position. As of March 31, 2013, assets exceeded liabilities by \$37,223,915. The City uses capital assets to provide services to citizens; consequently, these assets (\$23,685,131 net of related debt) are not available for future spending.

NET POSITION

The following table reflects the condensed schedule of net position as of March 31, 2013 and 2012:

	Governmental Activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 4,837,164	\$ 4,503,788	\$ 12,029,038	\$ 11,573,100	\$ 16,866,202	\$ 16,076,888
Capital assets	23,972,263	24,290,190	20,764,146	21,303,489	44,736,409	45,593,679
Total assets	<u>28,809,427</u>	<u>28,793,978</u>	<u>32,793,184</u>	<u>32,876,589</u>	<u>61,602,611</u>	<u>61,670,567</u>
Long-term debt outstanding	9,986,208	9,563,682	9,171,396	9,798,545	19,157,604	19,362,227
Other liabilities	2,416,011	2,305,913	2,805,081	2,598,918	5,221,092	4,904,831
Total liabilities	<u>12,402,219</u>	<u>11,869,595</u>	<u>11,976,477</u>	<u>12,397,463</u>	<u>24,378,696</u>	<u>24,267,058</u>
Net position:						
Net investment of capital asset	12,681,165	13,614,885	11,003,966	10,972,249	23,685,131	24,587,134
Restricted	1,680,111	2,062,638	4,915,400	4,574,313	6,595,511	6,636,951
Unrestricted	2,045,932	1,196,860	4,897,341	4,932,564	6,943,273	6,129,424
Total net position	<u>\$ 16,407,208</u>	<u>\$ 16,874,383</u>	<u>\$ 20,816,707</u>	<u>\$ 20,479,126</u>	<u>\$ 37,223,915</u>	<u>\$ 37,353,509</u>

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The City's combined net position decreased to \$37,223,915 from \$37,353,509.

The largest portion of the City's net position, \$23,685,131 (64%), reflects its net investment in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. An additional portion of the City's net position, \$6,616,031 (18%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position, \$6,922,753 (18%), represents unrestricted net position that may be used to meet the City's ongoing obligations to citizens and creditors.

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2013**

Change in Net Position

The following table reflects the revenues and expenses from the City's activities:

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 744,376	\$ 719,064	\$ 24,752,695	\$ 24,341,542	\$ 25,497,071	\$ 25,060,606
Capital grants and contributions	22,745	84,088	281,582	318,054	304,327	402,142
General revenues:						
Sales taxes	2,763,761	2,795,552	-	-	2,763,761	2,795,552
TIF taxes	670,637	909,465	-	-	670,637	909,465
TIF reimbursement	-	-	-	-	-	-
Franchise fees	419,274	499,386	-	-	419,274	499,386
Other taxes	70,684	79,066	-	-	70,684	79,066
Other revenues	251,689	88,990	275,038	203,895	526,727	292,885
Total revenues	4,943,166	5,175,611	25,309,315	24,863,491	30,252,481	30,039,102
Expenses:						
Policy development and administration	541,202	549,895	-	-	541,202	549,895
Public works	3,562,899	3,522,642	-	-	3,562,899	3,522,642
Public safety	2,226,567	2,531,339	-	-	2,226,567	2,531,339
Parks and recreation	1,227,197	1,268,520	-	-	1,227,197	1,268,520
Interest on long-term debt	421,575	396,490	-	-	421,575	396,490
Airport	478,571	551,570	-	-	478,571	551,570
Waterworks	-	-	2,126,515	2,022,274	2,126,515	2,022,274
Electric	-	-	16,572,513	15,237,089	16,572,513	15,237,089
Wastewater-sewer	-	-	2,426,235	2,531,127	2,426,235	2,531,127
Sanitation	-	-	543,815	541,432	543,815	541,432
Fiber optics	-	-	174,747	110,623	174,747	110,623
Total expenses	8,458,011	8,820,456	21,843,825	20,442,545	30,301,836	29,263,001
Gain (loss) on sale of assets	(88,739)	642	8,500	(21,678)	(80,239)	(21,036)
Other Sources	(88,739)	642	8,500	(21,678)	(80,239)	(21,036)
Increase in net position before transfers	(3,603,584)	(3,644,203)	3,473,990	4,399,268	(129,594)	755,065
Transfers - Payments in lieu of taxes	2,386,409	2,348,636	(2,386,409)	(2,348,636)	-	-
Transfers	750,000	637,250	(750,000)	(637,250)	-	-
Total transfers	3,136,409	2,985,886	(3,136,409)	(2,985,886)	-	-
Increase in net position	(467,175)	(658,317)	337,581	1,413,382	(129,594)	755,065
Net position, beginning	16,874,383	17,532,700	20,479,126	19,065,744	37,353,509	36,598,444
Net position, ending	\$ 16,407,208	\$ 16,874,383	\$ 20,816,707	\$ 20,479,126	\$ 37,223,915	\$ 37,353,509

Governmental Activities

Governmental activities decreased the City's net position by \$467,175. Sales tax revenues are one of the largest governmental categories and it amounted to \$2,763,761. For the fiscal year ended March 31, 2013, revenues from all sources totaled \$30,252,481 (governmental and business-type). Revenues from governmental activities total \$4,943,166, or 16%, of the total City revenues.

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2013**

Certain revenues are generated that are specific to governmental program activity. These totaled \$767,121. The following table shows expenses and program revenues of the governmental activities for the years ended March 31, 2013 and 2012:

Net Cost of City of Monett Governmental Activities

	Total cost of service		Net cost of service	
	2013	2012	2013	2012
Policy development and administration	\$ 541,202	\$ 549,895	\$ 352,146	\$ 345,473
Public safety	3,562,899	3,522,642	3,490,346	3,413,148
Public works	2,226,567	2,531,339	2,180,925	2,474,677
Parks and recreation	1,227,197	1,268,520	934,558	991,842
Municipal airport	421,575	396,490	254,344	240,594
Interest on long-term debt	478,571	551,570	478,571	551,570
	<u>\$8,458,011</u>	<u>\$8,820,456</u>	<u>\$7,690,890</u>	<u>\$8,017,304</u>

As previously noted, expenses from governmental activities total \$8,458,011 million. However, net costs of these services were \$7,690,890.

Business-type Activities

Business-type activities increased the City's net position by \$337,581. Key elements of this increase are as follows:

- The waterworks recorded net income of \$649,256 for the year. Revenues relating to charges for services increased \$5,927. Operating expenses increased \$108,434 compared to prior year expenses due to increases in supplies expense.
- The electric recorded net loss of \$403,533 for the year. Revenues relating to charges for services increased \$259,177. Operating expenses increased \$1,335,421, due to increases in electricity purchase charges of \$1,093,381, supplies of \$126,613, and professional fees of \$57,752.
- The sewer recorded a net income of \$48,606 for the year. Revenues increased by \$153,200 relating to charges for services. Operating expenses decreased \$91,531 due to decreases in repairs and maintenance.

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2013**

Financial Analysis of the City's Funds

As of the end of the fiscal year, the City's governmental funds report a total fund balance of \$4,003,631.

At the end of the fiscal year, the General Fund ended with a fund balance of \$2,323,520 which is an increase of \$895,802. Factors contributing to this increase included a sale of the gymnastic building for \$306,883 and proceeds from the financing for the Casino/Community Building of \$1,777,709. The Capital outlay increased from the prior year by \$1,242,188.

The fund balance in the E-911 Fund decreased by \$42,354 in the fiscal year due to operating expenditures in excess of restricted revenues for 911 purposes.

The fund balance in the TIF – District 1 Fund decreased by \$283,738 in the fiscal year due to debt service payments.

The fund balance in the TIF – District 2 Fund decreased by \$56,435 in the fiscal year due to debt service payments.

Capital Assets and Debt Administration Capital Assets

The City's net investment in capital assets for its governmental and business-type activities as of March 31, 2013, amounts to \$45.5 million. This net investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, accumulated depreciation and debt.

**City of Monett Capital Assets
(net of accumulated depreciation)**

	Governmental Activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 884,679	\$ 937,038	\$ 305,504	\$ 305,504	\$ 1,190,183	\$ 1,242,542
Construction in progress	676,394	50,880	97,989	136,876	774,383	187,756
Building and improvements	4,181,197	4,521,401	469,571	524,000	4,650,768	5,045,401
Machinery and equipment	2,105,331	1,832,318	1,337,118	1,311,979	3,442,449	3,144,297
Infrastructure	16,124,662	16,898,553	18,553,964	19,025,130	34,678,626	35,923,683
Total	\$ 23,972,263	\$ 24,240,190	\$ 20,764,146	\$ 21,303,489	\$ 44,736,409	\$ 45,543,679

For additional information on capital assets, see note 2(C) in the notes to financial statements.

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2013**

Debt Administration

The City, at the end of fiscal 2013, had a total of \$21,051,278 of outstanding long-term debt. This was an increase of \$94,733 from the previous year.

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 49,950	\$ 65,604	\$ 275,000	\$ 290,000	\$ 324,950	\$ 355,604
Revenue bonds	7,460,000	7,422,091	6,615,000	7,015,000	14,075,000	14,437,091
Developers Agreements	540,194	540,194			540,194	540,194
Capital leases and participation obligations	3,240,954	2,597,416	2,870,180	3,026,240	6,111,134	5,623,656
Total	<u>\$11,291,098</u>	<u>\$10,625,305</u>	<u>\$ 9,760,180</u>	<u>\$10,331,240</u>	<u>\$21,051,278</u>	<u>\$20,956,545</u>

For additional information on debt administration, see note 2(D) in the notes to financial statements.

Original Budget to Actual Comparison

The original FY2012-2013 budget for the General Fund projected revenues of \$4,455,795 (not including transfers and other financing sources). The actual General Fund revenues for the fiscal year were \$4,230,112, a variance of 5%. General Fund expenditures were budgeted at \$9,199,565 with actual expenditures of \$8,537,211, a variance of 7.7%. The expenditures were less than budgeted in capital outlay, utilities, and supplies. The City's budget practices relating to capital outlay items are to budget for the expense but delay purchases of capital items if revenues do not appear to be sufficient to cover expenses. Throughout FY2012-2013, sales taxes lagged behind projections that warranted the caution in spending on capital improvements. The original budget had anticipated General Fund revenues and other financing sources would exceed expenditures by \$14,630 but the actual budget surplus was greater due to proceeds from financing and the sale of assets.

The original budget had projected revenues of \$48,800 for the E-911 Fund; however, actual revenues were only \$41,430 due to a continuing decline in landline tariff revenues. Original expenditures were budgeted at \$101,515 but actual expenses were only \$94,985 due to not spending the allotted amounts for capital outlay. E-911 expenditures exceed revenues due to the loss of the phone tariff on rural Monett customers that were incorporated into the Barry County E-911 system. Due to this loss of revenue, the losses in the E-911 Fund are covered by transfers from the City's General Fund.

**CITY OF MONETT, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2013**

TIF – District 1 revenues were budgeted at \$543,650 and actual revenues were \$533,212 due to sales taxes not meeting projections. Expenditures were budgeted at \$871,720; however, the actual expenses were only \$816,950 due to legal expenses being less than anticipated. TIF – District 2 revenues were budgeted at \$140,850 with actual revenues of \$138,461, a variance of less than 2%, again due to sales taxes not meeting projections. Actual expenditures were higher than anticipated due to debt service interest cost being higher than projected.

All funds that had expenditures exceed revenues for FY2012-2013 had sufficient reserves to cover the loss for this particular fiscal year.

Requests for Information

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Janie Knight, City Clerk of the City of Monett, PO Box 110, 217 5th Street, Monett, MO 65708.

BASIC FINANCIAL STATEMENTS

CITY OF MONETT, MISSOURI
STATEMENT OF NET POSITION
MARCH 31, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,312,824	\$ 3,251,315	\$ 5,564,139
Accounts receivable	428,806	1,980,747	2,409,553
Prepaid health insurance	59,062	20,046	79,108
Prepaid workmen's compensation	117,950	66,345	184,295
Inventory		1,100,472	1,100,472
Premium on bond issuance	271,793	419,713	691,506
Restricted assets:			
Cash and cash equivalents	1,646,729	2,341,522	3,988,251
Investments		2,573,878	2,573,878
Other		275,000	275,000
Capital assets:			
Non depreciable	937,038	305,504	1,242,542
Depreciable, net	23,035,225	20,458,642	43,493,867
Total Assets	<u>28,809,427</u>	<u>32,793,184</u>	<u>61,602,611</u>
LIABILITIES			
Accounts payable	390,784	1,401,748	1,792,532
Accrued payroll and payroll taxes	155,377	64,930	220,307
Accrued interest payable	142,915	81,806	224,721
Due to depositors	15,625	390,741	406,366
Accrued compensated absences liabilities:			
Due within one year	365,778	255,707	621,485
Due in more than one year	40,642	21,365	62,007
Long-term debt liabilities:			
Due within one year	1,304,890	588,784	1,893,674
Due in more than one year	9,986,208	9,171,396	19,157,604
Total Liabilities	<u>12,402,219</u>	<u>11,976,477</u>	<u>24,378,696</u>
NET POSITION			
Net investment in capital assets	12,681,165	11,003,966	23,685,131
Restricted for:			
Capital projects	1,681,713		1,681,713
Other purposes	18,918	4,915,400	4,934,318
Unrestricted	2,025,412	4,897,341	6,922,753
	<u>\$ 16,407,208</u>	<u>\$ 20,816,707</u>	<u>\$ 37,223,915</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2013

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Assets		
		Charges for Service	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Policy development and administration	\$ 541,202	\$ 189,056	\$ -	\$ (352,146)	\$	\$ (352,146)
Public safety	3,562,899	65,132	7,421	(3,490,346)		(3,490,346)
Public works	2,226,567	45,642	-	(2,180,925)		(2,180,925)
Parks and recreation	1,227,197	277,315	15,324	(934,558)		(934,558)
Municipal Airport	421,575	167,231	-	(254,344)		(254,344)
Interest on long-term debt	478,572	-	-	(478,572)		(478,572)
Total governmental activities	8,458,012	744,376	22,745	(7,690,891)		(7,690,891)
Business-type activities:						
Waterworks	2,126,517	2,975,805	73,304		922,592	922,592
Electric	16,572,510	18,556,902			1,984,392	1,984,392
Wastewater-sewer	2,426,236	2,383,580	208,278		165,622	165,622
Sanitation	543,815	574,723			30,908	30,908
Fiber optics	174,747	261,685			86,938	86,938
Total business-type activities	21,843,825	24,752,695	281,582		3,190,452	3,190,452
Total City	\$ 30,301,837	\$ 25,497,071	\$ 304,327	(7,690,891)	3,190,452	(4,500,439)

General revenues		
Sales and use taxes	2,126,070	2,126,070
Sales and use taxes - police station	319,158	319,158
Motor fuel sales tax	318,533	318,533
M & M Surcharge Tax	41,279	41,279
Emergency Telephone Tax	29,405	29,405
Sales Tax - TIF	628,201	628,201
Real Estate Tax - TIF	42,436	42,436
Franchise fees	419,274	419,274
Payments in lieu of taxes	2,386,409	(2,386,409)
Investment revenue (Note 2)	9,820	142,365
Gain (Loss) Sale of Assets	(88,739)	8,500
Settlement	-	-
Miscellaneous	241,870	132,673
Transfers	750,000	(750,000)
Total general revenues and transfers	7,223,716	(2,852,871)
Change in net position	(467,175)	337,581
Net position - beginning	16,874,383	20,479,126
Net position - ending	\$ 16,407,208	\$ 20,816,707

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 GOVERNMENTAL FUNDS BALANCE SHEET
 MARCH 31, 2013

	Major Funds				Total Governmental Funds
	General	E-911	Tax Increment Finance - 1	Tax Increment Finance - 2	
ASSETS					
Cash and cash equivalents	\$ 2,312,824	\$ -	\$ -	\$ -	\$ 2,312,824
Investments	-	-	-	-	-
Accounts receivable	372,125	-	48,048	8,633	428,806
Due from other funds	2,779	-	-	-	2,779
Prepaid health insurance	59,108	-	-	-	59,108
Prepaid workmen's compensation	117,950	-	-	-	117,950
Restricted assets:					
Cash and cash equivalents	18,918	-	875,299	752,512	1,646,729
Investments	-	-	-	-	-
Total assets	<u>\$ 2,883,704</u>	<u>\$ -</u>	<u>\$ 923,347</u>	<u>\$ 761,145</u>	<u>\$ 4,568,196</u>
LIABILITIES					
Accounts payable	390,784	-	-	-	\$ 390,784
Accrued payroll and payroll taxes	153,775	1,602	-	-	155,377
Due to depositors	15,625	-	-	-	15,625
Due to other funds	-	-	411	2,368	2,779
Total liabilities	<u>560,184</u>	<u>1,602</u>	<u>411</u>	<u>2,368</u>	<u>564,565</u>
FUND BALANCE					
Nonspendable:					
Inventory and prepaid	177,059	-	-	-	177,059
Restricted for:					
E 911 communication	-	-	-	-	-
Court	18,918	-	-	-	18,918
Community redevelopment expenditures	-	-	922,936	758,777	1,681,713
Committed:					
South Park Casino Project	1,090,087	-	-	-	1,090,087
Unassigned	1,037,456	(1,602)	-	-	1,035,854
Total fund balances	<u>2,323,520</u>	<u>(1,602)</u>	<u>922,936</u>	<u>758,777</u>	<u>4,003,631</u>
Total liabilities and fund balances	<u>\$ 2,883,704</u>	<u>\$ -</u>	<u>\$ 923,347</u>	<u>\$ 761,145</u>	<u>\$ 4,568,196</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 MARCH 31, 2013

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - total governmental funds		\$ 4,003,631
Capital assets used in governmental activities are not current financial resource, and therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 43,076,790	
Less accumulated depreciation	<u>(19,104,527)</u>	
		23,972,263
Long-term liabilities; including certificates of participation, capital lease obligations, and accrued compensated absences, are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds.		
General obligation bonds	(49,950)	
Revenue bonds	(7,460,000)	
Notes payable	(2,317,903)	
Capital lease obligations	(1,463,245)	
Accrued compensated absences	(406,420)	
Unamortized premium on bond issuance	271,747	
Accrued interest liability	<u>(142,915)</u>	
		(11,568,686)
Net position of Governmental Activities		<u><u>\$ 16,407,208</u></u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 YEAR ENDED MARCH 31, 2013

	Major Funds				Total Governmental Funds
	General	E-911	Tax Increment Finance -District 1	Tax Increment Finance - District 2	
REVENUES					
Business license and permits	\$ 25,033	\$ -	\$ -	\$ -	\$ 25,033
Federal and state grants	22,793	-	-	-	22,793
Fines and forfeitures	167,102	-	-	-	167,102
Franchise fees	419,274	-	-	-	419,274
Sales tax	2,445,228	-	489,792	138,409	3,073,429
Investment income	8,784	-	984	52	9,820
Other revenue	649,988	12,025	-	-	662,013
Other taxes and assessments	359,812	29,405	42,436	-	431,653
Rental revenue	132,098	-	-	-	132,098
Total Revenues	4,230,112	41,430	533,212	138,461	4,943,215
EXPENDITURES					
Current					
Policy development and administration	507,930	-	-	-	507,930
Public safety	3,115,137	94,985	-	-	3,210,122
Public works	1,291,803	-	57,028	6,138	1,354,969
Parks and recreation	980,463	-	-	-	980,463
Municipal airport	239,600	-	-	-	239,600
Capital outlay	1,792,900	-	-	-	1,792,900
Debt service:					
Principal	531,916	-	580,000	-	1,111,916
Interest and other charges	84,361	-	179,922	188,758	453,041
Total Expenditures	8,544,110	94,985	816,950	194,896	9,650,941
Excess (Deficiency) of Revenues over Expenditures	(4,313,998)	(53,555)	(283,738)	(56,435)	(4,707,726)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	306,883	-	-	-	306,883
Proceeds from financing	1,777,709	-	-	-	1,777,709
Transfers - Payments in lieu of taxes (PILOTS)	2,386,409	-	-	-	2,386,409
Transfers in	738,799	11,201	-	-	750,000
	5,209,800	11,201	-	-	5,221,001
Net Change in Fund Balances	895,802	(42,354)	(283,738)	(56,435)	513,275
Fund balance - beginning	1,427,718	40,752	1,206,674	815,212	3,490,356
Fund balance - ending	\$ 2,323,520	\$ (1,602)	\$ 922,936	\$ 758,777	\$ 4,003,631

See accompanying notes to the financial statements.

**CITY OF MONETT, MISSOURI
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2013**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ 513,275
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives.	1,792,900
In the Statement of Activities cost of capital outlay assets is allocated over their estimated useful lives and reported as depreciation expense.	(1,665,204)
In the Statement of Activities cost of accrued compensated absences are expenses as salary costs.	(21,153)
Governmental funds report proceeds from sale of assets as revenues. However, in the statement of activities the proceeds of the sales are not reported on the Statement of Activities	(395,669)
Governmental funds report unamortized bond premium as expenditures. However, in the statement of activities the cost of those premiums are allocated over their debt repayment live	(32,168)
In the Statement of Activities cost of accrued interest expenses of tax increment financing district are expensed as interest costs.	6,637
Governmental funds report proceeds from financing as revenue. However, in the statement of activities the proceeds of those loans are balance sheet items and not reported on the Statement of Activities.	(1,777,709)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	1,111,916
Change in net position of governmental activities	<u>\$ (467,175)</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 PROPRIETARY FUNDS STATEMENT OF NET POSITION
 MARCH 31, 2013

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ -	\$ 2,839,667	\$ -	\$ 339,297	\$ 72,351	\$ 3,251,315
Investments	-	-	186,571	44,739	22,220	1,980,747
Accounts receivable	211,672	1,515,545	5,120	1,951	-	20,046
Prepaid health insurance	5,991	6,984	11,058	16,587	-	66,345
Prepaid workmen's compensation	12,901	25,799	19,321	-	55,645	1,100,472
Inventory	330,113	695,393	-	-	-	-
Due from other funds	-	-	346,808	-	-	419,713
Unamortized bond issue costs/investments	72,905	-	-	-	-	-
Total current assets	<u>633,582</u>	<u>5,083,388</u>	<u>568,878</u>	<u>402,574</u>	<u>150,216</u>	<u>6,838,638</u>
Restricted assets:						
Cash and cash equivalents	2,326,756	-	14,766	-	-	2,341,522
Investments	-	-	2,573,878	-	-	2,573,878
Total restricted assets	<u>2,326,756</u>	<u>-</u>	<u>2,588,644</u>	<u>-</u>	<u>-</u>	<u>4,915,400</u>
Other			275,000			275,000
Capital assets:						
Land	56,932	58,400	178,071	12,101	-	305,504
Building and Improvements	908,946	769,758	33,704	84,877	-	1,797,285
Machinery and equipment	506,697	1,088,809	494,599	937,442	145,122	3,172,669
Infrastructure	9,666,693	5,381,749	25,419,028	61,189	635,923	41,164,582
Construction in progress	-	-	97,989	-	-	97,989
Less: accumulated depreciation	(4,583,285)	(5,574,557)	(14,658,699)	(604,047)	(353,295)	(25,773,883)
Total capital assets (net of accumulated depreciation)	<u>6,555,983</u>	<u>1,724,159</u>	<u>11,564,692</u>	<u>491,562</u>	<u>427,750</u>	<u>20,764,146</u>
Total noncurrent assets	<u>6,555,983</u>	<u>1,724,159</u>	<u>11,564,692</u>	<u>491,562</u>	<u>427,750</u>	<u>20,764,146</u>
Total Assets	<u>9,516,321</u>	<u>6,807,547</u>	<u>14,997,214</u>	<u>894,136</u>	<u>577,966</u>	<u>32,793,184</u>
LIABILITIES						
Current liabilities:						
Accounts payable	59,312	1,278,657	42,085	18,071	3,623	1,401,748
Accrued payroll and payroll taxes	15,908	26,893	17,040	5,089	-	64,930
Accrued interest payable	27,000	-	54,806	-	-	81,806
Due to other funds	-	-	-	-	-	-
Current maturities of long-term liabilities	158,784	-	430,000	-	-	588,784
Total current liabilities	<u>261,004</u>	<u>1,305,550</u>	<u>543,931</u>	<u>23,160</u>	<u>3,623</u>	<u>2,137,268</u>
Long-term liabilities, less current maturities:						
Due to depositors	30,615	360,126	-	-	-	390,741
Accrued compensated absences	39,543	172,162	52,557	12,810	-	277,072
Notes and capitalized lease obligations payable	2,711,396	-	275,000	-	-	2,711,396
Neighborhood improvement bonds	-	-	6,185,000	-	-	6,185,000
Revenue bonds payable, net	-	-	6,512,557	12,810	-	9,839,209
Total noncurrent liabilities	<u>2,781,554</u>	<u>532,288</u>	<u>6,512,557</u>	<u>12,810</u>	<u>3,623</u>	<u>11,976,477</u>
NET POSITION						
Net investment in capital assets	3,685,803	1,724,159	4,674,692	491,562	427,750	11,003,966
Restricted for:						
Capital projects	2,326,756	-	2,588,644	-	-	4,915,400
Other purposes	461,204	3,245,550	677,390	366,604	146,591	4,897,341
Unrestricted	-	-	-	-	-	-
Total Net Position	<u>\$ 6,473,763</u>	<u>\$ 4,969,709</u>	<u>\$ 7,940,726</u>	<u>\$ 858,166</u>	<u>\$ 574,343</u>	<u>\$ 20,816,707</u>

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET POSITION
 YEAR ENDED MARCH 31, 2013

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitaton	Fiber	
OPERATING REVENUES						
Charges for services	\$ 2,975,805	\$ 18,556,902	\$ 2,383,580	\$ 574,723	\$ 261,685	\$ 24,752,695
OPERATING EXPENSES						
Salaries	437,987	728,572	442,287	135,669		1,744,515
Payroll taxes	30,323	50,038	31,858	10,251		122,470
Depreciation	342,193	173,937	750,112	64,144	46,308	1,376,694
Computer	11,504	23,374	8,074		6,013	48,965
Education	3,427	7,511	1,536	9		12,483
Electric purchases		14,759,694				14,759,694
Health and life insurance	59,319	80,577	59,079	22,516		221,491
Insurance	18,238	73,988	21,936	4,847		119,009
Landfill and recycling				156,748		156,748
Miscellaneous	341	3,113	197	596	37,800	42,047
Professional and consulting service	75,033	96,312	133,195	5,419	32,430	342,389
Repairs and maintenance	491,320	158,073	495,772	101,152	28,185	1,274,502
Retirement	54,525	97,796	60,654	18,868		231,843
Supplies	410,184	277,875	40,606	4,641	23,669	756,975
Telephone	2,766	12,205	1,818	379	342	17,510
Utilities						
Workman's compensation	15,789	29,445	11,630	18,576		75,440
Total Operating Expenses	1,952,949	16,572,510	2,058,754	543,815	174,747	21,302,775
Operating Income (Loss)	1,022,856	1,984,392	324,826	30,908	86,938	3,449,920
NONOPERATING REVENUES (EXPENSES)						
Investment income	38	1,738	140,589			142,365
Federal and State Grants	73,304		208,278			281,582
Miscellaneous income	35,806	53,690	2,822	2,555	37,800	132,673
Gain(loss) on asset disposal		8,500				8,500
Interest expense and fees	(173,568)		(367,482)			(541,050)
Total Nonoperating Revenues (Expenses)	(64,420)	63,928	(15,793)	2,555	37,800	24,070
Income (Loss) Before Contributions and Transfers	958,436	2,048,320	309,033	33,463	124,738	3,473,990
Payments in lieu of taxes (PILOTS)	(309,180)	(1,786,853)	(260,427)		(29,949)	(2,386,409)
Transfers out	649,256	(403,533)	48,606	33,463	9,789	337,581
Net position - beginning	5,824,507	5,373,242	7,892,120	824,703	564,554	20,479,126
Net position - ending	\$ 6,473,763	\$ 4,969,709	\$ 7,940,726	\$ 858,166	\$ 574,343	\$ 20,816,707

See accompanying notes to the financial statements.

CITY OF MONETT, MISSOURI
 PROPRIETARY FUNDS STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2013

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks	Electric	Sewer	Sanitation	Fiber	
Cash flows from operating activities:						
Cash received from customers	\$ 2,985,070	\$ 18,293,922	\$ 2,364,702	\$ 570,817	\$ 265,619	\$ 24,480,130
Cash received from other sources	35,806	53,690	2,822	2,555	37,800	132,673
Cash payments to suppliers	(410,184)	(277,875)	(40,606)	(4,641)	(23,669)	(756,975)
Cash payments to employees	(441,674)	(696,093)	(439,486)	(135,185)	-	(1,712,438)
Cash payments to employee benefits and payroll taxes	(145,179)	(228,737)	(151,828)	(51,726)	-	(577,470)
Cash payments for other expenses	(798,146)	(14,959,001)	(660,692)	(285,611)	(93,245)	(16,796,696)
Net cash provided by (used in) operating activities	1,225,693	2,185,906	1,074,911	96,209	186,505	4,769,224
Cash flows from non-capital financing activities:						
Transfers from (to) other funds	-	(665,000)	-	-	(85,000)	(750,000)
Transfer NBV of Capital Asset	-	15,000	-	-	(15,000)	(15,000)
Transfers - Payments in lieu of taxes (PILOTS)	(309,180)	(1,786,853)	(260,427)	-	(29,949)	(2,386,409)
Net cash provided by (used in) non-capital financing activities	(309,180)	(2,436,853)	(260,427)	-	(129,949)	(3,136,409)
Cash flows from capital and related financing activities:						
Interest expense & fees	(170,574)	-	(347,115)	-	-	(517,689)
Principal payment on capital lease	(156,077)	-	(415,000)	-	-	(571,077)
Purchase of capital acquisitions	(519,761)	(213,975)	(97,988)	-	-	(831,724)
Proceeds from assessment receivable	-	-	(105,604)	-	-	(105,604)
Federal and state grants	73,304	-	208,278	-	-	281,582
Net cash provided by (used in) capital and related financing activities	(773,108)	(213,975)	(757,429)	-	-	(1,744,512)
Cash flows from investing activities:						
Investment income	38	1,738	140,589	-	-	142,365
Purchase of investments	-	-	(1,459,285)	-	-	(1,459,285)
Proceeds from maturity of investments	-	2,873	-	-	-	2,873
Net cash provided by (used in) investing activities	38	4,611	(1,318,696)	-	-	(1,314,047)
Net increase (decrease) in cash and cash equivalents	143,443	(460,311)	(1,261,641)	96,209	56,556	(1,425,744)
Cash and cash equivalents - ending	<u>\$ 2,326,756</u>	<u>\$ 2,839,667</u>	<u>\$ 14,766</u>	<u>\$ 339,297</u>	<u>\$ 72,351</u>	<u>\$ 5,592,837</u>
Displayed as:						
Cash and cash equivalents	\$ -	\$ 2,839,667	\$ -	\$ 339,297	\$ 72,351	\$ 3,251,315
Restricted - cash and cash equivalents	2,326,756	-	14,766	-	-	2,341,522
Total cash and cash equivalents	<u>\$ 2,326,756</u>	<u>\$ 2,839,667</u>	<u>\$ 14,766</u>	<u>\$ 339,297</u>	<u>\$ 72,351</u>	<u>\$ 5,592,837</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ 1,022,856	\$ 1,984,392	\$ 324,826	\$ 30,908	\$ 86,938	\$ 3,449,920
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	342,193	173,937	750,112	64,144	46,308	1,376,694
Miscellaneous revenue	35,806	53,690	2,822	2,555	37,800	132,673
(Increase) decrease in accounts receivable	9,024	(267,235)	(18,878)	(3,906)	3,934	(277,061)
(Increase) decrease in prepaid sales tax	(76,692)	(22,943)	(1,756)	-	14,509	(86,882)
(Increase) decrease in inventory	(1,012)	(326)	(237)	(91)	-	(1,666)
Increase (decrease) in prepaid health insurance	22,894	4,225	(2,488)	(2,338)	-	22,293
Increase (decrease) in prepaid workmen's compensation	(125,930)	223,432	17,709	4,453	(2,984)	116,680
Increase (decrease) in accounts payable	1,042	2,329	1,653	-	-	5,024
Increase (decrease) in accrued payroll	241	4,255	-	-	-	4,496
Increase (decrease) in customer deposits	(4,729)	30,150	1,148	484	-	27,053
Increase (decrease) in accrued compensated absences	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 1,225,693</u>	<u>\$ 2,185,906</u>	<u>\$ 1,074,911</u>	<u>\$ 96,209</u>	<u>\$ 186,505</u>	<u>\$ 4,769,224</u>

NONCASH CAPITAL FINANCING ACTIVITIES

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Reporting Entity

The City of Monett, Missouri, was incorporated as a town in 1888 and, as a city on March 3, 1913, under the provisions of the State of Missouri. The City operates under a Mayor-Board of Commission form of government as a Third Class City. The Mayor and the two Commissioners serve four-year terms that expire in April 2016. The City provides a variety of general governmental services to residents including general administrative services, public safety, public works, parks and recreation, and airport operations. Other services include water, electric, sewer, fiber optic, and sanitation operations.

The financial statements of the City of Monett have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for government accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations, constitutes GAAP for governmental unites. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

GASB Statements No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA pronouncements, effective for periods beginning after December 15, 2011, incorporates into GASB's authoritative literature certain accounting and financial reporting guidance included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure, which do not conflict with or contradict GASB pronouncements. The City has implemented this new requirement in the current year.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, effective for periods beginning after December 15, 2011, provides financial reporting guidance for net position. The City has implemented this new requirement in the current fiscal year.

The financial reporting entity consists of the primary government and its component units, which are legally separate entities that the government is considered financially accountable for or for which exclusion would be misleading or incomplete. The determination of financial accountability includes consideration of a number of criteria, including: (1) the appointment of a voting majority of an entity's governing authority and the ability of the primary government to impose its will on the entity, (2) the potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the primary government, and (3) the entity's fiscal dependency on the primary government.

Blended Component Unit - The following legally separate entity is a component unit, which is, in substance, a part of the City's general operations. This component unit provides services entirely, or almost entirely, to the primary government or provides services which exclusively, or almost exclusively, benefit the primary government. Data from this unit is combined with data of the primary government for financial reporting purposes.

The East Highway 60 Community Improvement District (CID) - The CID, a political subdivision of the State of Missouri under Section 67.1401 to 67.1571 of the Revised Statutes of Missouri 2000, was created under Ordinance No. 7577 of the City adopted July 14, 2006. The purpose of the District shall be those purposes stated in Section 67.1401 to 67.1571 RSMo. 2000. The CID was established to impose a

sales tax of one-half of one percent of all retail sales within the district for a period of four years from the date on which the tax is first imposed for the purpose of providing revenues to support a revenue bond issue in the City of Monett, Missouri to correct the blight conditions within the District.

The board of directors of the District consists of five persons appointed by the Mayor with the advice and consent of the City Council. Financial information for the CID has been included within the governmental activities and governmental funds. Although it is legally separate from the City, the CID is reported as if it were part of the primary government because its sole purpose is to finance the construction of various capital projects within the City. No separately issued financial statements are prepared for the CID.

No other entities met the criteria for inclusion as component units of the City.

(B) Government-wide and Fund Financial Statements

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

Government-wide Financial Statements: The government-wide statements display information about the primary government and its component unit. For the most part, the interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Position, both the governmental and business-type activities are each consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides valuable information for greater analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a program or a function.

Program revenues include (a) charges paid by recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meet operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Program revenues are typically restricted to a specific function or activity.

Fund Financial Statements: Separate fund financial statements report information on the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Any remaining funds would be aggregated and reported as nonmajor funds in their respective categories.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences are recorded only when payment is due. Conversely, the proprietary fund statements

incorporate the accrual basis of accounting and focus on the change in total economic resources. This presentation records long-term assets and liabilities, and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements.

Therefore, reconciliations have been provided following the governmental funds balance sheet and the statement of revenues, expenditures and changes in fund balance identifying categories that required conversion from the fund statements.

In the governmental funds, sales taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of taxes received within 30 days is considered to be susceptible to accrual as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Operating activities of the proprietary funds include all transactions and other events that are not defined as capital and related financing, non-capital financing, or investing activities. More specifically, operating revenues consist of sales and charges for services. Operating expenses of the proprietary funds include personnel services, operating supplies, and services incurred in conducting daily business.

The City reports the following major governmental funds:

General Fund — This fund is the City's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

E-911 — This fund accounts for revenues and expenditures relating to 911 emergency dispatching services. Cash and investments for this fund are restricted by state statute.

Tax Increment Finance 1 & 2 — The purpose of these funds is to account for revenues and expenditures relating to tax increment financing projects. Cash and investments for these funds are restricted by state statute.

The City reports the following major enterprise funds:

Water System — This fund accounts for the operations, maintenance and improvement activities of the existing water system and capital improvements pertaining to the City wells, facilities, equipment and infrastructure.

Electric System — This fund accounts for the operations, maintenance and improvement activities of the existing electric system and capital improvements pertaining to the City substations, facilities, equipment and infrastructure.

Sewer System — This fund accounts for the operations, maintenance and improvement activities of the existing sewer system and capital improvements pertaining to the treatment plant, lift stations, equipment, and infrastructure.

Sanitation System — This fund accounts for the operations, maintenance and improvement activities of the existing sanitation collection system and capital improvements pertaining to the recycling center, sanitation equipment and facilities.

Fiber Optic System — This fund accounts for the operations, maintenance and improvement activities of the existing fiber optics system and capital improvements pertaining to the equipment, and infrastructure.

(C) Assets, Liabilities, and Net Position or Equity

a. Deposits and Investments

City monies are deposited in FDIC-insured banks. Deposits in excess of FDIC insurable limits are secured with collateral pledged by the banks. Permissible investments include obligations of the U.S. Government, State of Missouri, bonds, bills or notes guaranteed by the U.S., state or city governments, certificates of deposit, repurchase agreements, bankers acceptances, and commercial paper. The City purchases investments from SEC-registered broker-dealers and banks. Investments are carried at fair value. Investment in securities at March 31, 2013 consists mainly of certificate of deposits, obligations of government backed securities, obligations of government sponsored enterprises, U.S. Treasury securities, state and local governmental obligations, and governmental invested mutual funds. The City classifies its investments as available-for-sale securities. Available-for-sale securities are recorded at fair value. The fair values of governmental invested mutual funds are based on quoted market prices for those or similar investments at the reporting date.

If a fixed maturity security is in an unrealized loss position and the City has the intent to sell the fixed maturity security, or it is more likely than not that the City will have to sell the fixed maturity security before recovery of its amortized cost basis, the decline in value is deemed to be other-than temporary and is recorded as an other-than-temporary impairment loss recognized in the City's Statement of Activities. For impaired fixed maturity securities that the City does not intend to sell or it is more likely than not that such securities will not have to be sold, but the City expects not to fully recover the amortized cost basis, the credit component of the other-than-temporary impairment is recorded as an other-than-temporary impairment loss recognized in the City's Statement of Net Position and the non-credit component of the other-than-temporary impairment is reported in other comprehensive income. Unrealized losses entirely caused by non-credit related factors related to fixed maturity securities for which the City expects to fully recover the amortized cost basis are reported in accumulated other comprehensive income.

The unrealized gains or losses on the City's equity securities classified as available-for-sale are included in accumulated other comprehensive income as a separate component of surplus equity, unless the decline in value is deemed to be other-than-temporary and the City does not have the intent and ability to hold such equity securities until their full cost can be recovered, in which case such equity securities are written down to fair value and the loss is charged to other-than-temporary impairment losses recognized in earnings.

A decline in the fair value of any available-for-sale security below cost that is deemed to be other-than temporary results in an impairment reducing the carrying amount to fair value. The impairment is charged to earnings and a new cost basis for the security is established. To determine whether impairment is other-than-temporary, the City considers whether it has the ability and intent to hold the investment until a market price recovery and considers whether evidence indicating the cost of the investment is recoverable outweighs evidence to the contrary. Evidence considered in this assessment includes the reasons for the impairment, the severity and duration of the impairment, market conditions, changes in value subsequent to year end, forecasted performance of the investee, and the general market condition in the geographic area or industry the investee operates in.

Premiums and discounts are amortized or accreted over the life of the related available-for-sale security as an adjustment to yield. Dividend and interest income are recognized when earned.

b. Receivables and Payables

Activities between funds that are representative of borrowing/lending arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

c. Inventories and Prepaid Items

Purchases of various operating supplies are regarded as inventories at the time purchased, at cost, and are recorded as assets at the close of the fiscal year. Supplies purchased are expensed at the time they are put into use.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Health insurance premiums and workman's compensation are accounted for using the consumption method.

d. Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the applicable balance sheets and statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

e. Capital Assets

Capital assets include land, construction in progress, buildings and improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed.

Building and improvements, equipment and infrastructure are depreciated using the straight-line method over the following estimated lives:

	<u>Years</u>
Primary government:	
Buildings	5 to 40
Improvements	5 to 40
Machinery and equipment	3 to 40
Infrastructure	20 to 40

f. Compensated Absences

All vested or accumulated vacation, scheduled holiday leave and vested accumulated sick leave is accrued when incurred in the government-wide and proprietary financial statements. Compensated absences for the years ended March 31, 2013 and 2012 are \$683,492 and \$635,284 respectively.

g. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and obligations are reported in the Statements of Net Position as liabilities in the applicable governmental and business-type categories. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

h. Fund Balances

In the fund financial statements are classified as follows:

Nonspendable – amounts that cannot be spent either because they are nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for a specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the board. The board is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the board. At the end of March 2013, \$1,090,087 was committed for the South Park Casino building project.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the city's policy, the city may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

i. Capitalization of Interest

Net interest costs related to acquisition or construction is capitalized as part of the cost of the related asset for the business type and proprietary activities of the City. Total interest costs incurred by the City were \$541,067, of which none was capitalized.

j. Interfund and Related Party Transactions

Transactions between the City's various funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to City government. Certain transactions between City Utilities and the City are also treated in this manner. The operations of City Utilities for the year ended March 31, 2013 reflect payments in lieu of taxes (PILOTS) to the City of \$2,386,409.

In addition, City Utilities also provides services such as energy for street lighting and other electric, water and sewer services without charge to the City. The cost of providing such services was \$650,812 in the current fiscal year.

k. Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net investment in Capital Assets - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - This consists of net position that do not meet the definition of "restricted" or "net investment of capital assets."

l. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America (GAAP) requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(2) DETAILED NOTES ON ALL FUNDS

(A) Deposits

The City pools idle cash from all funds for the purpose of increasing income through investment activities. The cash and investment pool is available for use by all funds and is comprised of deposits and other investments. At March 31, 2013, the bank balance of the City's deposits was \$8,704,500, which was covered by federal depository insurance or by collateral held by the City's agent in the City's name. At March 31, 2013, the carrying amount of the City's deposit was \$8,529,308 with the difference between bank and book balances of \$175,192 due to outstanding checks in transit and other reconciling items.

The City also maintains separate cash accounts restricted for specific purposes. At March 31, 2013, the bank balance of the City's restricted deposits was \$3,988,251, which was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

(B) Investments

Statutes authorize the City to invest in investments, which are:

- a. Obligations of the United States government, the State of Missouri, this city, or;
- b. In bonds, bills, notes, debentures or other obligations guaranteed as to payment of principal and interest by the government of the United States or any agency or instrumentality thereof, the State of Missouri or this city, or;
- c. In revenue bonds of the City, or;
- d. In certificates of deposit, savings accounts as defined in Chapter 369, Revised Missouri Statutes or in interest bearing time deposits when such funds are held in United States banks, state banks, savings and loan associations operating under Chapter 369, Revised Missouri Statutes, or savings and loan associations authorized by the United States government so long as such deposits, savings accounts, and interest bearing deposits are secured by one or more of the types of securities described in subparagraphs (a), (b), or (c) of this section.

The City also maintains an investment pool that is available for use by all funds and separate investments accounts which are restricted for specific purposes. At March 31, 2013, the City held the following investments, all of which have maturities of more than 24 months:

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Agency:	
GNMA II	\$ 689,847
GNMA	76,671
FNMA	67,752
FHMA	9,403
Trustee investments	1,077,456
Certificates of deposit	652,749
Total	<u>\$ 2,573,878</u>

The following is a listing of cash and investments held by the City as of March 31, 2013:

Money market funds	\$	34,271
Deposits		7,876,559
Investment in security		843,673
Investments in CD's.		652,749
Petty Cash		1,200
Trustee investments		1,077,456
Trustee accounts		<u>1,640,360</u>
Total	\$	<u>12,126,268</u>

For purposes of the financial statements, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Deposits and investments of the City at year end are reflected as follows:

Cash and cash equivalents	\$	5,564,139
Restricted cash and cash equivalents		3,988,251
Restricted investments		<u>2,573,878</u>
Total	\$	<u>12,126,268</u>

The accredited cost, gross unrealized gains, gross unrealized losses, and estimated fair value of available-for-sale securities by U.S. Agency at March 31, 2013 were as follows:

	Accredited Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Agency:				
GNMA II	\$ 689,847	\$ 0.00	\$ 0.00	\$ 689,847
GNMA	76,671	0.00	0.00	76,671
FNMA	67,752	0.00	0.00	67,752
FHMA	9,403	0.00	0.00	9,403
	<u>\$ 843,673</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 843,673</u>

The fair values of all of the available-for-sale securities as of March 31, 2013 are based on unadjusted, quoted prices in active markets as of the measurement date (often referred to as Level 1 inputs). The City regularly monitors and evaluates the difference between the cost and estimated fair value of investments. For investments with a fair value below cost, the process includes evaluating: (1) the length of time and the extent to which the estimated fair value has been less than amortized cost for fixed maturity securities, or cost for equity securities, (2) the financial condition, near-term and long term prospects for the issuer, including relevant industry conditions and trends, and implications of rating agency actions, (3) the City's intent to sell or the likelihood of a required sale prior to recovery, (4) the recoverability of principal and interest for fixed maturity securities, or cost for equity securities, and (5) other factors, as applicable. This process is not exact and requires consideration of risks such as credit and interest rate risks. Consequently, if an investment's cost exceeds its estimated fair value solely due to changes in interest rates, other-than-temporary impairment may not be appropriate. Due to the subjective nature of the City's analysis, along with the judgment that must be applied in the analysis, it is possible that the City could reach a different conclusion whether or not to impair a security if it had access to additional information about the

investee. Additionally, it is possible that the investee's ability to meet future contractual obligations may be different than determined by the City during its analysis, which may lead to a different impairment conclusion in future periods. If after monitoring and analyzing impaired securities, the City determines that a decline in the estimated fair value of any available-for-sale security below cost is other-than-temporary, the carrying amount of the security is reduced to its fair value by the credit component of the other-than-temporary impairment. The new cost basis of an impaired security is not adjusted for subsequent increases in estimated fair value. In periods subsequent to the recognition of an other-than-temporary impairment, the impaired security is accounted for as if it had been purchased on the measurement date of the impairment. For debt securities, the discount (or reduced premium) based on the new cost basis may be accreted into net investment income in future periods based on prospective changes in cash flow estimates, to reflect adjustments to the effective yield.

The City continues to review the investment portfolios. Given the current market conditions and the significant judgments involved, there is a continuing risk that further declines in fair value may occur and material other-than-temporary impairments may be recorded in future periods.

U.S. Government Debt Securities and State and Local Government Debt Securities — Any specific unrealized loss on the City's investments in debt securities was mainly caused by fluctuations in interest rate and general market conditions. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than the par value of the investment. In addition, most of these investments have investment grade ratings. These investments are not considered other-than-temporarily impaired, for the following reasons: (1) the decline in fair value is attributable to changes in interest rates and not credit quality; (2) the City does not intend to sell the investments; (3) the City does not expect to be required to sell the investments before recovery of their amortized cost basis, which may be maturity; and (4) the City expects to collect all contractual cash flows.

Certificates of Deposits - negotiable — Any specific unrealized loss on the City's investments in certificates of deposits negotiable securities are mainly caused by fluctuations in interest rate and general market conditions. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than the face value of the investment. These investments are not considered other-than-temporarily impaired, for the following reasons: (1) the decline in fair value is attributable to changes in interest rates and not credit quality; (2) the City does not intend to sell the investments; (3) the City does not expect to be required to sell the investments before recovery of their amortized cost basis, which may be maturity; and (4) the City expects to collect all contractual cash flows.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All fixed income securities are perfected in the name or for the account of the City.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of increase in interest rates. The City minimizes the risk that the market value of fixed income securities in the portfolio will fall due to increases in the general interest rates by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for ongoing operations.

Credit Risk

Credit risk is the risk that the City will not recover its investments due to the ability of the issuer to fulfill their obligations. The City minimizes credit risk by diversifying the portfolio so that potential losses on individual fixed income securities will be minimized. As of March 31, 2013, the City's investments were rated by Moody's Investment Service or Standard & Poor's as follows:

Investment Type	Rating
U.S. Agency Securities	AAA

(C) Capital Assets

Capital asset activity for the year ended March 31, 2013, was as follows:

Governmental Activities:	Balance March 31, 2012	Additions	Deductions	Transfers	Balance March 31, 2013
Non-Depreciable Capital Assets					
Land	\$ 937,038	43,641	(96,000)	-	\$ 884,679
Construction in Process	50,880	663,993	(38,479)	-	676,394
	<u>987,918</u>	<u>707,634</u>	<u>(134,479)</u>	<u>-</u>	<u>1,561,073</u>
Depreciable Capital Assets					
Buildings and Building Imp.	6,676,713	117,345	(363,795)	-	6,430,263
Machinery and Equipment	6,251,998	682,029	(142,766)	-	6,791,261
Infrastructure	28,008,381	285,891	(16,816)	-	28,277,456
Total Depreciable Capital Assets	<u>40,937,092</u>	<u>1,085,265</u>	<u>(523,377)</u>	<u>-</u>	<u>41,498,980</u>
Less Accumulated Depreciation					
Buildings and Building Imp.	(2,155,312)	(220,990)	127,236	-	(2,249,066)
Machinery and Equipment	(4,419,680)	(394,592)	128,342	-	(4,685,930)
Infrastructure	(11,109,828)	(1,049,622)	6,656	-	(12,152,794)
Total Accumulated Depreciable	<u>(17,684,820)</u>	<u>(1,665,204)</u>	<u>262,234</u>	<u>-</u>	<u>(19,087,790)</u>
Total Capital Assets, Net	<u>23,252,272</u>	<u>(579,939)</u>	<u>(261,143)</u>	<u>-</u>	<u>22,411,190</u>
Total Governmental Activities Capital Assets	<u>\$ 24,240,190</u>	<u>127,695</u>	<u>(395,622)</u>	<u>-</u>	<u>\$ 23,972,263</u>

Depreciation expense was charged functions as follows:

Policy Development and Administration	27,292
Public Safety	340,138
Public Works	860,604
Parks and Recreation	253,825
Municipal Airport	183,345
Total depreciation expense governmental activities	<u>\$ 1,665,204</u>

Business Type Activities:

	Balance March 31, 2012	Additions	Deductions	Transfers	Balance March 31, 2013
Water Fund:					
Non-Depreciable Capital Assets					
Land	\$ 56,932	\$ -	\$ -	\$ -	\$ 56,932
Construction in Process	136,876	-	(136,876)	-	-
Total Non-Depreciable Capital Assets	<u>193,808</u>	<u>-</u>	<u>(136,876)</u>	<u>-</u>	<u>56,932</u>
Depreciable Capital Assets					
Buildings and Building Imp.	908,946	-	-	-	908,946
Machinery and Equipment	481,148	25,549	-	-	506,697
Infrastructure	9,034,154	632,539	-	-	9,666,693
Total Depreciable Capital Assets	<u>10,424,248</u>	<u>658,088</u>	<u>-</u>	<u>-</u>	<u>11,082,336</u>
Less Accumulated Depreciation					
Buildings and Building Imp.	(615,562)	(26,374)	-	-	(641,936)
Machinery and Equipment	(304,274)	(28,632)	-	-	(332,906)
Infrastructure	(3,321,256)	(287,187)	-	-	(3,608,443)
Total Accumulated Depreciable	<u>(4,241,092)</u>	<u>(342,193)</u>	<u>-</u>	<u>-</u>	<u>(4,583,285)</u>
Total Depreciable Capital Assets, Net	<u>6,183,156</u>	<u>315,895</u>	<u>-</u>	<u>-</u>	<u>6,499,051</u>
Total Water Fund Business - Type Capital Assets	<u>\$ 6,376,964</u>	<u>\$ 315,895</u>	<u>\$ (136,876)</u>	<u>\$ -</u>	<u>\$ 6,555,983</u>
Electric Fund:					
Non-Depreciable Capital Assets					
Land	\$ 58,400	\$ -	\$ -	\$ -	\$ 58,400
Total Non-Depreciable Capital Assets	<u>58,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,400</u>
Depreciable Capital Assets					
Buildings and Building Imp.	769,756	-	-	-	769,756
Machinery and Equipment	984,957	184,485	(5,631)	(75,000)	1,088,811
Infrastructure	5,346,629	35,121	-	-	5,381,750
Total Depreciable Capital Assets	<u>7,101,342</u>	<u>219,606</u>	<u>(5,631)</u>	<u>(75,000)</u>	<u>7,240,317</u>
Less Accumulated Depreciation					
Buildings and Building Imp.	(622,701)	(24,101)	-	-	(646,802)
Machinery and Equipment	(486,353)	(61,455)	5,631	60,000	(482,177)
Infrastructure	(4,357,198)	(88,381)	-	-	(4,445,579)
Total Accumulated Depreciable	<u>(5,466,252)</u>	<u>(173,937)</u>	<u>5,631</u>	<u>60,000</u>	<u>(5,574,558)</u>
Total Depreciable Capital Assets, Net	<u>1,635,090</u>	<u>45,669</u>	<u>-</u>	<u>(15,000)</u>	<u>1,665,759</u>
Total Electric Fund Business - Type Capital Assets	<u>\$ 1,693,490</u>	<u>\$ 45,669</u>	<u>\$ -</u>	<u>\$ (15,000)</u>	<u>\$ 1,724,159</u>

	Balance March 31, 2012	Additions	Deductions	Transfers	Balance March 31, 2013
Sewer Fund:					
Non-Depreciable Capital Assets					
Land	\$ 178,071	\$ -	\$ -	\$ -	\$ 178,071
Construction in Process	-	97,989	-	-	97,989
Total Non-Depreciable Capital Assets	<u>178,071</u>	<u>97,989</u>	<u>-</u>	<u>-</u>	<u>276,060</u>
Depreciable Capital Assets					
Buildings and Building Imp.	33,704	-	-	-	33,704
Machinery and Equipment	494,599	-	-	-	494,599
Infrastructure	25,419,028	-	-	-	25,419,028
Total Depreciable Capital Assets	<u>25,947,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,947,331</u>
Less Accumulated Depreciation					
Buildings and Building Imp.	(4,714)	(1,124)	-	-	(5,838)
Machinery and Equipment	(367,297)	(19,564)	-	-	(386,861)
Infrastructure	(13,536,576)	(729,424)	-	-	(14,266,000)
Total Accumulated Depreciable	<u>(13,908,587)</u>	<u>(750,112)</u>	<u>-</u>	<u>-</u>	<u>(14,658,699)</u>
Total Depreciable Capital Assets, Net	<u>12,038,744</u>	<u>(750,112)</u>	<u>-</u>	<u>-</u>	<u>11,288,632</u>
Total Sewer Fund Business - Type Capital Assets	<u>\$ 12,216,815</u>	<u>\$ (652,123)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,564,692</u>
Sanitation Fund:					
Non-Depreciable Capital Assets					
Land	\$ 12,101	\$ -	\$ -	\$ -	\$ 12,101
Total Non-Depreciable Capital Assets	<u>12,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,101</u>
Depreciable Capital Assets					
Buildings and Building Imp.	84,877	-	-	-	84,877
Machinery and Equipment	937,442	-	-	-	937,442
Infrastructure	61,189	-	-	-	61,189
Total Depreciable Capital Assets	<u>1,083,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,083,508</u>
Less Accumulated Depreciation					
Buildings and Building Imp.	(30,307)	(2,829)	-	-	(33,136)
Machinery and Equipment	(492,810)	(59,275)	-	-	(552,085)
Infrastructure	(16,787)	(2,039)	-	-	(18,826)
Total Accumulated Depreciable	<u>(539,904)</u>	<u>(64,143)</u>	<u>-</u>	<u>-</u>	<u>(604,047)</u>
Total Depreciable Capital Assets, Net	<u>543,605</u>	<u>(64,143)</u>	<u>-</u>	<u>-</u>	<u>479,461</u>
Total Sanitation Fund Business - Type Capital Assets	<u>\$ 555,706</u>	<u>\$ (64,143)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491,562</u>

Fiber Fund:	Balance March 31, 2012	Additions	Deductions	Transfers	Balance March 31, 2013
Non-Depreciable Capital Assets					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Depreciable Capital Assets	-	-	-	-	-
Depreciable Capital Assets					
Buildings and Building Imp.	-	-	-	-	-
Machinery and Equipment	70,122	-	-	75,000	145,122
Infrastructure	635,923	-	-	-	635,923
Total Depreciable Capital Assets	706,045	-	-	75,000	781,045
Less Accumulated Depreciation					
Buildings and Building Imp.	-	-	-	-	-
Machinery and Equipment	(7,012)	(14,512)	-	(60,000)	(81,524)
Infrastructure	(239,975)	(31,796)	-	-	(271,771)
Total Accumulated Depreciable	(246,987)	(46,308)	-	(60,000)	(353,295)
Total Depreciable Capital Assets, Net	459,058	(46,308)	-	15,000	427,750
Total Fiber Fund Business - Type Capital Assets	\$ 459,058	\$ (46,308)	\$ -	\$ 15,000	\$ 427,750

Depreciation expense was charged to the functions as follows:

Water	\$ 342,193
Electric	173,937
Sewer	750,112
Sanitation	64,144
Fiber optics	46,308
Total depreciation expense-business -type activities	<u>\$ 1,376,694</u>

(D) Long-Term Obligations

The following is a summary of changes in long-term debt for the City for the year ended March 31, 2013:

	Beginning			Ending	Amounts
	Balance	Additions	Reductions	Balance	Due Within
					One Year
Governmental Activities					
General obligation bonds	\$ 65,604	\$ -	\$ 15,654	\$ 49,950	\$ 16,535
Revenue bonds	8,040,000		580,000	7,460,000	620,000
Total Bonds Payable	8,105,604	-	595,654	7,509,950	636,535
Capital Lease Obligations	1,979,507	1,777,709	516,262	3,240,954	668,355
Developers Agreements	540,194	-		540,194	
Total Governmental Activities Long-Term Liabilities	<u>\$ 10,625,305</u>	<u>\$ 1,777,709</u>	<u>\$ 1,111,916</u>	<u>\$ 11,291,098</u>	<u>\$ 1,304,890</u>
Business Type Activities					
Sanitary Sewerage System Fund					
Revenue Bonds	\$ 7,015,000	\$ -	\$ 400,000	\$ 6,615,000	\$ 415,000
General obligation bonds	290,000	-	15,000	275,000	15,000
Water System Fund					
Capital Lease Obligations	3,026,240	-	156,060	2,870,180	158,784
Total Business Type Activities Long-Term Liabilities	<u>\$ 10,331,240</u>	<u>\$ -</u>	<u>\$ 571,060</u>	<u>\$ 9,760,180</u>	<u>\$ 588,784</u>
Total Governmental Activities and Business Type Activities Long-Term Liabilities	<u>\$ 20,956,545</u>	<u>\$ 1,777,709</u>	<u>\$ 1,682,976</u>	<u>\$ 21,051,278</u>	<u>\$ 1,893,674</u>

Debt service requirements on long-term debt at March 31, 2013 are as follows:

The annual Governmental Activities debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2013, are as follows:

Fiscal Year Ended March 31	Governmental Activities					
	General Obligations Bonds		Revenue Bonds		Developer's Agreement	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 16,535	\$ 1,848	\$ 620,000	\$ 347,760	\$ -	\$ -
2015	17,358	1,026	455,000	324,200	-	-
2016	16,057	2,426	585,000	306,683	-	-
2017	-	-	730,000	282,698	-	-
2018	-	-	775,000	252,038	-	-
2019-2023	-	-	630,000	976,288	540,194	-
2024-2028	-	-	3,665,000	947,936	-	-
	<u>\$ 49,950</u>	<u>\$ 5,300</u>	<u>\$ 7,460,000</u>	<u>\$ 3,437,603</u>	<u>\$ 540,194</u>	<u>\$ -</u>

Fiscal Year Ended March 31	Governmental Activities (Cont'd)		Total	
	Capital Lease Obligations		Governmental Activities	
	Principal	Interest	Principal	Interest
2014	\$ 668,355	\$ 99,724	\$ 1,304,890	\$ 449,332
2015	700,589	77,430	1,172,947	402,656
2016	550,504	52,202	1,151,561	361,311
2017	285,152	36,515	1,015,152	319,213
2018	236,519	27,625	1,011,519	279,663
2019-2023	799,835	61,710	1,970,029	1,037,998
2024-2028	-	-	3,665,000	947,936
	<u>\$ 3,240,954</u>	<u>\$ 355,206</u>	<u>\$ 11,291,098</u>	<u>\$ 3,798,109</u>

The annual Business Type Activities debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2013, are as follows:

Fiscal Year Ended	Business Type Activities					
	General Obligation Bonds - Sewer		Revenues Bonds - Sewer		Capital Lease Obligation - Water	
	Principal	Interest	Principal	Interest	Principal	Interest
March 31						
2014	\$ 15,000	\$ 13,063	\$ 415,000	\$ 319,856	\$ 158,784	\$ 165,898
2015	20,000	12,300	435,000	304,626	161,396	160,676
2016	20,000	11,400	460,000	281,789	80,000	155,698
2017	20,000	10,470	480,000	258,789	85,000	152,413
2018	20,000	9,520	505,000	234,789	85,000	148,715
2019-2023	120,000	30,865	2,930,000	762,919	460,000	676,816
2024-2028	60,000	3,060	1,390,000	98,700	535,000	533,980
2029-2033	-	-	-	-	640,000	344,338
thereafter	-	-	-	-	665,000	86,275
	<u>\$ 275,000</u>	<u>\$ 90,678</u>	<u>\$ 6,615,000</u>	<u>\$ 2,261,468</u>	<u>\$ 2,870,180</u>	<u>\$ 2,424,809</u>

Fiscal Year Ended	Business Type Activities (Cont'd)		Total	
	Capital Lease Obligation - Sanitation		Business Type Activities	
	Principal	Interest	Principal	Interest
March 31				
2014	\$ -	\$ -	\$ 588,784	\$ 498,817
2015	-	-	616,396	477,602
2016	-	-	560,000	448,887
2017	-	-	585,000	421,672
2018	-	-	610,000	393,024
2019-2023	-	-	3,510,000	1,470,600
2024-2028	-	-	1,985,000	635,740
2029-2033	-	-	640,000	344,338
thereafter	-	-	665,000	86,275
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,760,180</u>	<u>\$ 4,776,955</u>

General Obligation Bonds payable at March 31, 2013 are comprised of the following individual issues:

4.15% General Obligation Bonds, Neighborhood Improvement District Bonds Series 2005, due through September 6, 2015. This bond had an original issuance of \$148,000 dated September of 2005. \$ 49,950

2.00% to 5.10% General Obligation Bonds, Neighborhood Improvement District Bonds Series 2004 due through September 1, 2024, callable on or after September 1, 2012, at premiums beginning at 102% of the principal amount decreasing to 100% on September 1, 2014. Monies from this bond were utilized for gravity sewer projects in the city. This had an original issuance of \$394,230 dated September of 2004. 275,000

Total General Obligation Bonds

\$ 324,950

Revenue bonds payable at March 31, 2013 are comprised of the following individual issues:

Tax Increment Financing fund:

3.80% to 3.85% Tax Increment Allocation Bonds, Subordinate Series 2007 (Hwy 60 Amended Redevelopment Project TIF #1) interest due semi-annually October 1 and April 1; bonds mature October 1, 2012 through 2014, optional redemption beginning October 1, 2013 at 100% of the principal. Original issuance of \$6,100,000 in December of 2007 had a partial defeasance of \$590,000 with the issuance of the Series 2007 bonds. Monies generated from these bonds were used in combination with monies received from Missouri Department of Transportation for projects such as added lanes on Highway 60 and also combined with monies from the Burlington Northern Santa Fe Railroad to build an overpass on Eisenhower Street. \$ 1,075,000

4.00% to 4.5% Subordinate Tax Increment Allocation Bonds, Junior Series 2008 (Hwy 60 Amended Redevelopment Project TIF #1) interest due semi-annually April 1 and October 1 with bonds maturing October 1, 2014 through 2018, optional redemption begins October 1, 2013 at 100% of the principal. Funding from this issuance was to further expand and improve the infrastructure of and adjacent to Highway 60. The bond had an original issuance of \$3,000,000 beginning in February of 2008. 2,720,000

5.00% Tax Increment Allocation Bonds Series 2005A (East Hwy 60 Infrastructure Project TIF #2) interest due semiannually January 1, and July 1, with principal and bonds maturing January 1, 2028 Optional redemption beginning January 1, 2012, at 100% of the principal. These monies were specifically generated to make improvements on and around Chapel Drive. The bond had an original issuance of \$1,630,000 beginning in August of 2005. 1,130,000

5.25% Tax Increment Allocation Bonds Series 2005B (RPA #1 Infrastructure Improvements Project TIF #2) interest due semiannually January 1, and July 1, maturing January 1, 2028 optional redemption beginning January 1, 2012, at 100% of the principal. Specific use of this funding was to redevelop 385 acres in the southeast portion of the city adjacent to Highway 60. The bond had an original issuance of \$2,535,000 beginning in August of 2005. 2,535,000

Sewer system fund:

2.00% to 4.70% Combined Waterworks and Sewerage System Revenue Bonds, (State Revolving Funds Program) Series 2003, due through January 1, 2025, callable on or after December 1, 2013 at 100% principal. Monies generated from this debt issuance were combined with monies from the State Environment Improvement and Energy Resources Authority to construct wastewater treatment and clean water facilities for the city (Drinking Water Loan). The bond had an original issuance of \$8,950,000 beginning in April 2003.

6,545,000

5.20% to 6.55% Sewerage Revenues Refunding Bonds, (State Revolving Funds Program) Series 1992A, due through June 1, 2014. Monies generated from this debt issuance were combined with monies from the State Environment Improvement and Energy Resources Authority to construct wastewater treatment and clean water facilities for the city (Clean Water Loan). The bond had an original issuance of \$815,000 beginning in June of 1992.

70,000

Total revenue bonds payable

\$ 14,075,000

Developer agreements at March 31, 2013 consisted of the following obligation:

Tax Increment Financing fund:

Certain developers applied for reimbursement of the cost of infrastructure should the city receive an increase in the sales taxes collected from the TIF district. The related infrastructure was given to the city and is included as capital assets. There is no scheduled payment for any future reimbursement, and any liability remaining upon the dissolution of the TIF district in 2019 will be eliminated.

540,194

Total Developers' Agreements

\$ 540,194

Certificates of Participation

In 2004, the City accepted the Commerce National Bank, N.A. bid to acquire leasehold certificates of participation, and subsequently entered into a Lease Purchase Agreement in 2005, for the purpose of constructing a water tower. Currently the agreement has a present value of lease payments of \$160,162, with interest at 3.52%, and is payable in semiannual installments through December 2014.

In 2010, the City accepted the United Missouri Bank bid to acquire leasehold certificates of participation, and subsequently entered into a Lease Purchase Agreement for the purpose of constructing a water line project. Currently the agreement has a present value of lease payments of \$2,710,000, with interest at 3.49%, and is payable in annual installments through July 2035. Monies are being held in the amount of \$220,000 in the event the City could not meet its debt payment.

In 2012, the City accepted the Community National Bank, N.A. bid to acquire leasehold certificates of participation, and subsequently entered into a Lease Purchase Agreement for the purpose of constructing a community building (Casino). Currently the agreement has a present value of lease payments of \$1,500,000, with interest at 2.75%, and is payable in semiannual installments through December 2022.

Capital Leases

Governmental Activities:

Wells Fargo Brokerage Services, LLC, Governmental Lease-Purchase Agreement: Amount of the original lease was \$759,000 dated February 25, 2009. The present value of lease payments are \$413,188, with interest at 3.85%, and is payable in annual payments through January 15, 2018. Funds generated from this lease were used for the interior security system and communication tower and equipment at the newly constructed Monett Justice Center.

Yamaha Motor Corporation Commercial Customer Finance Lease Agreement: Amount of original the original lease was \$86,300 dated July of 2009 to purchase 24 golf carts. The present value of lease payments is \$50,451 at year end, with interest at 4.88% and is payable in monthly payments through November 2014.

Wells Fargo Brokerage Services, LLC: In January of 2008, the City entered into a \$3,000,000 lease for which the funds were used to expand the police station and municipal court facilities by building the new Monett Justice Center. The present value of lease payments at March 31, 2013 is \$1,050,000, with interest at 4.10%, and is payable in annual installments through January 2016.

Oshkosh Capital Services: In 2012, the City entered into a \$264,726 lease for which the funds were used to purchase 2012 Pierce Kenworth Pumper Truck. The present value of lease payments at March 31, 2013 is \$214,693, with interest at 2.83%, and is payable in annual installments through March 2017.

PNC Equipment Finance, LLC: In 2012, the City entered into a \$12,983 lease for which the funds were used to purchase irrigation equipment for the golf course. The present value of lease payments at March 31, 2013 is \$12,623, with interest at 0%, and is payable in annual installments through February 2016.

Legal Debt margin – General Obligation Bonds

Article VI, Section 26 (b), (c), (d) and (e), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a political subdivision to twenty-percent of the assessed valuation of the political subdivision (excluding state-assessed railroad and utilities). The legal debt margin, computed excluding state-assessed railroad and utilities, of the City at March 31, 2013 was:

Assessed Valuation	
Real Estate	\$ 92,869,595
Personal Property	<u>36,293,977</u>
Total Assessed Valuation	<u>\$129,163,572</u>

The legal debt margin at March 31, 2013, was computed as follows:

General Obligation	
Debt Limit	\$ 25,832,714
Bonds Payable	<u>324,950</u>
Legal Debt Margin	<u>\$ 25,507,764</u>

As of March 31, 2013, the City of Monett had \$324,950 outstanding general obligation bonds.

(E) Construction Commitments City of Monett

A summary of the City's commitments on uncompleted construction contracts:

<u>Fund</u>	<u>Contract Amount</u>
General – Casino Construction	\$1,133,001.51
Sewer – Sludge Tank Modifications	\$54,961.20

(F) Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of March 31, 2013 is as follows:

Interfund payables and receivables are made for specific purposes for each fund, and for overdraws of cash, both of which are made in the ordinary course of business. Interfund payables and receivables are intended to be repaid in future years.

<u>Interfund Transfers</u>			
<u>General fund</u>	<u>Electric Fund</u>	<u>Fiber</u>	<u>Total</u>
\$ 750,000	\$ (665,000)	\$ (85,000)	\$ -0-

All interfund transfers provided funding for general operations of each fund. These transfers are permanent in and are not intended to be repaid in future years.

(3) OTHER INFORMATION

(A) *Employee Retirement Systems and Plans*

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), a statewide local government retirement system.

Missouri Local Government Employees Retirement System (LAGERS) Plan Description

The City of Monett participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

Funding Status

Full-time employees of the City of Monett contribute 4% of their gross pay to the pension plan. The June 30th statutorily required contribution rates are 14.0% (General), 11.6% (Police); and 14.5% (Fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$609,235
Interest on net pension obligation	4,942
Adjustment to annual required contribution	<u>(5,054)</u>
Annual pension cost	609,123
Actual contributions	<u>604,970</u>
Increase (decrease) in NPO	4,153
NPO beginning of year	<u>68,172</u>
NPO end of year	<u>\$72,325</u>

The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010 was 30 years for the General division, 30 years for the Police division and 30 years for the Fire division. The amortization period as of February 28, 2011 was 19 years for the General division, 15 years for the Police division and 30 years for the Fire division

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	508,336	96.7	16,775
2011	567,449	90.9	68,172
2012	609,123	99.3	72,325

Contribution Information

All Monett City full-time employees participate in LAGERS. The payroll for employees covered by LAGERS for the year ended March 31, 2013, was \$4,645,382; the City's total payroll was \$4,894,382. All City full-time employees are eligible to participate in the LAGERS Program. Employees who retire at or after age 60 (55 for police and fire employees) with 5 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 1.60 percent of their final-average salary for each year of credited service. Final-average salary is the employee's monthly average of gross salary paid an employee during the period of sixty months or, if an election has been made in accordance with the plan, thirty-six consecutive months or credited service producing the highest monthly average within the last 120 months of credited service. Benefits fully vest on reaching 5 years of service. Vested employees may retire at or after age 55 (age 50 for police and fire employees) and receive reduced retirement benefits.

(B) Litigation and Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor as a result of these audits is not believed to be material.

In the normal course of business, the City is involved in various legal proceedings. Although the outcome of these proceedings is not presently determinable, it is the opinion of the City legal counsel that the resolution of these matters will not have a material adverse effect on the financial position of the City.

(C) Risk Management

The City is exposed to various risks, such as property exposures, automobile liability, workers' compensation claims, equipment losses, general liability claims, and the costs associated with an employee health plan. For property exposures, the City purchases an all-risk insurance policy. This property insurance presently carries a primary deductible of \$5,000. While coverage is purchased for City-owned equipment, the comprehensive or collision exposure to City-owned vehicles is self-insured. Neither liability claims nor property losses have exceeded the limits of coverage.

The workers' compensation plan covers all City employees, while the health plan covers all full time City employees.

The City is exposed to various risks of loss related to torts: theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the City.

(D) Subsequent Events

On August 2, 2011, voters approved the issuance of \$12 million in water revenue bonds to finance the construction of a new water treatment plant. On August 20, 2013 a bill was presented authorizing the issuance of combined waterworks and sewerage system revenue bonds Series 2013, not to exceed \$11,012,000. On September 9, 2013 these bonds were funded. Management has evaluated any other subsequent events through November 1, 2013, and there are no other issues which would impact the information included here.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MONETT, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES
MARCH 31, 2013

Budgets and Budgetary Accounting

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

1. All departments of the City of Monett, Missouri, are required to submit requests for appropriation to the City Administrator in January each year. The City Administrator uses these requests as the starting point for developing a proposed budget.
2. The City Administrator presents a proposed budget to the City Council for review prior to March 10th.
3. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than March 31, the close of the City of Monett, Missouri's fiscal year.
4. Prior to April 1, ordinances are passed by City Council which provide for legally adopted budgets in the City's General and Special Revenue Funds. Plans approved for Capital Projects, Debt Service and Proprietary Fund types provide operating guidance subject to actual activity during the fiscal year.
5. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program, and department. The legal level of budgetary control is at the department level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of City Council.
6. Formal budgetary integration is employed as a management control device in the General and Special Revenue Funds.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP.

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED MARCH 31, 2013

Functions/Programs	Budgeted Amount		Current Year Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Business license and permits	\$ 16,750	\$ 25,000	\$ 25,033	\$ 33
Federal and state grants	157,500	22,400	22,793	393
Fines and forfeitures	179,900	167,800	167,102	(698)
Franchise fees	285,500	419,000	419,274	274
Sales tax	2,565,500	2,405,000	2,445,228	40,228
Interest income	3,500	5,900	8,784	2,884
Intergovernmental	45,750	-	-	-
Other revenue	457,000	1,281,780	649,988	(631,792)
Other taxes and assessments	590,125	344,000	359,812	15,812
Rental revenue	154,270	126,050	132,098	6,048
Total revenues	<u>4,455,795</u>	<u>4,796,930</u>	<u>4,230,112</u>	<u>(566,818)</u>
Expenditures				
Salaries	3,167,890	3,206,290	3,069,049	(137,241)
Payroll taxes	253,345	239,525	222,294	(17,231)
Community development block grant	-	-	-	-
Computer	75,950	88,900	84,468	(4,432)
Education and travel	31,250	40,250	36,849	(3,401)
Election	5,000	5,000	3,647	(1,353)
Health and life insurance	460,275	484,400	460,046	(24,354)
Insurance	100,540	170,540	72,486	(98,054)
Merchandise	-	28,500	28,491	(9)
Miscellaneous	57,700	988,900	37,798	(951,102)
Professional and consulting service	414,500	285,800	266,108	(19,692)
Repairs and maintenance	912,100	1,155,400	1,043,533	(111,867)
Retirement	407,525	407,525	385,859	(21,666)
Supplies	442,430	335,000	229,443	(105,557)
Telephone	39,500	43,200	37,514	(5,686)
Utilities	48,750	44,250	12,204	(32,046)
Condemnation	-	297,598	-	(297,598)
Workman's compensation	136,760	142,760	145,144	2,384
Capital outlay	2,100,300	1,836,800	1,792,900	(43,900)
Debt service - principal	469,465	469,465	531,917	62,452
Debt service - interest	76,285	76,285	84,360	8,075
Total expenditures	<u>9,199,565</u>	<u>10,346,388</u>	<u>8,544,110</u>	<u>(1,802,278)</u>
Excess (deficiency) of revenues over expenditures	(4,743,770)	(5,549,458)	(4,313,998)	1,235,460
Other financing sources (uses)				
Due from (to) other funds	-	-	-	-
Gain (Loss) on Sale of Assets	257,000	283,000	306,883	23,883
Proceeds from Financing	1,175,000	1,500,000	1,777,709	277,709
Payments in Lieu of Taxes (PILOTS)	2,576,400	2,385,000	2,386,409	1,409
Transfers	750,000	742,500	738,799	(3,701)
Total other financing sources (uses)	<u>4,758,400</u>	<u>4,910,500</u>	<u>5,209,800</u>	<u>299,300</u>
Revenues and other sources over (under) expenditures and other uses	\$ <u>14,630</u>	\$ <u>(638,958)</u>	\$ <u>895,802</u>	\$ <u>1,534,760</u>

CITY OF MONETT, MISSOURI
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
E - 911 FUND
FOR THE YEAR ENDED MARCH 31, 2013

Functions/Programs	Budgeted Amount		Current Year Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Business license and permits	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	-	-	-	-
Interest income	-	-	-	-
Intergovernmental	-	-	-	-
Other revenue	10,800	10,800	12,025	1,225
Other taxes and assessments	38,000	29,000	29,405	405
Rental revenue	-	-	-	-
Total revenues	<u>48,800</u>	<u>39,800</u>	<u>41,430</u>	<u>1,630</u>
Expenditures				
Salaries	39,500	39,500	40,903	1,403
Payroll taxes	3,025	3,025	3,125	100
Community development block grant	-	-	-	-
Computer	11,000	11,000	4,050	(6,950)
Education and travel	4,000	4,000	2,951	(1,049)
Election	-	-	-	-
Health and life insurance	5,015	5,015	5,053	38
Insurance	300	300	85	(215)
Merchandise	-	-	-	-
Miscellaneous	100	100	-	(100)
Professional and consulting service	500	500	424	(76)
Repairs and maintenance	2,000	2,000	3,685	1,685
Retirement	4,900	5,500	5,700	200
Supplies	1,500	1,500	758	(742)
Telephone	24,500	28,500	28,095	(405)
Workman's compensation	175	175	156	(19)
Capital outlay	5,000	5,000	-	(5,000)
Debt service - principal	-	-	-	-
Debt service - interest	-	-	-	-
Total expenditures	<u>101,515</u>	<u>106,115</u>	<u>94,985</u>	<u>(11,130)</u>
Excess (deficiency) of revenues over expenditures	(52,715)	(66,315)	(53,555)	12,760
Other financing sources (uses)				
Due from (to) other funds	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-
Settlement	-	-	-	-
Proceeds from Financing	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-
Transfers	-	5,000	11,201	6,201
Total other financing sources (uses)	<u>-</u>	<u>5,000</u>	<u>11,201</u>	<u>6,201</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (52,715)</u>	<u>\$ (61,315)</u>	<u>\$ (42,354)</u>	<u>\$ 18,961</u>

CITY OF MONETT, MISSOURI
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,
 BUDGET AND ACTUAL
 TAX INCREMENT FINANCING - DISTRICT 1
 FOR THE YEAR ENDED MARCH 31, 2013

Functions/Programs	Budgeted Amount		Current Year Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Business license and permits	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	500,650	455,500	489,792	34,292
Interest income	1,000	1,000	984	(16)
Intergovernmental	-	-	-	-
Other revenue	-	-	-	-
Other taxes and assessments	42,000	42,000	42,436	436
Rental revenue	-	-	-	-
Total revenues	<u>543,650</u>	<u>498,500</u>	<u>533,212</u>	<u>\$ 34,712</u>
Expenditures				
Salaries	-	-	-	-
Payroll taxes	-	-	-	-
Community development block grant	-	-	-	-
Computer	-	-	-	-
Education and travel	-	-	-	-
Election	-	-	-	-
Health and life insurance	-	-	-	-
Insurance	-	-	-	-
Merchandise	-	-	-	-
Miscellaneous	500	500	471	(29)
Professional and consulting service	100,000	75,000	56,557	(18,443)
Repairs and maintenance	-	-	-	-
Retirement	-	-	-	-
Supplies	-	-	-	-
Telephone	-	-	-	-
Workman's compensation	-	-	-	-
Capital outlay	-	-	-	-
Debt service - principal	580,000	580,000	580,000	-
Debt service - interest	191,220	191,220	179,922	(11,298)
Total expenditures	<u>871,720</u>	<u>846,720</u>	<u>816,950</u>	<u>(29,770)</u>
Excess (deficiency) of revenues over expenditures	(328,070)	(348,220)	(283,738)	64,482
Other financing sources (uses)				
Due from (to) other funds	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-
Settlement	-	-	-	-
Proceeds from Financing	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-
Transfers	(414,000)	-	-	-
Total other financing sources (uses)	<u>(414,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ (742,070)</u>	<u>\$ (348,220)</u>	<u>\$ (283,738)</u>	<u>\$ 64,482</u>

CITY OF MONETT, MISSOURI
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
TAX INCREMENT FINANCING - DISTRICT 2
FOR THE YEAR ENDED MARCH 31, 2013

Functions/Programs	Budgeted Amount		Current Year Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Business license and permits	\$ -	\$ -	\$ -	\$ -
Federal and state grants	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise fees	-	-	-	-
Sales tax	140,850	143,950	138,409	(5,541)
Interest income	-	-	52	52
Intergovernmental	-	-	-	-
Other revenue	-	-	-	-
Other taxes and assessments	-	-	-	-
Rental revenue	-	-	-	-
Total revenues	140,850	143,950	138,461	(5,489)
Expenditures				
Salaries	-	-	-	-
Payroll taxes	-	-	-	-
Community development block grant	-	-	-	-
Computer	-	-	-	-
Education and travel	-	-	-	-
Election	-	-	-	-
Health and life insurance	-	-	-	-
Insurance	-	-	-	-
Merchandise	-	-	-	-
Miscellaneous	-	-	-	-
Professional and consulting service	4,000	4,000	6,138	2,138
Repairs and maintenance	-	-	-	-
Retirement	-	-	-	-
Supplies	-	-	-	-
Telephone	-	-	-	-
Workman's compensation	-	-	-	-
Capital outlay	-	-	-	-
Debt service - principal	-	-	-	-
Debt service - interest	159,590	190,000	188,758	(1,242)
Total expenditures	163,590	194,000	194,896	896
Excess (deficiency) of revenues over expenditures	(22,740)	(50,050)	(56,435)	(6,385)
Other financing sources (uses)				
Due from (to) other funds	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-
Settlement	-	-	-	-
Proceeds from Financing	-	-	-	-
Payments in Lieu of Taxes (PILOTS)	-	-	-	-
Transfers	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ (22,740)	\$ (50,050)	\$ (56,435)	\$ (6,385)

**CITY OF MONETT
 SCHEDULE OF FUNDING PROCESS - RETIREMENT
 YEAR ENDED MARCH 31, 2013**

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Accrued Liability</u>	<u>(b-a) Unfunded Accrued Liability (UAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAL as a Percentage of Covered Payroll</u>
02/28/2010	9,384,712	10,625,773	1,241,061	88	4,453,440	28
02/28/2011	9,908,020	11,019,500	1,111,480	90	4,443,165	25
02/29/2012	10,818,828	11,451,979	633,151	94	4,443,828	14
02/29/2012#	10,818,828	12,985,570	2,166,742	83	4,443,828	49

#After benefit changes.

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

FEDERAL COMPLIANCE SECTION



A Professional Corporation
BIG FIRM QUALITY, SMALL FIRM VALUES
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor, Commissioners and
City Administrator of the City of Monett, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Monett, as of and for the year ended March 31, 2013, which collectively comprise City of Monett's basic financial statements and have issued our report thereon dated November 1, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of City of Monett, Missouri, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of Monett's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Monett's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Monett's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Monett's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of City of Monett in a separate letter dated November 1, 2013.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

THE CPA GROUP, P.C.

Monett, Missouri
November 1, 2013



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Mayor, Commissioners
And the City Administrator of the City of Monett, Missouri

Report on Compliance for Each Major Federal Program

We have audited City of Monett, Missouri's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Monett, Missouri's major federal programs for the year ended March 31, 2013. City of Monett, Missouri major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Monett, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Monett, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Monett, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2013.

Report on Internal Control over Compliance

Management of City of Monett, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Monett, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Monett, Missouri's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

THE CPA GROUP, P.C.

Monett, Missouri
November 1, 2013

CITY OF MONETT, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED MARCH 31, 2013

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>
<i>Other Programs</i>			
United States Department of Justice Direct Programs			
Bulletproof Vest Partnership Program	16.607		\$535
<i>Total United States Department of Justice</i>			<u>\$535</u>
Department of Transportation Direct Programs			
Youth Seatbelt Enforcement Campaign	20.601		\$190
<i>Total Department of Transportation</i>			<u>\$190</u>
Department of Transportation Direct Programs			
Alcohol Open Container Requirements	20.607		\$6,344
Department of Transportation Pass-Through Programs			
Passed-through Missouri Highways and Transportation Commission			
Missouri Highways and Transportation Commission Airport Improvement Program	20.106		\$5,834
<i>Total Airport Improvement Program</i>			<u>\$5,834</u>
<i>Total Passed-through Missouri Highways and Transportation Commission</i>			<u>\$5,834</u>
<i>Total Department of Transportation</i>			<u>\$12,178</u>
United States Environmental Protection Agency Pass-Through Programs			
Passed-through Missouri Department of Natural Resources			
Missouri Department of Natural Resources Capitalization Grants for Clean Water State Revolving Funds	66.458		\$73,259
<i>Total Capitalization Grants for Clean Water State Revolving Funds</i>			<u>\$73,259</u>
Missouri Department of Natural Resources Capitalization Grants for Drinking Water State Revolving Funds	66.468		\$6,750,019
<i>Total Capitalization Grants for Drinking Water State Revolving Funds</i>			<u>\$6,750,019</u>
<i>Total Passed-through Missouri Department of Natural Resources</i>			<u>\$6,823,278</u>

The accompanying notes are an integral part of this schedule.

**CITY OF MONETT, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2013**

<i>Total United States Environmental Protection Agency</i>	<u>\$6,823,278</u>
<i>Total Other Programs</i>	<u>\$6,836,180</u>
<i>Total Expenditures of Federal Awards</i>	<u>\$6,836,180</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs presented in conformity with accounting principles generally accepted in the United State of America (GAAP).

NOTE B – NON CASH EXPENDITURES

Non-cash expenditures were determined using current loan values.

The accompanying notes are an integral part of this schedule

**CITY OF MONETT, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COST
 MARCH 31, 2013**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified
 Internal control over financial reporting:
 Material weakness identified? Yes No
 Significant Deficiency identified
 not considered to be material weaknesses? Yes No
 Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:
 Material weakness identified? Yes No
 Significant Deficiency identified
 not considered to be material weaknesses? Yes No

Type of auditors' report issued on compliance
 for major program: Unmodified

Any audit findings disclosed that are required
 to be reported in accordance with
 Circular A-133, Section .510(a)? Yes No

Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.468	Capitalization Grants for Drinking Water State Revolving Fund

Dollar threshold used to distinguish between
 Type A and Type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Findings

No matters were noted.

Section III - Federal Award Findings and Questioned Costs

No matters were noted.

APPENDIX C

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “**Disclosure Agreement**”), by and among the City of Monett, Missouri as Issuer (the “**Issuer**”), UMB Bank, N.A., in Kansas City, Missouri, as Trustee (the “**Trustee**”), is entered into in connection with the issuance of \$2,430,000 Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds Series 2014 dated June 26, 2014 (the “**Bonds**”). The Bonds are being issued pursuant to an Ordinance (the “**Ordinance**”) adopted by the City Council of the City on May 30, 2014 and are secured and authenticated by a Trust Indenture dated as of June 1, 2014 (the “**Indenture**”) by and between the City and the Trustee. The proceeds of the Bonds are being used by the Issuer to (1) currently refund the Series 2005 Bonds as described in the Ordinance, (2) establish a Debt Service Reserve Fund for the Bonds, and (3) pay costs of issuance relating to the Bonds. The Bonds are being issued under and are secured by the Ordinance adopted by the Issuer on May 30, 2014. This Disclosure Agreement constitutes the written undertaking by the Issuer for the benefit of the Owners required by Section (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, Section 240.15c2-12) (the “**Rule**”). Capitalized terms not defined herein shall have the meanings as set forth in the Trust Indenture. The parties hereto covenant and agree as follows:

Section 1. Definitions.

“**Annual Information**” shall mean the information specified in Section 3 hereof.

“**GAAP**” shall mean generally accepted accounting principles as in effect from time to time in the United States of America.

“**Owner**” shall mean any registered owner of Securities and any beneficial owner of Securities within the meaning of Rule 13-d under the Securities Exchange Act of 1934.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“**Repository**” shall mean any nationally recognized municipal securities information repository within the meaning of the Rule.

“**Rule**” shall mean Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended through the date of this Disclosure Agreement.

“**Security**” or “**Securities**” shall mean the \$2,430,000 City of Monett, Missouri, Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds (East U.S. Highway and RPA1 Infrastructure Projects) Series 2014, dated June 26, 2014.

“**State Information Depository**” shall mean any appropriate state information depository for the State of Missouri within the meaning of the Rule.

Section 2. Obligation to Provide Continuing Disclosure.

1. This Disclosure Agreement is being executed by the Issuer and the Trustee for the benefit of Owners of the Securities and to assist the Underwriters in complying with, and constitutes the written undertaking for the benefit of the owners of the Bonds required by Section 265(b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 under the Securities and Exchange Act of 1934 so amended (17 C.F.R. Sec. 240.15c2-12) (the “**Rule**”), to provide or cause to be provided the following information as defined in this Disclosure Agreement either directly or through the Trustee:

(a) the Annual Information relating to such fiscal year to be filed with the Municipal Securities Rule Making Board-Electronic Municipal Market Access (the “**MSRB-EMMA**”), no later than 180 days after the end of each fiscal year, commencing with the fiscal year ended December 31, 2014;

(b) if not submitted as part of the Annual Information, to MSRB-EMMA, audited financial statements of the Issuer for such fiscal year when and if they become available;

(c) notice to MSRB-EMMA, within ten days of the occurrence, notice of any of the following events with respect to the Securities:

(1) Principal and interest payment delinquencies;

(2) Tender offers;

(3) Bankruptcy, insolvency, receivership, or a similar proceedings by the City;

(4) Unscheduled draws on credit enhancements on the Securities reflecting financial difficulties;

(5) Unscheduled draws on debt service reserves reflecting financial difficulties;

(6) Substitution of credit or liquidity providers, or their failure to perform;

(7) Adverse tax opinions or events affecting the tax-exempt status of the Securities. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issuer (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(8) Defeasances;

(9) Rating changes.

(d) Notice to MSRB-EMMA and to any State Information Depository, within ten days of the occurrence of any of the following events with respect to the Securities, if material:

(1) Non-payment related defaults;

(2) Modifications to the rights of Security Owners;

- (3) Release, substitution, or sale of property securing repayment of the Securities;
- (4) Consummation of a merger, consolidation, acquisition involving a borrower, other than in the ordinary course of business, or the sale of all or substantially all of the assets of the Issuer or borrower, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms.
- (5) Appointment of a successor or additional trustee, or the change in the name of the trustee.
- (6) Securities calls;

2. To MSRB-EMMA, in a timely manner, notice of a failure to provide any Annual Information required by clause 1(a) of Section 3.

3. The obligations of the Issuer pursuant to subsection 1 above may be terminated if such Issuer is no longer an "Issuer" as defined herein. Upon any such termination, the Issuer shall provide notice of such termination to MSRB-EMMA.

4. Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

Section 3. Annual Information.

1. The required Annual Information shall consist of the following:

- (a) Information for the fiscal year then ended as required by the Annual Report.
- (b) The audited financial statements of the Issuer as of and for each fiscal year and its independent accountants' report with respect thereto. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Information shall contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements will be filed in the same manner as the Annual Information promptly after they become available.

2. All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which have been filed with (i) MSRB-EMMA, or (ii) the Securities and Exchange Commission.

3. Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared

on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year shall be prepared in accordance with GAAP as in effect from time to time for governmental units.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Disclosure Agreement, then the Trustee or any Owner of Securities may enforce, for the equal benefit and protection of all Owners similarly situated, by suit or proceeding at law or in equity, this Disclosure Agreement against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Agreement; provided that the sole and exclusive remedy for breach of this Disclosure Agreement shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and, provided further, that any challenges to the adequacy of any information provided pursuant to Section 2 shall be brought only by the Trustee or the Owners of 25% in aggregate principal amount of the Securities at the time outstanding which are affected thereby.

Section 6. Parties in Interest. This Disclosure Agreement is executed and delivered solely for the benefit of the Owners. No other person (other than the Trustee) shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any Owner of Securities, the Issuer, the Issuer and the Trustee at any time and from time to time may enter into any amendments or changes to this Disclosure Agreement for any of the following purposes:

- (a) to comply with or conform to the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption by any such successor of the covenants of the Issuer hereunder;
- (d) to add to the covenants of the Issuer for the benefit of the Owners, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer or the Issuer, or type of business conducted; provided that (1) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (2) the amendment or change does not materially impair the interest of Owners, as determined either by a party unaffiliated with the Issuer (such as the Trustee or bond

counsel), or by the vote or consent of Owners of a majority in outstanding principal amount of the Securities affected thereby at or prior to the time of such amendment or change.

Section 8. Termination. This Disclosure Agreement shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to the Declaration of Trust. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to MSRB-EMMA. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 9. The Trustee.

1. This Disclosure Agreement shall not create any obligation or duty on the part of the Trustee and the Trustee shall not be subject to any liability hereunder for acting or failing to act as the case may be.

2. The Issuer shall indemnify and hold harmless the Trustee in connection with this Disclosure Agreement, to the same extent provided in the Declaration of Trust for matters arising thereunder.

Section 10. Governing Law. THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MISSOURI DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW.

Section 11. Limitations and Amendments.

The City has agreed to update information and to provide notices of material events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of this Disclosure Agreement or from any statement made pursuant to its agreement, although Owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Disclosure Agreement as of June 26, 2014.

**CITY OF MONETT, MISSOURI
(ISSUER)**

By: _____
Name: _____
Title: _____

**UMB BANK, N.A.
(TRUSTEE)**

By: _____
Name: _____
Title: _____

Exhibit A
to Continuing Disclosure Agreement

City of Monett, Missouri
Monett, Missouri

ANNUAL REPORT

As of the date of this Report, the City has outstanding the following obligations for which this Annual Report provides Annual Information:

Outstanding Obligations

1. General Obligation Bonds

2. Revenue Bonds

3. Lease Purchase Obligations

Legal debt margin - General Obligation Bonds

A. Assessed Valuation as of January 1, _____,

Real Estate	\$ _____
Personal Property	\$ _____
Total	\$ _____

B. Debt Margin at March 31, 20____

General Obligation	\$ _____
Bonds Outstanding	\$ _____

For further information, contact:

Dennis Pyle
City Administrator
City of Monett, Missouri
217 5th Street
Monett, Missouri 65708
Phone (417)

Fax (417)

Dated: _____, _____

Part I

1. Statistical Data

A. Population:

(i) Population for the most recent calendar was as follows:

B. Annual Budget

On _____, _____ the City Council adopted its Fiscal Year Budget which included an appropriation of EATs Revenues in the Amount of \$ _____ and City Revenues in the Amount of \$ _____. Additionally, the City Council appropriated from the General Fund to payment of Lease Rental Payments \$ _____.

C. City Revenues:

(i) PILOT Revenues, EATs Revenues and City Revenues collected from RPA1 in the most recent five years were as follows:

Fiscal TIF Net

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(ii) Fiscal Year _____ - TIF Debt Service Coverage

Revenues Available for Debt Service \$ _____

Maximum Annual Housing Debt Service \$ _____

Debt Service Coverage _____ %

Projected maximum annual debt service for all outstanding Lease Obligations and Bonds is \$ _____.

Net of operating expenses less those expenses paid for by general funds and sources. Does not include depreciation.

APPENDIX D

BOND OPINION LETTER

June 26, 2014

City of Monett, Missouri
Monett, Missouri

Crews & Associates Inc.
Little Rock, Arkansas 72201

UMB Bank, N.A.
Kansas City, Missouri

RE: \$2,430,000 City of Monett, Missouri, Annual Appropriation Supported Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East US Highway 60 Improvement and RPA1 Infrastructure Redevelopment Projects)

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Monett, Missouri (the “City”) in connection with the issuance by the City of the above-referenced bonds (the “Bonds”) by the City. The Bonds are being issued pursuant to an Ordinance (the “Ordinance”) adopted by the City Commission of the City on May 30, 2014, and are secured by the trust estate created under a Trust Indenture (the “Indenture”) dated as of June 1, 2014 between the City and UMB Bank, N.A., as trustee (the “Trustee”). The Bonds are authorized by the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of the State of Missouri (the “State”), as amended (the “Act”) and the Ordinance and are secured by the Indenture. The Bonds are being issued for the purpose of providing funds to refund the Series 2005 Bonds of the City (as defined in the Ordinance).

The Bonds are issued pursuant to the Act and Ordinance. The City, in the Ordinance pledges all PILOTs Revenues and the Captured Portion of the EATs collected (the “EATs Revenues”) with respect to incremental increase in activity within the 2005 Area (or applicable defined part thereof), and which are to be deposited to the Special Allocation Fund and the additional sums appropriated annually by the City for deposit in the Special Allocation Fund from the non-captured City sales tax (the “City Revenues”) for the payment of principal of, premium, if any, and interest on the Bonds when due.

As to questions of fact material to our opinion, we have relied upon the representations of the City contained in the Ordinance and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. Capitalized terms used herein shall have the same meaning as set forth in the Ordinance and the Indenture.

YATES, MAUCK, BOHRER, ELLIFF & FELS, P.C.

June 26, 2014

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We have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion, which certified proceedings includes among other documents and proceedings, the following (the “**Documents**”):

- (i) the Ordinance;
- (ii) the Indenture; and
- (iii) the Tax Compliance Agreement.

We have also examined the Constitution and statutes of the State, insofar as the same relate to the authorization and issuance of the Bonds and the authorization of the Ordinance and the authorization, execution and delivery of the Indenture.

Based upon our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1 The Bonds have been duly authorized, executed and delivered by the City and are valid and binding special, limited obligations of the City payable solely from the Revenues and other funds provided therefor in the Ordinance and the Indenture. The Bonds do not constitute general obligations of the City nor do they constitute an indebtedness of the City within the meaning of any constitutional or statutory provision, limitation or restriction, and the taxing power of the City is not pledged to the repayment of the Bonds.

2. The Ordinance authorizes the issuance of the Bonds and the execution and delivery of the Documents in connection therewith has been duly adopted by the City and the Documents constitute valid and legally binding obligations of the City enforceable against the City.

3. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is (i) excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinion set forth in the preceding sentence is subject to the condition that the City and the Trustee comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City and the Trustee have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive

YATES, MAUCK, BOHRER, ELLIFF & FELS, P.C.

June 26, 2014

Page 85

to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Missouri. We express no opinion as to whether such interest is exempt from the tax imposed on financial institutions pursuant to Chapter 148 RSMo. as amended.

The rights of the Owners of the Bonds and the enforceability of the Bonds, the Indenture, the Ordinance and the Tax Compliance Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' right heretofore or hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Sincerely,

YATES, MAUCK, BOHRER, ,
ELLIFF & FELS, P.C.

Carl E. Yates

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "**Disclosure Agreement**"), by and among the City of Monett, Missouri as Issuer (the "**Issuer**"), UMB Bank, N.A., in Kansas City, Missouri, as Trustee (the "**Trustee**"), is entered into in connection with the issuance of \$2,430,000 Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds Series 2014 dated June 26, 2014 (the "**Bonds**"). The Bonds are being issued pursuant to an Ordinance (the "**Ordinance**") adopted by the City Council of the City on May 30, 2014 and are secured and authenticated by a Trust Indenture dated as of June 1, 2014 (the "**Indenture**") by and between the City and the Trustee. The proceeds of the Bonds are being used by the Issuer to (1) currently refund the Series 2005 Bonds as described in the Ordinance, (2) establish a Debt Service Reserve Fund for the Bonds, and (3) pay costs of issuance relating to the Bonds. The Bonds are being issued under and are secured by the Ordinance adopted by the Issuer on May 30, 2014. This Disclosure Agreement constitutes the written undertaking by the Issuer for the benefit of the Owners required by Section (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, Section 240.15c2-12) (the "**Rule**"). Capitalized terms not defined herein shall have the meanings as set forth in the Trust Indenture. The parties hereto covenant and agree as follows:

Section 1. Definitions.

"**Annual Information**" shall mean the information specified in Section 3 hereof.

"**GAAP**" shall mean generally accepted accounting principles as in effect from time to time in the United States of America.

"**Owner**" shall mean any registered owner of Securities and any beneficial owner of Securities within the meaning of Rule 13-d under the Securities Exchange Act of 1934.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"**Repository**" shall mean any nationally recognized municipal securities information repository within the meaning of the Rule.

"**Rule**" shall mean Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended through the date of this Disclosure Agreement.

"**Security**" or "**Securities**" shall mean the \$2,430,000 City of Monett, Missouri, Annual Appropriation Supported-Tax Increment and Sales Tax Refunding Revenue Bonds (East U.S. Highway and RPA1 Infrastructure Projects) Series 2014, dated June 26, 2014.

"**State Information Depository**" shall mean any appropriate state information depository for the State of Missouri within the meaning of the Rule.

Section 2. Obligation to Provide Continuing Disclosure.

1. This Disclosure Agreement is being executed by the Issuer and the Trustee for the benefit of Owners of the Securities and to assist the Underwriters in complying with, and constitutes the written undertaking for the benefit of the owners of the Bonds required by Section 265(b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 under the Securities and Exchange Act of 1934 so amended (17 C.F.R.

Sec. 240.15c2-12) (the "Rule"), to provide or cause to be provided the following information as defined in this Disclosure Agreement either directly or through the Trustee:

(a) the Annual Information relating to such fiscal year to be filed with the Municipal Securities Rule Making Board-Electronic Municipal Market Access (the "MSRB-EMMA"), no later than 180 days after the end of each fiscal year, commencing with the fiscal year ended December 31, 2014;

(b) if not submitted as part of the Annual Information, to MSRB-EMMA, audited financial statements of the Issuer for such fiscal year when and if they become available;

(c) notice to MSRB-EMMA, within ten days of the occurrence, notice of any of the following events with respect to the Securities:

- (1) Principal and interest payment delinquencies;
- (2) Tender offers;
- (3) Bankruptcy, insolvency, receivership, or a similar proceedings by the City;
- (4) Unscheduled draws on credit enhancements on the Securities reflecting financial difficulties;
- (5) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (6) Substitution of credit or liquidity providers, or their failure to perform;
- (7) Adverse tax opinions or events affecting the tax-exempt status of the Securities. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issuer (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (8) Defeasances;
- (9) Rating changes.

(d) Notice to MSRB-EMMA and to any State Information Depository, within ten days of the occurrence of any of the following events with respect to the Securities, if material:

- (1) Non-payment related defaults;
- (2) Modifications to the rights of Security Owners;
- (3) Release, substitution, or sale of property securing repayment of the Securities;
- (4) Consummation of a merger, consolidation, acquisition involving a borrower, other than in the ordinary course of business, or the sale of all or substantially all of the assets of the Issuer

or borrower, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms.

(5) Appointment of a successor or additional trustee, or the change in the name of the trustee.

(6) Securities calls;

2. To MSRB-EMMA, in a timely manner, notice of a failure to provide any Annual Information required by clause 1(a) of Section 3.

3. The obligations of the Issuer pursuant to subsection 1 above may be terminated if such Issuer is no longer an "Issuer" as defined herein. Upon any such termination, the Issuer shall provide notice of such termination to MSRB-EMMA.

4. Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

Section 3. Annual Information.

1. The required Annual Information shall consist of the following:

(a) Information for the fiscal year then ended as required by the Annual Report.

(b) The audited financial statements of the Issuer as of and for each fiscal year and its independent accountants' report with respect thereto. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Information shall contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements will be filed in the same manner as the Annual Information promptly after they become available.

2. All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which have been filed with (i) MSRB-EMMA, or (ii) the Securities and Exchange Commission.

3. Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year shall be prepared in accordance with GAAP as in effect from time to time for governmental units.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Disclosure Agreement, then the Trustee or any Owner of Securities may enforce, for the equal benefit and protection of all Owners similarly situated, by suit or proceeding at law or in equity, this Disclosure Agreement against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Agreement; provided that the sole and exclusive remedy for breach of this Disclosure Agreement shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and, provided further, that any challenges to the adequacy of any information provided pursuant to Section 2 shall be brought only by the Trustee or the Owners of 25% in aggregate principal amount of the Securities at the time outstanding which are affected thereby.

Section 6. Parties in Interest. This Disclosure Agreement is executed and delivered solely for the benefit of the Owners. No other person (other than the Trustee) shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any Owner of Securities, the Issuer, the Issuer and the Trustee at any time and from time to time may enter into any amendments or changes to this Disclosure Agreement for any of the following purposes:

(a) to comply with or conform to the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption by any such successor of the covenants of the Issuer hereunder;

(d) to add to the covenants of the Issuer for the benefit of the Owners, or to surrender any right or power herein conferred upon the Issuer;

(e) to modify the contents, presentation and format of the Annual Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer or the Issuer, or type of business conducted; provided that (1) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (2) the amendment or change does not materially impair the interest of Owners, as determined either by a party unaffiliated with the Issuer (such as the Trustee or bond counsel), or by the vote or consent of Owners of a majority in outstanding principal amount of the Securities affected thereby at or prior to the time of such amendment or change.

Section 8. Termination. This Disclosure Agreement shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to the Declaration of Trust. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to MSRB-EMMA. Such

notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 9. The Trustee.

1. This Disclosure Agreement shall not create any obligation or duty on the part of the Trustee and the Trustee shall not be subject to any liability hereunder for acting or failing to act as the case may be.

2. The Issuer shall indemnify and hold harmless the Trustee in connection with this Disclosure Agreement, to the same extent provided in the Declaration of Trust for matters arising thereunder.

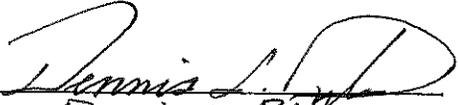
Section 10. Governing Law. THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MISSOURI DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW.

Section 11. Limitations and Amendments.

The City has agreed to update information and to provide notices of material events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of this Disclosure Agreement or from any statement made pursuant to its agreement, although Owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Disclosure Agreement as of June 26, 2014.

**CITY OF MONETT, MISSOURI
(ISSUER)**

By: 
Name: Dennis L. Pyle
Title: City Administrator

UMB BANK, N.A.
(TRUSTEE)

By: Lara R. Stevens
Name: LARA L. STEVENS
Title: Vice President

Exhibit A
to Continuing Disclosure Agreement

City of Monett, Missouri
Monett, Missouri

ANNUAL REPORT

As of the date of this Report, the City has outstanding the following obligations for which this Annual Report provides Annual Information:

Outstanding Obligations

1. General Obligation Bonds

2. Revenue Bonds

3. Lease Purchase Obligations

Legal debt margin - General Obligation Bonds

A. Assessed Valuation as of January 1, _____,

Real Estate	\$ _____
Personal Property	\$ _____
Total	\$ _____

B. Debt Margin at March 31, 20____

General Obligation	\$ _____
Bonds Outstanding	\$ _____

For further information, contact:

Dennis Pyle
City Administrator
City of Monett, Missouri
217 5th Street
Monett, Missouri 65708
Phone (417)

Fax (417)

Dated: _____, _____

Part I

1. Statistical Data

A. Population:

(i) Population for the most recent calendar was as follows:

B. Annual Budget

On _____, _____ the City Council adopted its Fiscal Year Budget which included an appropriation of EATs Revenues in the Amount of \$_____ and City Revenues in the Amount of \$_____. Additionally, the City Council appropriated from the General Fund to payment of Lease Rental Payments \$_____.

C. City Revenues:

(i) PILOT Revenues, EATs Revenues and City Revenues collected from RPA1 in the most recent five years were as follows:

Fiscal TIF Net

(ii) Fiscal Year _____ - TIF Debt Service Coverage

Revenues Available for Debt Service \$ _____

Maximum Annual Housing Debt Service \$ _____

Debt Service Coverage _____ %

Projected maximum annual debt service for all outstanding Lease Obligations and Bonds is \$ _____.

Net of operating expenses less those expenses paid for by general funds and sources. Does not include depreciation.

RULE 15c2-12 CERTIFICATION OF CITY

The undersigned hereby certifies and represents to the Underwriter, Crews & Associates, Inc. (the "Underwriter"), as original purchaser, that he is the Mayor of the City of Monett, Missouri (the "City") authorized to execute and deliver this Certificate and further certifies on behalf of the City to the Underwriter as follows:

1. This Certificate is delivered to enable the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of \$2,430,000 aggregate principal amount of Annual Appropriation Supported Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East US Highway 60 Improvement and RPA 1 Infrastructure Redevelopment Projects) (the "Bonds") issued by the City.

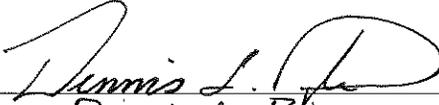
2. In connection with the offering and sale of the Bonds, there has been prepared an Official Statement, dated June 26, 2014, setting forth information concerning the Bonds and the City.

3. As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, identity of any additional purchaser and other terms of the Bonds depending on such matters, all with respect to the Bonds.

4. The information with respect to the City included in the Official Statement is final within the meaning of the Rule as of this date except for the Permitted Omissions and is accurate and complete except for the Permitted Omissions.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of June, 2014.

CITY OF MONETT, MISSOURI

By: 
Name: Dennis L. Pyle
Title: City Administrator

CITY'S CLOSING CERTIFICATE

We, the undersigned, Mayor and City Clerk, respectively, of the City of Monett, Missouri (the "City"), in connection with the issuance of \$2,430,000 principal amount of Annual Appropriation - Supported Tax Increment Rand Sales Tax Refunding Revenue Bonds, Series 2014 (East US Highway 60 Improvement and RPA1 Infrastructure Improvement Projects) (the "**Bonds**"), hereby certify as follows:

1. *Organization and Authority.* The City is a legally constituted third class city and political subdivision duly organized and existing under the laws of the State of Missouri.

2. *Ordinance.* The City is issuing and delivering, simultaneously with the delivery of this Certificate, pursuant to the laws of the State of Missouri and an Ordinance adopted by the City Council of the City on May 30, 2014 (the "**Ordinance**"), for the purpose of (a) providing funds to refund a portion of the Series 2005 Bonds, (b) pay costs of refunding the City's Series 2005 Bonds; (c) paying a portion of the costs of issuance of the Bonds and (d) funding a debt service reserve for the Bonds.

3. *Transcript of Proceedings.* The transcript of proceedings (the "**Transcript**"), relating to the authorization and issuance of the Bonds, furnished to the purchaser of the Bonds is, to the best of our knowledge, information and belief, full and complete; none of such proceedings have been modified, amended or repealed; and the facts as are stated in the Transcript still exist.

4. *Regular Meetings.* Regular meetings of the governing body of the City are held on the 20th day of each month, at 9:30 am. All meetings of the governing body of the City as shown in the Transcript were regular meetings, or meetings held pursuant to regular adjournment at the next preceding meeting, or special meetings called and held as shown in the Transcript, and at all such meetings, where required, proper notice was given in the manner required by law, including Chapter 610 RSMo., 2000, as amended.

5. *Incumbency of Officers.* The following named persons were and are the duly qualified and acting officers of the City at and during all the times as indicated as follows:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
James Orr	Mayor	April 2016
Janie Knight	City Clerk	Annual
Jerry Dierker	Commissioner	April 2016
Mike Brownsberger	Commissioner	April 2016
Dennis Pyle	City Administrator	Annual

6. *Execution of Bonds.* The authorized City officers have duly signed and executed the typewritten Series 2014 Bonds in the principal amount of \$2,430,000, dated June 26 2014, consisting of fully registered Series 2014 Bonds in the denomination of \$5,000, or integral multiples thereof, numbered from AR-1 consecutively upward and, on the date of the Series 2014 Bonds, were and on the date hereof are the officials indicated by the signatures on the Series 2014 Bonds, respectively.

7. *Signatures and Seal.* The signatures of us and each of us, as such officials, respectively, on the Bonds, are our true and genuine signatures, and the seal imprinted on the Bonds at the time of their execution was and is the duly authorized seal of the City and was thereto affixed by the authority and direction of the governing body of the City, and is the seal affixed to this Certificate.

8. *Due Authorization.* The City has duly authorized all necessary action to be taken by the City for the approval of the Official Statement and the execution, delivery, receipt and due performance of the Bond Purchase Agreement (the "**Purchase Agreement**") between Crews & Associates, Inc. (the "**Underwriter**") and the City; and the due authorization, adoption and performance of the following documents:

- A. Ordinance No. 8294 (the "**Ordinance**") adopted May 30, 2014;
- B. Trust Indenture dated as of June 1, 2014 (the "**Indenture**") by and between the City and UM Bank, N.A., St. Louis, Missouri (the "**Trustee**");
- C. Bond Purchase Agreement dated June 26, 2014;
- D. Preliminary Official Statement and Official Statement;
- E. Continuing Disclosure Agreement dated as of June 1, 2014; and
- F. Tax Compliance Agreement dated June 26, 2014

any and all other such agreements, certificates and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated by the Ordinance.

9. *Non-Litigation.* There is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the City or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act shown to have been done in the foregoing transcript, or the constitutionality or validity of the obligations represented by the Bonds, or the validity of said Bonds, or any of the proceedings had in relation to the authorization, issuance or sale of the Bonds, 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 Ordinance, the Indenture, the Purchase Agreement, the Official Statement, the Continuing Disclosure Agreement, the CID Agreement or the Redevelopment Agreement.

10. *Receipt of Purchase Price; Deposit of Proceeds.*

A. The City hereby acknowledges receipt from the Underwriter of payment in full of the purchase price for the Bonds, in conformity with the Purchase Agreement. The City further acknowledges that the Underwriter has in all respects complied with and satisfied all of its obligations to the City as set forth in the Purchase Agreement and required to be complied with and satisfied on or prior to the date of delivery of and payment for the Bonds.

B. The Paying Agent, in its role as Trustee under the Indenture (as defined in the Ordinance), is further authorized and directed to deposit and apply such sum, together with other moneys received from the City, if any, into the Funds and Accounts established under the Ordinance and the Indenture, as follows:

- (i) the sum of \$116,287.50, representing the Reserve Requirement from the proceeds of the sale of the Bonds into the Debt Service Reserve Fund; and
- (ii) the sum of \$42,404.33, from the proceeds of the sale of the Bonds shall be deposited in the Cost of Issuance Fund.

11. *Preliminary Official Statement and Official Statement.* The information in the Preliminary Official Statement dated June 19, 2014, and the Official Statement dated June 26, 2014, and in any

amendment or supplement that may be authorized for use by the City-with respect to the Bonds (collectively, the "**Official Statement**"), is and as of the closing date (hereinafter defined) will be, true and does not omit and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

The City has duly performed all of its obligations required to be performed at or prior to the date of this Certificate and each of the City's representations and warranties contained in this Certificate and in the Purchase Agreement are true as of the date hereof.

12. *No Violation of Law.* To the best of the undersigned's knowledge, the execution and delivery of the Official Statement, the Ordinance, the Indenture, the Purchase Agreement, and the Bonds 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 existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which it is subject or by which the City is or may be bound.

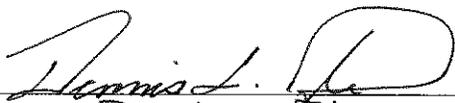
13. *No Event has Occurred.* To the best of the undersigned's knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the City's portion of the Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect as of the date hereof.

14. *No Default.* At the date of this Certificate, no event has occurred and is continuing which, with the passage of time or the giving of notice, would constitute a breach of or an event of default under the Ordinance.

15. *Request to Authenticate and Deliver Bonds.* UMB Bank, N.A., Kansas City, Missouri, as Paying Agent, is hereby requested and authorized, pursuant to the provisions of the Ordinance, to authenticate the Bonds in the aggregate principal amount of \$2,430,000 and to deliver the Bonds to, or at the direction of, the Underwriter, upon payment to the Paying Agent for the account of the City of the purchase price for the Bonds, in the amount of \$2,430,000.

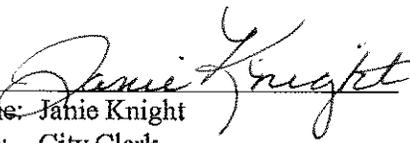
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WITNESS our hands and the seal of the City this 26th day of June, 2014.

By: 
Name: Dennis L. Pyle
Title: City Administrator

[SEAL]

ATTEST:

By: 
Name: Janie Knight
Title: City Clerk

YATES, MAUCK, BOHRER, ELLIFF & FELS, P.C.

CARL E. YATES
CARSON W. ELLIFF
MARK C. FELS

Attorneys at Law
2121 South Eastgate Avenue
Springfield, Missouri 65809
(417) 883-7411
(417) 883-6795 fax
www.ytblaw.com

JOSEPH A. BOHRER (OF COUNSEL)
WILLIAM L. MAUCK (DECEASED)
JAMES W. STARNES (DECEASED)

June 27, 2014

Internal Revenue Service Center
Ogden, Utah 84201-0001

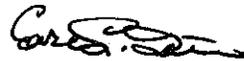
RE: FILING FORM 8038-G FOR THE CITY OF MONETT, MISSOURI

Dear Sir/Madam:

Enclosed for filing please find an original 8038-G for the City of Monett, Missouri Annual Appropriation - Supported Tax Increment and Sales Tax Refunding Revenue Bonds, with one copy to be filed-stamped and returned to our offices using the enclosed self-addressed, stamped envelope.

Thank you for your attention to this matter.

Very truly yours,



Carl E. Yates

CEY/dlk
Enclosures

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.

OMB No. 1545-0720

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

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name City of Monett, Missouri		2 Issuer's employer identification number (EIN) 44-6000225	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Carl Yates		3b Telephone number of other person shown on 3a 417-883-7411	
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)	
217 5th Street		3	
6 City, town, or post office, state, and ZIP code Monett, Mo. 65708		7 Date of Issue 06/26/2014	
8 Name of Issue ANNUAL APPROPRIATION SUPPORTED TAX INCREMENTS & SALES TAX REVENUE REFUNDIN		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) DENNIS PYLE		10b Telephone number of officer or other employee shown on 10a 417-235-3355	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.			
11 Education		11	
12 Health and hospital		12	
13 Transportation		13	2,430,000 00
14 Public safety		14	
15 Environment (including sewage bonds)		15	
16 Housing		16	
17 Utilities		17	
18 Other. Describe ►		18	
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>			
If obligations are BANs, check only box 19b <input type="checkbox"/>			
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	01/28/2028	\$ 2,393,020.40	\$ 2,430,000.00	7.773 years	3.6486347 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)						
22	Proceeds used for accrued interest				22	
23	Issue price of entire issue (enter amount from line 21, column (b))				23	2,393,020 40
24	Proceeds used for bond issuance costs (including underwriters' discount)				24	96,679 33
25	Proceeds used for credit enhancement				25	
26	Proceeds allocated to reasonably required reserve or replacement fund				26	116,287 50
27	Proceeds used to currently refund prior issues				27	2,217,033 17
28	Proceeds used to advance refund prior issues				28	
29	Total (add lines 24 through 28)				29	2,430,000 00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)				30	36,979 60

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.		
31	Enter the remaining weighted average maturity of the bonds to be currently refunded	13.45 years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	July 1, 2014
34	Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	August 1, 2005

Part VI Miscellaneous

<p>35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)</p> <p>36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)</p> <p style="margin-left: 20px;">b Enter the final maturity date of the GIC ▶ _____</p> <p style="margin-left: 20px;">c Enter the name of the GIC provider ▶ _____</p> <p>37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units</p> <p>38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:</p> <p style="margin-left: 20px;">b Enter the date of the master pool obligation ▶ _____</p> <p style="margin-left: 20px;">c Enter the EIN of the issuer of the master pool obligation ▶ _____</p> <p style="margin-left: 20px;">d Enter the name of the issuer of the master pool obligation ▶ _____</p> <p>39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(iii) (small issuer exception), check box <input checked="" type="checkbox"/></p> <p>40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/></p> <p>41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:</p> <p style="margin-left: 20px;">b Name of hedge provider ▶ _____</p> <p style="margin-left: 20px;">c Type of hedge ▶ _____</p> <p style="margin-left: 20px;">d Term of hedge ▶ _____</p> <p>42 If the issuer has superintegrated the hedge, check box <input type="checkbox"/></p> <p>43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box <input checked="" type="checkbox"/></p> <p>44 If the issuer has established written procedures to monitor the requirements of section 148, check box <input checked="" type="checkbox"/></p> <p>45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____</p> <p style="margin-left: 20px;">b Enter the date the official intent was adopted ▶ _____</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:20px; text-align: center;">35</td> <td style="width:60px;"></td> <td style="width:60px;"></td> </tr> <tr> <td style="text-align: center;">36a</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">37</td> <td></td> <td></td> </tr> </table>	35			36a			37		
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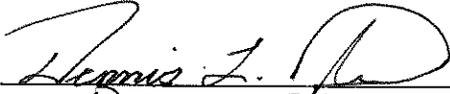
Signature and Consent	<p>Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the Issuer's return information, as necessary to process this return, to the person that I have authorized above.</p>			
		<p>4/25/14</p>	<p>Dennis Pyle City Administrator</p>	
	Signature of issuer's authorized representative	Date	Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no. ▶		

RECEIPT FOR PROCEEDS

The City of Monett, Missouri hereby acknowledges receipt on this date of \$2,338,345 from Crews & Associates, Inc., Little Rock, Arkansas, as payment in full for \$2,430,000 principal amount of Annual Appropriation - Supported Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014, (East US Highway 60 Improvement and RPA 1 Infrastructure Redevelopment Projects), issued by the City of Monett, Missouri.

Dated: June 26, 2014.

CITY OF MONETT, MISSOURI

By: 

Name: Dennis L. Pyle

Title: City Administrator

**CERTIFICATE AND REQUEST TO AUTHENTICATE BONDS
OF THE CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION - SUPPORTED TAX INCREMENT AND SALES TAX
REFUNDING REVENUE BONDS**

SERIES 2014

**(EAST US HIGHWAY 60 IMPROVEMENT AND RPA1 INFRASTRUCTURE
REDEVELOPMENT PROJECTS)**

The words and terms used in this Certificate, unless the context requires otherwise, shall have the same meanings as set forth in the "Ordinance," the "Indenture," or the "Purchase Agreement," as defined in paragraph 4 hereof.

The City of Monett, Missouri (the "City"), does hereby certify in connection with the issuance by the City of its \$2,430,000 Annual Appropriation - Supported Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East US Highway 60 Improvement and RPA1 Infrastructure Redevelopment Projects) (the "Bonds") that it is a municipal corporation and third class City, a body politic and corporate and a public instrumentality duly organized and validly existing under the laws of the State of Missouri and does further certify as follows:

1. Members and Officers. The following persons were and are the duly qualified and acting members and officers of the City since at least March 30, 2013, to and including the date hereof:

<u>Name</u>	<u>Title</u>
James Orr	Mayor
Jerry Dierker	Commissioner
Mike Brownsberger	Commissioner
Dennis Pyle	City Administrator
Janie Knight	City Clerk

2. Meetings. At least twenty-four hours prior to the commencement of each of the meetings referred to in paragraph 3 hereof notice of the meeting was made available to any representative of the news media who requested it and was posted on a bulletin board or other prominent place that is easily accessible to the public and clearly designated for that purpose at the City Hall of the City and at the site of the meeting. Said meetings were open to the public and every reasonable effort was made to grant special access to said meeting to handicapped or disabled persons.

Notice of the meetings of the City at which the Ordinances and Resolutions (as defined below) were adopted was given in accordance with the City Code and State Statutes, including the sending of such notices by mail to each member of the City, each of said notices being deposited in the United States mail ten days or more before the applicable meeting.

3. Ordinances and Resolutions. Attached hereto as Exhibit A are true, complete and correct copies (other than any attachments or exhibits thereto) of the Resolution of Terms Committee and the bond issuance Ordinance (collectively, the "Ordinances") authorizing and approving the execution, issue and sale of the Bonds, which were duly adopted by the City at the meetings of the City Council held on April 21, 2014, May 30, 2014 and June 26, 2014, respectively. The Ordinances are in full force and effect and the Ordinances and the City Documents (as hereinafter defined) in the forms as originally adopted or executed, as the case may be, have not been altered, amended or repealed as of the date hereof.

Attached hereto as Exhibit B is a true, complete and correct copy of the resolution of the Final Terms Committee referred to in the Ordinance adopted on June 26, 2014, which is in full force and effect on the date hereof.

4. Bond Documents. The following described instruments, as executed, endorsed and delivered by the Mayor and the City Council of the City, are in substantially the same form and text as the copies of such instruments which were before and approved by the City at its June 26, 2014 meeting referred to in paragraph 3 above, and such instruments as executed, endorsed and delivered have not been modified, amended or repealed:

<u>Instrument</u>	<u>Date</u>	<u>Other Party or Parties</u>
Trust Indenture for the Series 2014 Bonds (the " <i>Indenture</i> ")	June 1, 2014	UMB Bank, N.A., as Trustee (the " <i>Trustee</i> ")
Bond Purchase Agreement for the Series 2014 Bonds (the " <i>Purchase Agreement</i> ")	June 26, 2014	Crews and Associates, Inc. (the " <i>Purchaser</i> ")

The Indenture, the Bonds, the Purchase Agreement and the Tax Agreement are sometimes collectively referred to herein as the "*City Documents.*"

5. Signatures. The signatures of the Mayor and the City Clerk affixed to the City Documents are the true and correct signatures of such officers of the City. The manual signatures of the Mayor and City Clerk of the City have been duly filed in the Office of the Secretary of State of Missouri pursuant to the provisions of the Uniform Facsimile Signatures of Public Officials Law, Section 105.274 of the Revised Statutes of Missouri, as amended.

6. Execution of Documents. James Orr is the duly elected or appointed Mayor and Janie Knight is the duly elected or appointed City Clerk. As such officers, the Mayor has manually executed and the City Clerk of the City has attested respectively, on behalf of the City, the City Documents, and said Mayor and City Clerk have authorized the execution and attestation, by the imprinting of facsimile signatures upon \$2,510,000 Annual Appropriation - Supported Tax Increment and Sales Tax Revenue Refunding Bonds, Series 2014 (East US Highway 60 and RPA1 Infrastructure Redevelopment Projects), having principal due in the amount and on the dates, bearing interest at the rates, and having the form, details and specifications set forth in the Indenture. They have also authorized the imprinting of the official corporate seal of the City, or a facsimile thereof, on the Bonds.

7. No Litigation. There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the City's knowledge, threatened against the City in any court or administrative body contesting the due organization and valid existence of the City or the validity, due authorization and execution of the City Documents and the enforceability thereof in accordance with their respective terms, or attempting to limit, restrain, enjoin or otherwise restrict or prevent the issuance or delivery of the Bonds or the City from functioning and collecting payments under the Ordinance or the Indenture or questioning or affecting the validity or enforceability of the Bonds or the City Documents or the proceedings or City under which the Bonds are to be issued; to the City's knowledge, neither the corporate existence of the City, nor the titles of the officers of the City to their respective offices, are being contested; there are no actions at law or in equity pending or, to the City's knowledge, threatened against the City, and there are no proceedings of any kind or nature pending or, to the City's knowledge, threatened against the

City by or before any federal, state or local government or administrative City or agency affecting the right of the City to execute and deliver and perform its obligations under the City Documents and issue the Bonds.

8. Representations and Warranties. The representations and warranties of the City contained in paragraph 4 of the Purchase Agreement and Ordinances are (subject to the limitations and qualifications in those representations and warranties, such as “to the City’s knowledge”) true and correct in all material respects as of the date hereof, and, to the City’s knowledge, it has complied with all covenants and satisfied all conditions and terms of the City Documents required on its part to be performed or satisfied at or prior to the date hereof.

9. No Event of Default. To the City’s knowledge, at the date hereof, no event of default of the City specified in the City Documents, and no event which with the giving of notice or the lapse of time or both would become such an event of default of the City under the City Documents, has occurred.

10. All Necessary Action. The City has duly authorized, by all necessary action, the execution, issuance and delivery of the Bonds, and the execution, delivery, receipt and due performance of the City Documents and any and all such other agreements and documents as may be reasonably required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated by the City Documents and the Ordinances. The City Documents, as executed and delivered, and the Bonds, when properly executed, delivered, authenticated and issued, constitute legal, valid and binding obligations of the City enforceable against it in accordance with their respective terms (except insofar as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws or equitable principles of general application affecting the rights and remedies of creditors and secured parties, and except as rights to indemnity under the Purchase Agreement may be limited by federal or state securities laws or by other principles of public policy).

11. Payments Pledged. The payments to be derived under the Ordinances and the Indenture and assigned under the Indenture are not pledged or hypothecated by the City in any manner or to any extent except: (i) to the payment of the Bonds and (ii) as otherwise expressly provided in either the Ordinances or the Indenture.

12. No Conflict. To the City’s knowledge, no member of the City and no officer of the City has any pecuniary interest, directly or indirectly, in any contract, employment, purchase or sale made, or to be made, in connection with the proposed transaction contemplated by the City Documents.

13. Taxability. Subject to the requirements of the City Documents or any provision of Missouri law, or any applicable judgment, order, rule or regulation of any court or executive or agency having jurisdiction, the City has no present intent to engage in any activity which is likely to result in any loss of any exclusion of interest on the Bonds from the gross income of the recipient thereof under the federal income tax laws.

14. Open Meetings. All meetings of the City at which the City considered any matters related to the City Documents or the proposed transaction contemplated by the City Documents, including the meetings at which the Ordinances were adopted, have been open to the public and held in accordance with the procedures adopted by the City and Sections 610.010-610.030 of the Revised Statutes of Missouri, as amended, and all laws amendatory thereof and supplementary thereto.

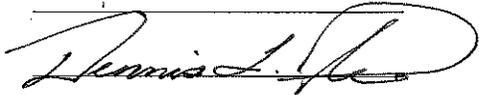
15. No Violation of Law or Agreements. To the City’s knowledge, the execution and delivery by the City of the City Documents, the performance of the terms thereof by the City, the issuance, sale and

delivery of the Bonds by the City and the pledge and assignment of the Revenues under the Ordinance (except its rights to payment of its fees and expenses and annual appropriation as therein require and to indemnification as set forth therein) will not violate any provision of Missouri law, or any resolution or ordinance of the City, or any applicable judgment, order, rule or regulation of any court or of any public or governmental agency or City, and will not conflict with, violate or result in the breach of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the City is a party, or by which it or its properties are bound.

16. Approvals. To the City's knowledge, all approvals, consents, authorizations and orders required to be obtained by the City in connection with the issuance, sale and delivery of the Bonds and the execution and delivery of the City Documents and the performance of the terms thereof by the City have been duly obtained.

17. Official Statement. The information contained in the Official Statement for the Series 2008B Bonds dated June 16, 2014 and the Official Statement for the Series 2014 Bonds dated June 26, 2014 used in connection with the sale of the Bonds under the captions "THE CITY" and "LITIGATION - The City," insofar as it relates to the City, has not changed in any material respect since the date of the Official Statements and is true and correct as of the date hereof.

18. City Representative. The following persons are hereby designated as the Authorized City Representatives under the Indenture and the Ordinances and the signatures set forth opposite their respective names are true and correct specimens of their genuine signatures:

<u>Position</u>	<u>Name</u>	<u>Signature</u>
City Representative	James Orr	
City Representative	_____	_____
Alternate City Representative	Dennis Pyle	

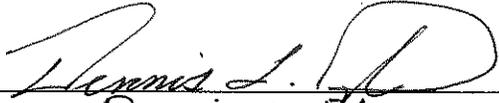
19. Seal. The seal affixed to this certificate and which has been affixed to the Indenture and the Ordinances and printed on the Bonds, is the legally adopted, proper and only official corporate seal of the City.

20. Authentication. Pursuant to the Indenture, the Trustee is hereby requested and authorized by us on behalf of the City to authenticate the Bonds and to deliver the Bonds to the Purchaser upon payment to the Trustee, for the account of the City, of the purchase price, including accrued interest to the date of delivery of the Bonds, if any, as set forth in the Purchase Agreement.

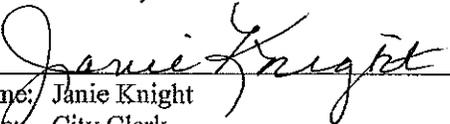
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IN WITNESS WHEREOF, the City has caused this Certificate to be executed as of this 26th day of June, 2014.

CITY OF MONETT, MISSOURI

By 
Name: Dennis L. Kyle
Title: City Administrator

[SEAL]

By 
Name: Janie Knight
Title: City Clerk

**TAX-EXEMPT FINANCING COMPLIANCE AND CONTINUING DISCLOSURE
PROCEDURE**

**ARTICLE I
DEFINITIONS**

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

"Annual Compliance Checklist" means a questionnaire and/or checklist described in Section 6.1 hereof that is completed each year for the Tax-Exempt Bonds.

"Bond Compliance Officer" means the Issuer's clerk or, if the position of clerk is vacant, the person filling the responsibilities of the Clerk for the Issuer.

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

"Bond Restricted Funds" means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the Tax-Exempt Bonds.

"Bond Transcript" means the "transcript of proceedings" or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Tax-Exempt Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"Compliance Procedure" means this Tax-Exempt Financing Compliance Procedure.

"Continuing Disclosure Agreement" means the agreement by and between the City and the Trustee relating to compliance with Rule 15c2-12 of the SEC.

"Continuing Disclosure Requirements" means the filings by the City required to meet the requirements of the Continuing Disclosure Agreement.

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

"EMMA" means Electronic Municipal Market Access system implemented by the MSRB.

"Final Written Allocation" means the Final Written Allocation of Tax-Exempt Bond proceeds prepared pursuant to Section 5.4 of this Compliance Procedure.

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

"Governing Body" means the City Council of the Issuer.

"Intent Resolution" means a resolution of the Issuer stating (1) the intent of the Issuer to finance all or a portion of the Project Facility, (2) the expected maximum size of the financing and (3) the intent of the Issuer to reimburse Costs of the Project Facility paid by the Issuer from proceeds of the Tax- Exempt Bonds.

"IRS" means the Internal Revenue Service.

"Issuer" means the City of Monett, Missouri.

"MSRB " means the Municipal Securities Rulemaking Board.

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

"Project Facility" means all tangible or intangible property financed in whole or in part with Tax- Exempt Bonds that are (1) functionally related or integrated in use, (2) located on the same physical site or proximate sites, and (3) expected to be Placed In Service within a one-year period of each other.

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

"Regulations" means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to tax-exempt obligations.

"SEC " means the Securities and Exchange Commission.

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

"Tax-Exempt Bonds" means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Issuer or another political subdivision or government instrumentality, the proceeds of the which are to be loaned or otherwise made available to the Issuer, and the interest on which is excludable from gross income for federal income tax purposes. A list of all Tax- Exempt Bonds outstanding and subject to this Compliance Procedure as of June 21, 2014 is attached as Exhibit A.

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

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

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

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) The Issuer uses Tax-Exempt Bonds to fund Costs of a Project Facility. The Issuer understands that in exchange for the right to issue Tax-Exempt Bonds at favorable interest rates and terms, the Code and Regulations impose ongoing requirements related to the proceeds of the Tax-Exempt Bonds and the Project Facility financed by the Tax-Exempt Bonds. These requirements focus on the investment, use and expenditure of proceeds of the Tax-Exempt Bonds and related funds as well as restrictions on the use of the Project Facility. Similarly, by using Tax-Exempt Bonds which are issued under the exemption contained in Rule 15c2-12, the City, as the Issuer, understands it is required to undertake disclosure on a continuing basis and has agreed in the Continuing Disclosure Agreement to satisfy such disclosure requirements.

(b) The Issuer recognizes that the IRS has stated that all issuers of Tax-Exempt Bonds should have separate written procedures regarding ongoing compliance with the federal tax requirements for Tax-Exempt Bonds. The City, as the Issuer, in order to meet the objectives of the Underwriter to maintain market disclosure to protect the owners of the Bonds by providing disclosure of information required under the

Continuing Disclosure Agreement, recognizes the importance of ongoing compliance with the Continuing Disclosure Agreement.

(c) The Issuer is required under the Continuing Disclosure Undertaking to provide disclosure of certain financial information and operating data and to file notices of certain material events to the marketplace to facilitate informed secondary market trading in Tax-Exempt Bonds issued by the Issuer. The Issuer is committed to full compliance with both the tax and securities law requirements for all of its outstanding and future tax-exempt financings. This Compliance Procedure is adopted by the Governing Body to comply with the IRS and SEC directives and to improve tax and securities law compliance and documentation.

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

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

ARTICLE III **BOND COMPLIANCE OFFICER; TRAINING**

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with other employees that use the Project Facility to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Bond Counsel, legal counsel to the Issuer, accountants, tax return preparers and other outside experts to the extent necessary to carry out the purposes of this Compliance Procedure. The Bond Compliance Officer will report to the Governing Body as necessary, and at least annually, regarding implementation of this Compliance Procedure and any recommended changes or amendments to this Compliance Procedure.

Section 3.2. Training. When appropriate, the Bond Compliance Officer and/or other employees of the Issuer under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding tax-exempt financing that are relevant to the Issuer. At the time the individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the outgoing Bond Compliance Officer is responsible for training the incoming individual acting as Bond Compliance Officer to ensure the Issuer's continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Exempt Bonds.

ARTICLE IV
TAX-EXEMPT BONDS CURRENTLY OUTSTANDING

Section 4.1. Tax-Exempt Bonds Covered by Article IV Procedures. This Article IV applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Exempt Bonds are listed on Exhibit A.

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

Section 4.3. Annual Compliance Checklists. As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will work with Bond Counsel and/or legal counsel to the Issuer and cause Annual Compliance Checklists to be completed for all outstanding Tax-Exempt Bonds and will follow the procedures specified in Article VI to complete the Annual Compliance Checklists and thereafter include each completed Annual Compliance Checklist in the Tax-Exempt Bond File. To the extent not otherwise disclosed in the Checklist, Exhibit A to the Continuing Disclosure Agreement shall be included in the Annual Checklist.

Section 4.4. Correcting Prior Deficiencies in Compliance. In the event the Bond Compliance Officer determines any deficiency in compliance with a Tax Compliance Agreement or Continuing Disclosure Agreement for an outstanding Tax-Exempt Bond listed on Exhibit A, the Bond Compliance Officer will follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Issuer to submit a request under VCAP, and the MSRB Rule G-36 the Bond Compliance Officer will undertake this step only after reporting the violation to the Governing Body and obtaining its approval.

ARTICLE V
COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BOND ISSUES

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

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

Intent Resolution. The Governing Body will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of this authorizing resolution or ordinance, the Governing Body may adopt an Intent Resolution.

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

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

Preliminary Cost Allocations. For each issuance of Tax-Exempt Bonds, the Bond Compliance Officer in consultation with Bond Counsel, will prepare a preliminary cost allocation plan for the Project Facility. The preliminary cost allocation plan will identify the assets and expected costs for the Project Facility, and when necessary, will break-out the portions of Costs that are expected to be financed with proceeds of the Tax-Exempt Bonds (the "Financed Assets" and the portions, if any, expected to be financed from other sources.

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

Section 5.3. Accounting and Recordkeeping.

Accounting for New Money Projects. The Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the Tax-Exempt Bonds. The Bond Compliance Officer will establish separate accounts or subaccounts to record expenditures for Costs of the Project Facility. Where appropriate, the Bond Compliance Officer may use accounts established as part of the Issuer's financial records for this purpose. In recording Costs for the Project Facility, the Bond Compliance Officer will ensure that the accounting system will include the following information: (1) identity of person or business paid, along with any other available narrative description of the purpose for the payment, (2) date of payment, (3) amount paid, and (4) invoice number or other identifying reference.

Accounting for Refunded Bonds and Related Refunded Bond Accounts. For Tax-Exempt Bonds that are issued to refund prior Tax-Exempt Bonds, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced Tax-Exempt Bonds.

Tax-Exempt Bond File. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File.

Section 5.4. Final Allocation of Bond Proceeds.

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

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

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

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

ARTICLE VI

ONGOING MONITORING PROCEDURES

Section 6.1. Annual Compliance Checklist. An Annual Compliance Checklist will be completed by the Bond Compliance Officer each year following completion of the Final Written Allocation. Each Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Tax Compliance Agreement or this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Project Facility) that are required to be incorporated in the Tax-Exempt Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Compliance Agreement to legal

counsel to the Issuer or Bond Counsel and, if recommended by counsel, will follow the procedure set out in Section 4.4 hereof to remediate the non-compliance.

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

Date: June 26, 2014

CITY OF MONETT, MISSOURI

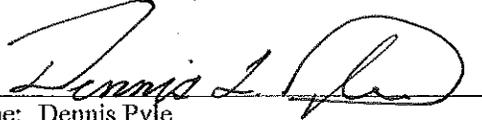
By: 
Name: Dennis Pyle
Title: City Administrator

EXHIBIT A

LIST OF TAX-EXEMPT BONDS COVERED BY THIS COMPLIANCE PROCEDURE

4.15% General Obligation Bonds, Neighborhood Improvement District Bonds Series 2005, due through September 6, 2015. This bond had an original issuance of \$148,000 dated September of 2005.	\$ 49,950
2.00% to 5.10% General Obligation Bonds, Neighborhood Improvement District Bonds Series 2004 due through September 1, 2024, callable on or after September 1, 2012, at premiums beginning at 102% of the principal amount decreasing to 100% on September 1, 2014. Monies from this bond were utilized for gravity sewer projects in the city. This had an original issuance of \$394,230 dated September of 2004.	275,000
Total General Obligation Bonds	\$ 324,950

Revenue bonds payable at March 31, 2013 are comprised of the following individual issues:

Tax Increment Financing fund:

3.80% to 3.85% Tax Increment Allocation Bonds, Subordinate Series 2007 (Hwy 60 Amended Redevelopment Project TIF #1) interest due semi-annually October 1 and April 1; bonds mature October 1, 2012 through 2014, optional redemption beginning October 1, 2013 at 100% of the principal. Original issuance of \$6,100,000 in December of 2007 had a partial defeasance of \$590,000 with the issuance of the Series 2007 bonds. Monies generated from these bonds were used in combination with monies received from Missouri Department of Transportation for projects such as added lanes on Highway 60 and also combined with monies from the Burlington Northern Santa Fe Railroad to build an overpass on Eisenhower Street.	\$1,075,000
4.00% to 4.5% Subordinate Tax Increment Allocation Bonds, Junior Series 2008 (Hwy 60 Amended Redevelopment Project TIF #1) interest due semi-annually April 1 and October 1 with bonds maturing October 1, 2014 through 2018, optional redemption begins October 1, 2013 at 100% of the principal. Funding from this issuance was to further expand and improve the infrastructure of and adjacent to Highway 60. The bond had an original issuance of \$3,000,000 beginning in February of 2008.	\$2,720,000

5.00% Tax Increment Allocation Bonds Series 2005A (East Hwy 60 Infrastructure Project TIE #2) interest due semiannually January 1, and July 1, with principal and bonds maturing January 1, 2028. Optional redemption beginning January 1, 2012, at 100% of the principal. These monies were specifically generated to make improvements on and around Chapel Drive. The bond had an original issuance of \$1,630,000 beginning in August of 2005. \$1,130,000

5.25% Tax Increment Allocation Bonds Series 2005B (RPA #1 Infrastructure Improvements Project TIF #2) interest due semiannually January 1, and July 1, maturing January 1, 2028 optional redemption beginning January 1, 2012, at 100% of the principal. Specific use of this funding was to redevelop 385 acres in the southeast portion of the city adjacent to Highway 60. The bond had an original issuance of \$2,535,000 beginning in August of 2005. \$2,535,000

Sewer system fund:

2.00% to 4.70% Combined Waterworks and Sewerage System Revenue Bonds, (State Revolving Funds Program) Series 2003, due through January 1, 2025, callable on or after December 1, 2013 at 100% principal. Monies generated from this debt issuance were combined with monies from the State Environment Improvement and Energy Resources Authority to construct wastewater treatment and clean water facilities for the city (Drinking Water Loan). The bond had an original issuance of \$8,950,000 beginning in April 2003. \$6,545,000

~~5.20% to 6.55% Sewerage Revenues Refunding Bonds, (State Revolving Funds Program) Series 1992A, due through June 1, 2014. Monies generated from this debt issuance were combined with monies from the State Environment Improvement and Energy Resources Authority to construct wastewater treatment and clean water facilities for the city (Clean Water Loan). The bond had an original issuance of \$815,000 beginning in June of 1992.~~ ~~\$ 70,000~~

*JIP
6/25/14*

Total revenue bonds payable \$14,075,000

Developer agreements at March 31, 2013 consisted of the following obligation:

Tax Increment Financing fund:

Certain developers applied for reimbursement of the cost of infrastructure should the city receive an increase in the sales taxes collected from the TIF district. The related infrastructure was given to the city and is included as capital assets. There is no 540,194

scheduled payment for any future reimbursement, and any liability remaining upon the dissolution of the TIF district in 2019 will be eliminated.

Total Developers' Agreements

\$ 540,194

Certificates of Participation

In 2004, the City accepted the Commerce National Bank, N.A. bid to acquire leasehold certificates of participation, and subsequently entered into a Lease Purchase Agreement in 2005, for the purpose of constructing a water tower. Currently the agreement has a present value of lease payments of \$160,162, with interest at 3.52%, and is payable in semiannual installments through December 2014.

In 2010, the City accepted the United Missouri Bank bid to acquire leasehold certificates of participation, and subsequently entered into a Lease Purchase Agreement for the purpose of constructing a water line project. Currently the agreement has a present value of lease payments of \$2,710,000, with interest at 3.49%, and is payable in annual installments through July 2035. Monies are being held in the amount of \$220,000 in the event the City could not meet its debt payment.

In 2012, the City accepted the Community National Bank, NA. bid to acquire leasehold certificates of participation, and subsequently entered into a Lease Purchase Agreement for the purpose of constructing a community building (Casino). Currently the agreement has a present value of lease payments of \$1,500,000, with interest at 2.75%, and is payable in semiannual installments through December 2022.

Capital Leases

Governmental Activities:

Wells Fargo Brokerage Services, LLC, Governmental Lease-Purchase Agreement: Amount of the original lease was \$759,000 dated February 25, 2009. The present value of lease payments are \$413,188, with interest at 3.85%, and is payable in annual payments through January 15, 2018. Funds generated from this lease were used for the interior security system and communication tower and equipment at the newly constructed Monett Justice Center.

Yamaha Motor Corporation Commercial Customer Finance Lease Agreement: Amount of original lease was \$86,300 dated July of 2009 to purchase 24 golf carts. The present value of lease payments is \$50,451 at year end, with interest at 4.88% and is payable in monthly payments through November 2014.

Wells Fargo Brokerage Services, LLC: In January of 2008, the City entered into a \$3,000,000 lease for which the funds were used to expand the police station and municipal court facilities by building the new Monett Justice Center. The present value of lease payments at March 31, 2013 is \$1,050,000, with interest at 4.10%, and is payable in annual installments through January 2016.

Oshkosh Capital Services: In 2012, the City entered into a \$264,726 lease for which the funds were used to purchase 2012 Pierce Kenworth Pumper Truck. The present value of lease payments at March 31, 2013 is \$214,693, with interest at 2.83%, and is payable in annual installments through March 2017.

PNC Equipment Finance, LLC: In 2012, the City entered into a \$12,983 lease for which the funds were used to purchase irrigation equipment for the golf course. The present value of lease payments at March 31, 2013 is \$12,623, with interest at 0%, and is payable in annual installments through February 2016.

\$2,430,000
CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION - SUPPORTED TAX INCREMENT
AND SALES TAX REFUNDING REVENUE BONDS

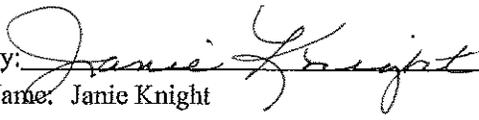
SERIES 2014

(EAST US HIGHWAY 60 IMPROVEMENT AND RPA1 INFRASTRUCTURE
REDEVELOPMENT PROJECTS)

I, the undersigned City Clerk of the City of Monett, Missouri (the "City"), do hereby certify that the proceedings, documents, instruments and writings contained in this Transcript of Proceedings are true and correct copies, duplicate originals or counterparts and constitute all the proceedings of the City in relation thereto with respect to the issuance, sale and delivery by the City of the above-captioned series of Bonds.

IN WITNESS WHEREOF, the undersigned has executed this Certificate in the name and on behalf of the City as of the 26th day of June, 2014.

CITY OF MONETT, MISSOURI

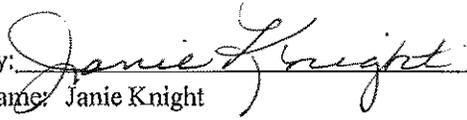
By: 
Name: Jamie Knight
Title: City Clerk

CERTIFICATION AS TO ACTIONS AND NOTICES

STATE OF MISSOURI)
) ss.
CITY OF MONETT, MISSOURI)

The undersigned, being the duly appointed and serving City Clerk of the City of Monett, Missouri (the "City"), does hereby certify that notice of the time, date and tentative agenda of the meetings of the City Board of Aldermen relating to the issuance of an aggregate principal amount of \$2,430,000, Tax Increment Finance Refunding Bonds, Series 2014 (the "Bonds"), was given at least 24 hours prior to the commencement of the meetings of the City Board of Aldermen by posting of such notice on the bulletin board of City Hall. Such notice was reasonably calculated to apprise the public of the information contained in the notice and was made available to any representative of the news media who requested a copy of the notice. The excerpts of minutes of meetings of the Board of Aldermen contained in the Transcript of Proceedings (this Certification as to Actions and Notices is a part of such Transcript of Proceedings) relating to the issuance of the Bonds are true, accurate and complete copies of the original minutes and have not been changed or modified in any manner and the copies of the Ordinances included in the Transcript of Proceedings are true and correct copies of said Ordinances and have not been changed or modified in any manner.

IN TESTIMONY WHEREOF, I have hereto set my hand and official seal in the City of Monett, Missouri, this 26th day of June, 2014.

By: 
Name: Janie Knight
Title: City Clerk

[SEAL]

\$2,430,000
CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION - SUPPORTED TAX INCREMENT
AND SALES TAX REFUNDING REVENUE BONDS

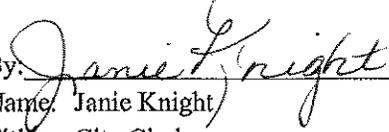
SERIES 2014

(EAST US HIGHWAY 60 IMPROVEMENT AND RPA1 INFRASTRUCTURE
REDEVELOPMENT PROJECTS)

I, the undersigned, being the duly appointed and serving City Clerk of the City of Monett, Missouri (the "City"), do hereby certify that the proceedings, documents, instruments and writings hereafter contained in this Transcript of Proceedings are true and correct copies, duplicate originals or counterparts and constitute all the proceedings of the City in relating thereto with respect to the issuance, sale and delivery by the City of the above-captioned series of Bonds.

IN WITNESS WHEREOF, the undersigned has executed this Certificate in the name and on behalf of the City as of the 26th day of June, 2014.

CITY OF MONETT, MISSOURI

By: 
Name: Janie Knight
Title: City Clerk

TRUSTEE'S AND PAYING AGENT'S CLOSING CERTIFICATE

UMB Bank, N.A., Kansas City, Missouri, as Trustee under the Trust Indenture dated as of June 1, 2014 (the "Indenture"), between the Trustee and the City of Monett, Missouri (the "City") and as Paying Agent under Ordinance No. 8297 of the City adopted May 30, 2014 (the "Ordinance"), in connection with \$2,430,000 principal amount of Annual Appropriation - Supported Sales Tax and Tax Increment Refunding Revenue Bonds, Series 2014 (East US Highway 60 Improvement and RPA 1 Infrastructure Projects) (the "Bonds"), authorized by the Ordinance, states and certifies as follows:

1. *Power and Authority.* The Trustee is a national association duly organized and existing under the laws of the State of Missouri, is authorized and empowered to execute and deliver the Indenture and has full power and authority to act as Trustee, Paying Agent and Bond Registrar as provided in the Ordinance and the Indenture.

2. *Acceptance.* The Trustee hereby accepts the appointment as Trustee, Paying Agent and Bond Registrar and the duties and obligations imposed upon it by the Ordinance and the Indenture and agrees to act in such capacities.

3. *Execution of Indenture.* The Indenture has been duly executed on behalf of the Trustee, its corporate seal affixed thereto and attested by the duly authorized signatory of the Trustee. The Indenture constitutes a valid and binding obligation of the Trustee, enforceable in accordance with its terms.

4. *Receipt of Documents.* The Trustee hereby acknowledges receipt of the documents referred to in the Indenture which are required to be filed with the Trustee prior to or simultaneously with the delivery of the Bonds to the purchasers thereof.

5. *Authentication of Bonds.* Pursuant to and in accordance with the provisions of the Ordinance, prior to the delivery of the Bonds, the Certificate of Authentication on the Bonds so delivered was signed on behalf of the Trustee, as Paying Agent and Bond Registrar, by the following person, who was at the time of the authentication of the Bonds and still is at the date hereof a duly elected or appointed, qualified and acting authorized signatory of the Trustee and duly authorized to perform the acts referred to in this paragraph and that the following is a true and genuine signature of said authorized signatory.


Name: Tremaine B. Duarte
Title: Trust Officer

6. *Delivery of Bonds.* The Trustee, at the written request and authorization of the City, dated June 26, 2014, has delivered \$2,430,000 aggregate principal amount of the Bonds to Crews & Associates, Inc., Little Rock, Arkansas (the "Underwriter").

7. *Receipt of Purchase Price of the Bonds.* The Trustee on this date received, on behalf of the City, from the Underwriter the full purchase price of the Bonds and accrued interest on the Bonds to the date of delivery computed as follows:

Principal	\$2,430,000.00
Underwriter's Discount	(54,675.00)
Original Issue Discount	(36,979.60)
Total Purchase Price Received	\$2,338,345.40

8. *Deposit of Bond Proceeds.* The Trustee on this date, in accordance with the requirements of the Indenture, deposited the proceeds of the Bonds (less Underwriter's discount) into the following Funds and Accounts established under the Ordinance and the Indenture as follows:

- A. in the Series 2014 Debt Service Fund, the sum of \$ -0-, representing accrued interest on the Series 2014 Bonds;
- B. in the Series 2014 Debt Service Reserve Fund, the sum of \$ 116,287.50, representing the Reserve Requirement for the Series 2014 Bonds;
- C. in the Cost of Issuance Fund, the sum of \$ 43,004.33;

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be executed and its corporate seal affixed and attested by its duly authorized signatories this 26th day of June, 2014.

UMB BANK, N.A., as Trustee

By: Wendee Kirus
 Name: Wendee Kirus
 Title: Vice President

[SEAL]

ATTEST:

By: [Signature]
 Name: ANTHONY P. HAWKINS
 Title: Asst. Secy.

RECEIPT FOR BONDS AND REPRESENTATIONS

\$2,430,000
CITY OF MONETT, MISSOURI
ANNUAL APPROPRIATION - SUPPORTED TAX INCREMENT
AND SALES TAX REFUNDING REVENUE BONDS
SERIES 2014
(EAST US HIGHWAY 60 IMPROVEMENT AND RPA1 INFRASTRUCTURE
REDEVELOPMENT PROJECTS)

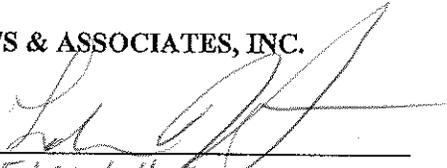
Crews & Associates, Inc. (the "Underwriter") as original purchaser of the above referenced Bonds (the "Bonds") of the City of Monett, Missouri (the "City"), hereby certifies as follows:

1. Receipt for Bonds. We acknowledge receipt on the date hereof of the Bonds, consisting of fully registered typewritten Bonds numbered from R-1 in the amount of \$200,000, R-2 in the amount of \$650,000, R-3 in the amount of \$175,000, and R-4 in the amount of \$1,405,000. Each of said Bonds has been executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, with the City's official seal affixed or imprinted thereon, and has been authenticated by the manual signature of an authorized signatory of the Paying Agent.

2. Public Offering. All of the Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of purchasers or wholesalers), at prices no higher than those shown on the cover of the Official Statement relating to the Bonds. On the basis of information available to us which we believe to be correct, we reasonably expect that at least 10% of the Bonds of each maturity will be sold to the public at initial offering prices no higher than said offering prices. The aggregate offering price of the Bonds is \$2,338,345, plus accrued interest.

Dated: June 26, 2014.

CREWS & ASSOCIATES, INC.

By: 

Name: Edmund Hulse

Title: Senior Managing Director

To: Financing Participants
From: Marshall Hughes & Edmond Hurst, Crews & Associates, Inc.
Date: June 24, 2014
Re:

\$2,430,000
CITY OF MONETT, MISSOURI
Annual Appropriation Supported – Tax Increment and
Sales Tax Refunding Revenue Bonds
Series 2014
(East U.S. Highway 60 and RPA 1 Infrastructure Redevelopment Projects)

Closing Memorandum

1. Closing of the Capital Annual Appropriation Supported – Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (the “Bonds”) will occur on Thursday, June 26, 2014 at 10:00 a.m. CDT by phone originating from the offices of Crews & Associates, Inc. (the “Underwriter”).
2. Prior to 8:00 a.m. CDT on Thursday, June 26, 2014, the Underwriter will wire the amount of **\$2,338,345.50** to UMB Bank (the “Trustee”) evidencing the purchase price of the Bonds. The purchase price of the Bonds is calculated as follows:

	Total
Par Amount	\$2,430,000.00
Less: Original Issue Discount	(\$36,979.60)
Less: Underwriter's Discount	(\$54,675.00)
Total	\$2,338,345.40

Payment instructions for the Trustee are as follows:

UMB Bank, National Association
Amount: \$2,338,345.40
ABA No.:
A/C:
A/C Name:
FFC: Monett TIF
Attn.: Tremaine Duarte 816-860-3024

3. Prior to 8:30 a.m. CDT on Thursday, June 26, 2014, the Trustee will internally transfer the following funds held in connection with the Series 2005 Bonds:

Fund Description	Amount
2005 A/B PILOTS EATS	403,820.83
2005 A/B County EATS	399,185.20
2005 A/B City EATS	21,759.05
2005 A/B CID Revenue Fund	85.62
Transfers from Prior Issue DSR Funds	418,862.84
Transfers from Prior Issue Debt Service Funds	178,151.64
Total	1,421,865.18

4. Upon the receipt of the purchase price from the Underwriter and the transfer of funds held in connection with the Series 2005 Bonds, the Trustee will allocate the funds as follows:

Sources of Funds	Bond Proceeds	Transfers*	Total
Purchase Price of Bonds	\$ 2,338,345.40	\$ -	\$ 2,338,345.40
Transfers from Series 2005 DSR Fund	-	418,862.84	418,862.84
Transfers from Series 2005 Debt Service Fund	-	178,151.64	178,151.64
Transfers from 2005 A/B PILOTS EATS Funds	-	824,850.70	824,850.70
Total Sources	\$ 2,338,345.40	\$ 1,421,865.18	\$ 3,760,210.58

*Amounts in excess of the specified transfers will be deposited in the Series 2014 Debt Service Fund.

Uses of Funds			
Payoff Series 2005 Bonds	\$ 2,179,053.57	\$ 1,421,865.18	\$ 3,600,918.75
Deposit to Debt Service Reserve Fund	116,287.50	-	116,287.50
Deposit to Costs of Issuance Fund	38,550.00	-	38,550.00
Deposit to Debt Service Fund (includes Rounding)	4,454.33	-	4,454.33
Total Uses	\$ 2,338,345.40	\$ 1,421,865.18	\$ 3,760,210.58

5. Upon Closing, the Trustee will pay costs of issuance upon receipt of invoice as detailed below:

Cost of Issuance	Payable To	Method	Amount
Bond Counsel	Yates, Mauck, Bohrer, Elliff & Fels		33,950
Trustee Counsel & Fees	UMB Bank	Direct*	3,600
DAC Fee	Digital Assurance Corporation	Wire	1,000
Total			38,550

*Trustee will retain its fee in the amount of \$3,600.

YATES, MAUCK, BOHRER, ELLIFF & FELS, P.C.

ATTORNEYS AT LAW

2121 SOUTH EASTGATE AVENUE

SPRINGFIELD, MISSOURI 65809

(417) 883-7411 Phone

(417) 883-6795 Fax

www.ytblaw.com

CARL E. YATES
CARSON W. ELLIFF
MARK C. FELS

JOSEPH A. BOHRER (OF COUNSEL)

WILLIAM L. MAUCK (DECEASED)

JAMES W. STARNES (DECEASED)

June 26, 2014

City of Monett, Missouri
Monett, Missouri

Crews & Associates Inc.
Little Rock, Arkansas 72201

UMB Bank, N.A.
Kansas City, Missouri

RE: \$2,430,000 City of Monett, Missouri, Annual Appropriation - Supported Tax Increment and Sales Tax Refunding Revenue Bonds, Series 2014 (East US Highway 60 Improvement and RPA1 Infrastructure Redevelopment Projects)

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Monett, Missouri (the "**City**") in connection with the issuance by the City of the above-referenced bonds (the "**Bonds**") by the City. The Bonds are being issued pursuant to an Ordinance (the "**Ordinance**") adopted by the City Commission of the City on May 30, 2014, and are secured by the trust estate created under a Trust Indenture (the "**Indenture**") dated as of June 1, 2014 between the City and UMB Bank, N.A., as trustee (the "**Trustee**"). The Bonds are authorized by the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of the State of Missouri (the "**State**"), as amended (the "**Act**") and the Ordinance and are secured by the Indenture. The Bonds are being issued for the purpose of providing funds to refund the Series 2005 Bonds of the City (as defined in the Ordinance).

The Bonds are issued pursuant to the Act and Ordinance. The City, in the Ordinance pledges all PILOTs Revenues and the Captured Portion of the EATs collected (the "**EATs Revenues**") with respect to incremental increase in activity within the 2005 Area (or applicable defined part thereof), and which are to be deposited to the Special Allocation Fund and the additional sums appropriated annually by the City for deposit in the Special Allocation Fund from the non-captured City sales tax (the "**City Revenues**") for the payment of principal of, premium, if any, and interest on the Bonds when due.

As to questions of fact material to our opinion, we have relied upon the representations of the City contained in the Ordinance and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. Capitalized terms used herein shall have the same meaning as set forth in the Ordinance and the Indenture. We have, with your

YATES, MAUCK, BOHRER, ELLIFF & FELS, P.C.

June 26, 2014

Page 2

consent, relied upon the opinion of the City Attorney for the City regarding the factual and legal matters expressed in that opinion.

We have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion, which certified proceedings includes among other documents and proceedings, the following (the "**Documents**"):

- (i) the Ordinance, the Terms Committee Resolution;
- (ii) the Indenture;
- (iii) the Bond Purchase Agreement, and
- (iv) the Tax Compliance Agreement.

We have also examined the Constitution and statutes of the State, insofar as the same relate to the authorization and issuance of the Bonds and the authorization of the Ordinance and the authorization, execution and delivery of the Indenture.

Based upon our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the City and are valid and binding special, limited obligations of the City payable solely from the Revenues and other funds provided therefor in the Ordinance and the Indenture. The Bonds do not constitute general obligations of the City nor do they constitute an indebtedness of the City within the meaning of any constitutional or statutory provision, limitation or restriction, and the taxing power of the City is not pledged to the repayment of the Bonds.

2. The Ordinance authorizes the issuance of the Bonds and the execution and delivery of the Documents in connection therewith has been duly adopted by the City and the Documents constitute valid and legally binding obligations of the City enforceable against the City.

3. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is (i) excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinion set forth in the preceding sentence is subject to the condition that the City and the Trustee comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City and the Trustee have covenanted to

YATES, MAUCK, BOHRER, ELLIFF & FELS, P.C.

June 26, 2014

Page 3

comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Missouri. We express no opinion as to whether such interest is exempt from the tax imposed on financial institutions pursuant to Chapter 148 RSMo., as amended.

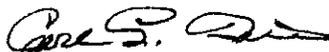
The rights of the Owners of the Bonds and the enforceability of the Bonds, the Indenture, the Ordinance, the Terms Committee Resolution and the Tax Compliance Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' right heretofore or hereafter enacted and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Sincerely,

YATES, MAUCK, BOHRER,
ELLIFF & FELS, P.C.



Carl E. Yates

RANDALL, BOXX & MASRI, P.C.

Law Office

405 Broadway, P.O. Box 151
Monett, Missouri 65708
TEL: (417) 235-8688
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Jamie L. Randall-Arell,
MSN, RN
Elizabeth A. Marshall
Evelyn J. Stewart

June 26, 2014

Crews & Associates, Inc.
Little Rock, Arkansas

UMB Bank, N.A.
as Trustee
St. Louis, Missouri

Yates, Mauck, Bohrer, Elliff & Fels, P.C.
Springfield, Missouri

.RE: \$2,510,000, City of Monett, Missouri, Annual Appropriation - Supported Sales Tax and Tax Increment Refunding Revenue Bonds, Series 2014 (East US Highway 60 Improvement and RPA1 Infrastructure Improvement Projects)

Ladies and Gentlemen:

I have acted as counsel to the City of Monett, Missouri (the "City") in connection with the above-referenced Bonds.

The Bonds are being issued pursuant to Sections 99.800 and 99.865 of the Revised Statutes of Missouri 2000, as amended (the "Act") and an Ordinance of the City (the "Ordinance") adopted by its City Council. The repayment of such Bonds is secured by the covenants of the City in the Ordinance and the pledge of the Trust Estate under a Trust Indenture, dated as of June 1, 2014 (the "Indenture") between the City and UMB Bank, N.A. (the "Trustee").

The Bonds are special, limited obligations of the City payable solely, and secured as to the payment of both principal and interest, from the revenues derived from (i) PILOTs with respect to real property located within the RPA 1 Area, (ii) the appropriated percentage of certain sales taxes imposed by the City, the County and the 911 Board which are generated by economic activity taxes (the "EATs") occurring within the RPA 1 Area while the 2005 plan is in effect, and (iii) subject to annual appropriation City Revenues on deposit in the Special Allocation Funds which may have been appropriated to make up any deficiency in Revenues to pay debt service on the Bonds. The Revenues shall be deposited as received by the City in the Special Allocation Fund. The taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest. The Revenues, after

appropriation of the Eats and City Revenues, shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Indenture.

Unless otherwise expressly provided herein, capitalized terms not otherwise (Wined herein have the meaning ascribed to those terms in the Ordinance and the Indenture).

In rendering the opinions set forth herein, we have assumed, without undertaking to verify the same by independent investigation, (a) as to questions of fact, the accuracy of all representations and certifications as set forth in the Ordinance and the Indenture, (b) the conformity to original documents of all documents submitted to me as copies and the authenticity of such original documents and all documents submitted to us as originals, and (c) that all covenants and requirements of the ordinances and the Indenture will be duly complied with and fulfilled.

Based upon the foregoing and upon such other information and documents as we believe necessary to enable us to render this opinion, we are of the opinion that:

1. The City is a third class city and municipal corporation of the State of Missouri (the "State") duly organized and existing under the Constitution and laws of the State and is authorized and empowered pursuant to the provisions of the Act to designate an area within the corporate limits of the City as blighted area, create a tax increment financing commission and to finance redevelopment projects designed to overcome such blight within such area to be financed with the proceeds of the issuance of the Series 2005 Bonds and to refund the Series 2005 Bonds with a portion of the proceeds of the Bonds. The City is authorized to issue the Bonds under the Ordinance, create a Terms Committee to adopt the Terms Committee Resolution and the Terms Committee Certificate and to execute and deliver the Indenture, the Continuing Disclosure Agreement, the Bond Purchase Agreement (collectively referred to herein as the "City Documents") and any other document or instrument to be executed by the City required or contemplated by the bond financing.

2. The city has duly approved the Official Statement.

3. The Ordinance has been duly adopted by the City by all action necessary under the Act and the Constitution and laws of the State and remains in full force and effect.

4. The City Documents and any other document or instrument to be executed by the City required or contemplated by the bond financing have been duly authorized, approved, executed and delivered by the City, subject to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, constitute valid and bind agreements of the City and are enforceable in accordance with their respective terms.

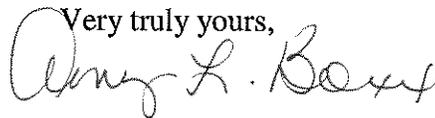
5. There are no actions, suits or proceedings pending or, to the best of our knowledge, threatened against the City at law or in equity or before any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality in which an adverse determination might substantially adversely affect the ability of the City to perform its obligations under the City Documents or wherein any unfavorable decision, ruling or finding would materially

adversely affect the transactions contemplated by such documents or the validity or enforceability of such documents.

6. The execution and delivery of the City Documents and any other document or instrument to be executed by the City required or contemplated by the bond financing and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or any existing law, regulation, court order or consent decree to which the City is subject.

This opinion is delivered to you for your use only and it may not be used or relied upon by, or published or communicated to any third party for any purpose whatsoever, without our prior written approval in each instance.

By rendering the foregoing opinion, we do not undertake to advise you of any changes in laws or facts which may occur or come to our attention after the date thereof.

Very truly yours,

City Attorney
City of Monett

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

City of Monett, Missouri

(Name of Issuer and Co-Issuer(s), if applicable)

June 24, 2014

(Date)

The Depository Trust Company
570 Washington Blvd, 4th FL
Jersey City, NJ 07310
Attention: Underwriting Department

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: **(Note: Issuer shall represent one and cross out the other.)**

~~Incorporated in~~ [formed under the laws of] the State of Missouri

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:
Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

City of Monett, Missouri

(Issuer)

By:

Mike Brownsberger
(Authorized Officer's Signature)

Mike Brownsberger
(Print Name)

217 5th Street

(Street Address)

Monett Missouri USA 65708
(City) (State) (Country) (Zip Code)

417-235-3767

(Phone Number)

janie.knight@cityofmonett.com

(E-mail Address)

DTCC

BLOR 06-2013

**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC--bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

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

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

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

SCHEDULE A
(To Blanket Issuer Letter of Representations)

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

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

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Diane Kelley

From: Holder, Melissa K. <mholder1@dtcc.com> on behalf of UW-MUNILOR/DTCC
<UWMUNILOR@dtcc.com>
Sent: Wednesday, June 25, 2014 2:28 PM
To: 'Diane Kelley'
Subject: RE: City of Monett, Missouri

Document received and in good form.

DTCC Confidential (Yellow)



From: Diane Kelley [<mailto:dlk@ymblaw.com>]
Sent: Wednesday, June 25, 2014 12:14 PM
To: UW-MUNILOR/DTCC
Subject: City of Monett, Missouri

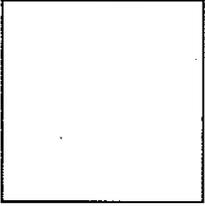
Please find a DTC Blanket Issuer Letter of Representations with attached Exhibit A on behalf of the City of Monett, Missouri. We request that you send us an acknowledgement of receipt of this document. Thank you.

Diane L. Kelley
Yates, Mauck, Bohrer, Elliff & Fels, P.C.
2121 South Eastgate Avenue
Springfield, Missouri 65809
(417) 883-7411
(417) 883-6795 fax
dlk@ymblaw.com

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This communication may contain legally privileged and confidential information and is intended for viewing only by the addressee(s) above. If you are not the intended recipient or the intended recipient's agent or employee responsible for delivering this communication to the addressee(s) above, you are hereby notified that any use, distribution, dissemination or copying of this message is strictly prohibited. If you receive or intercept this message in error, please completely delete the message from your system, destroy all hard copies of the message and notify the sender at (417) 883-7411 or via e-mail at [firm@ymblaw.com](mailto:firm@ymblaw.com).

The Missouri Bar Disciplinary Counsel requires all Missouri lawyers to notify all recipients of e-mail that (1) e-mail communication is not a secure method of communication; (2) any e-mail that is sent to you or by you may be copied and held by various computers it passes through as it goes from me to you or vice versa; and (3) persons not participating in our communication may intercept our communications by improperly accessing your computer or my computer or even some computer unconnected to either of us through which the e-mail has passed. I am communicating to you via e-mail because you have consented to receive communications via this medium. If you change your mind and want future communications to be sent in a different fashion, please let me know immediately.



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This email is free from viruses and malware because avast! Antivirus protection is active.

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