

**FIRST READING: November 15, 2016**

**SECOND READING: December 6, 2016**

**AN ORDINANCE APPROVING THE ISSUANCE BY HANNIBAL MUNICIPAL ASSISTANCE CORPORATION OF ITS \$6,765,000 PRINCIPAL AMOUNT OF LEASEHOLD REVENUE BONDS, SERIES 2016 (CITY OF HANNIBAL, MISSOURI, LESSEE); AUTHORIZING CONVEYANCE OF CERTAIN REAL PROPERTY TO HANNIBAL MUNICIPAL ASSISTANCE CORPORATION; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; MAKING CERTAIN FINDINGS AND DETERMINATIONS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS AND THE EXECUTION OF THE DOCUMENTS APPROVED HEREIN.**

**WHEREAS**, the City of Hannibal (the “City”), a constitutional charter city and municipal corporation duly created, organized and existing under the constitution and laws of the State of Missouri is authorized pursuant to its charter and Missouri law to purchase, hold, lease, sell, or otherwise dispose of any property, real or personal, the City now owns or may hereafter acquire; and

**WHEREAS**, Hannibal Municipal Assistance Corporation (the “Issuer”) is a nonprofit corporation duly organized and existing under the Missouri Nonprofit Corporation Act, Chapter 355 of the Revised Statutes of Missouri, as amended (the “Nonprofit Corporation Act”) for the benefit and purposes of City, and is authorized and empowered under the Nonprofit Corporation Act and the Issuer’s Articles of Incorporation to issue the Issuer’s leasehold revenue bonds for the purpose of providing funds to plan, design, acquire, construct, and install certain projects for use by the City and to lease such projects to the City; and

**WHEREAS**, the City Council of the City (the “City Council”) wishes to finance the costs of construction and improvement of certain City streets (collectively, the “Project”) and the Issuer wishes to assist the City in furtherance of the foregoing by issuing its \$6,765,000 principal amount of Leasehold Revenue Bonds (City of Hannibal, Missouri, Lessee) Series 2016 (the “Bonds”) for the purposes of providing funds to pay the costs of the Project; and

**WHEREAS**, to induce the Issuer to issue the Bonds and to assist the City in furtherance of the Project, the City Council wishes to: (i) convey certain real property legally described in Exhibit A-1 and depicted in Exhibit A-2, each attached to and incorporated by reference in this Ordinance, together with the improvements thereon (collectively, the “Leased Facilities”) to the Issuer; (ii) lease the Leased Facilities from the Issuer for the term and subject to the conditions set forth in a certain Lease Purchase Agreement (as hereinafter defined) by and between the City and the Issuer; and (iii) make payments of Rentals under the Lease Purchase Agreement, which

payments will be sufficient, during the term of the Lease Purchase Agreement, to enable the Issuer to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable; and

**WHEREAS**, it is necessary and desirable in connection with the Project and the issuance of the Bonds that the City enter into certain documents, including the Lease Purchase Agreement and the First Deed of Trust and Security Agreement (as hereinafter defined) and that the City execute certain other documents, take certain other actions, including, without limitation, providing for the payment of the Rentals during the initial year of the term of the Bonds by transferring and appropriating sufficient amounts within and from the City's current budget, and approve certain other documents, all as provided in this Ordinance (the forms of which are attached to this Ordinance as exhibits), and authorize preparation and execution of an official statement and a bond purchase agreement;

**NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HANNIBAL, MISSOURI:**

**SECTION ONE: Definitions.** Capitalized terms used and not defined in this Ordinance shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

**SECTION TWO: Findings and Determinations.** The City Council hereby finds and determines as follows:

(a) The activities of the Issuer including, without limitation, issuance of the Bonds for the purpose of providing funds to pay the costs of the Project will lessen the burdens of government of the City and are those permitted under the Nonprofit Corporation Act and the Issuer's Articles of Incorporation approved by the City and all of the Project is located within the geographic limits of the City or has a substantial connection to the City;

(b) It is in the best interest of the City that the Issuer be authorized and directed to assist in the financing of the costs of the Project;

(c) The conveyance of the Leased Facilities to the Issuer is necessary and appropriate to the financing by the Issuer of the costs of the Project;

(d) The issuance by the Issuer of the Bonds, and the sale and delivery thereof through a negotiated sale of the Bonds to certain underwriters, to pay the costs of the Project is necessary and desirable for the accomplishment of the Project and is for the use and benefit of the City; and

(e) The City shall have the exclusive beneficial possession and use of the Project and, so long as an Event of Default shall not have occurred and there shall have been no failure to appropriate funds to pay the Rentals and Additional Rentals, the City

shall have the exclusive beneficial possession and use of the Leased Facilities while the Bonds remain outstanding and the City will obtain from the Issuer a leasehold interest in the Leased Facilities as provided in the Lease Purchase Agreement.

**SECTION THREE: Conveyance of the Leased Facilities; Undertaking of the Project.** The Mayor and other appropriate officials and officers of the City are hereby authorized and directed to convey the Leased Facilities to the Issuer by a Special Warranty Deed in substantially the form of Exhibit B attached to and incorporated in this Ordinance by reference, and to execute, attest, acknowledge, deliver, and record any the Special Warranty Deed and any other instrument necessary to effectuate such conveyance, and the Issuer is hereby authorized and directed to take all reasonable action to effectuate the Project.

**SECTION FOUR: Financing of the Costs of the Project and Issuance of the Bonds.** The financing of the costs of the Project by the Issuer pursuant to the provisions of the Lease Purchase Agreement and the Indenture for the benefit and use of the City are hereby approved, including the funding of the costs of the Project through the issuance and negotiated sale by the Issuer of the Bonds. The Bonds shall be issued and secured pursuant to the herein authorized Indenture. The Bonds shall be dated as of their date of issuance and shall bear interest from the date thereof payable on July 1, 2017 and semiannually thereafter on July 1 and January 1 in each year at the respective interest rates per annum as follows:

**THE BONDS**

<b><u>Year</u></b>	<b><u>Amount</u></b>	<b><u>Rate</u></b>
2017	\$160,000	3.000%
2018	\$160,000	3.000%
2019	\$170,000	3.000%
2020	\$395,000	3.250%
2021	\$750,000	3.250%
2022	\$775,000	3.500%
2023	\$805,000	3.500%
2024	\$835,000	3.750%
2025	\$870,000	4.000%
2026	\$905,000	4.000%
2027	\$940,000	4.000%

The Bonds shall be sold by the Issuer to the Underwriter (as hereinafter defined) at a purchase price as set forth in the Bond Purchase Agreement (as hereinafter defined). The Bonds shall be in such denominations and in such forms, shall be subject to redemption, shall have such other terms and provisions, and shall be issued, executed, and delivered subject to such covenants and agreements, all as provided in the Indenture.

**SECTION FIVE: Limited Obligations; Further Security.** The Bonds and the interest thereon shall be limited obligations payable by the Issuer solely out of the Rentals and

Additional Rentals received by the Issuer from the City or received by Commerce Bank, Kansas City Missouri, as trustee (the "Trustee") on behalf of the City and reasonably expected to be used to pay debt service on the Bonds pursuant to the herein authorized Lease Purchase Agreement. The Bonds and the interest thereon shall not constitute an indebtedness of the City, the Counties of Marion or Ralls, or the State of Missouri or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction. The issuance of the Bonds will not directly or contingently obligate the City to make any payments beyond those appropriated for the City's then current fiscal year. The payment of the principal of, premium, if any, and interest on the Bonds shall be further secured by a mortgage of the Issuer's interest in the Leased Facilities under the herein approved Deed of Trust (as hereinafter defined).

**SECTION SIX: Authorization and Execution of Lease Purchase Agreement.** A Lease Purchase Agreement dated as of December 1, 2016, by and between the Issuer and the City whereby the Issuer shall finance the costs of the Project and shall lease the Leased Facilities to the City upon the terms and conditions therein set forth (the "Lease Purchase Agreement") is hereby approved substantially in the form attached to this Ordinance as Exhibit C, and the Mayor of the City is hereby authorized and directed to execute, acknowledge and deliver the Lease Purchase Agreement in substantially such form, with such changes therein and completions and modifications thereof not inconsistent with the provisions of this Ordinance as the Mayor shall approve, and the Clerk of the City is hereby authorized and directed to affix the corporate seal of the City thereto and to attest the same and the signature of the Mayor shall be conclusive as to the approval of such changes or modifications by the City.

**SECTION SEVEN: Approval of Indenture and First Supplemental Indenture and Deed of Trust.** An Indenture of Trust and a First Supplemental Indenture of Trust, each dated as of December 1, 2016 (together, the "Indenture"), by and between the Issuer and the Trustee, whereby the Bonds shall be issued and the Issuer shall pledge and assign the Rentals and Additional Rentals received pursuant to the Lease Purchase Agreement to the Trustee for the benefit and security of the Bondholders upon the terms and conditions set forth therein and a First Deed of Trust and Security Agreement dated as of December 1, 2016, from the Issuer to the Trustee (the "Deed of Trust") whereby the Issuer will mortgage the Issuer's fee interest in the Leased Facilities for the benefit of the Bondholders, are hereby approved substantially in the forms attached to this Ordinance as Exhibits D, E, and F, respectively, with such completions thereof, changes therein and modifications thereof not inconsistent with the provisions of this Ordinance and as shall be compatible with the provisions of the Lease Purchase Agreement as executed and delivered on behalf of the City.

**SECTION EIGHT: Approval of Bond Purchase Agreement.** The selection of First Bankers' Banc Securities, Inc., as underwriter for the Bonds (the "Underwriter") is hereby ratified and approved. A bond purchase agreement among the Issuer, the City, and the Underwriter in substantially the form attached to this Ordinance as Exhibit G (the "Bond Purchase Agreement") and consistent with this Ordinance and the issuance, sale and delivery of the Bonds as in this Ordinance contemplated are hereby approved and the Mayor is hereby authorized and directed to execute the Bond Purchase Agreement on behalf of the City, and the

Mayor and other appropriate officers, agents and employees of the City are hereby authorized and directed to, take such further actions, and execute such other documents as are required by the City in connection with the issuance of the Bonds and consistent with this Ordinance, with their signature thereon to be conclusive evidence of such approval by the City.

**SECTION NINE: Designation of Bonds as Qualified Tax-Exempt Obligations.**

The City hereby designates the Bonds as “qualified tax-exempt obligations” as such term is used and defined in Section 265(b)(3) of the Code. In addition, the City hereby represents that:

(a) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds which are not “qualified 501(c)(3) bonds”) which will be issued by or on behalf of the City (and all subordinate entities of the City) during the calendar year in which the Bonds are issued is not reasonably expected to exceed \$10,000,000; and

(b) the City (including any subordinate entities of this City) will not issue an aggregate principal amount of obligations designated by the City to be a “qualified tax-exempt obligation” during calendar year in which the Bonds are issued, including the Bonds, in excess of \$10,000,000, without first obtaining an opinion of Bond Counsel that the designation of the Bonds as “qualified tax-exempt obligations” will not be adversely affected.

The Mayor, City Manager, City Finance Director, City Clerk, City Attorney, and Bond Counsel are hereby authorized to take such other actions as may be necessary to make effective the designation in this Section Nine.

**SECTION TEN: Further Authority.** The City shall, and the Mayor, the City Manager, the City Clerk, the City Attorney, Bond Counsel and other appropriate officers, agents and employees of the City are hereby authorized and directed to take such further actions, and execute and deliver such other documents, certificates, and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and to carry out, comply with and perform the duties of the City with respect to Lease Purchase Agreement.

**SECTION ELEVEN: Official Statement and Continuing Disclosure Undertaking.** The Preliminary Official Statement, attached to this Ordinance as Exhibit H, is hereby ratified, approved, and deemed final as of its date, except for the omission of information permitted to be omitted under Rule 15c-2-12 of the Securities and Exchange Commission and the final Official Statement is hereby adopted by supplementing, completing and amending the Preliminary Official Statement. The Mayor is hereby authorized and directed to execute the Official Statement and the Underwriter is hereby authorized to use the Official Statement in connection with the sale of the Bonds. The City hereby further agrees to provide the documents and notices to the parties as described in the Official Statement under the caption “CONTINUING DISCLOSURE UNDERTAKING,” and hereby authorizes and directs the Mayor, the City Manager, the City Clerk, and other appropriate officers, agents and employees of the City to take such further actions, and execute and deliver such other documents, certificates, and instruments as may be necessary or desirable to carry out and comply with the Continuing Disclosure Undertaking requirements of the Official Statement, including, without limitation, the

execution and delivery of a Continuing Disclosure Certificate in substantially the form attached to this Ordinance as Exhibit I.

**SECTION TWELVE: Incorporation of Exhibits.** All exhibits attached to this Ordinance are hereby incorporated in this Ordinance by this reference as if such exhibits were fully set forth herein.

**SECTION THIRTEEN: Severability.** It hereby is declared to be the intention of the City Council that each and every part, portion and sub-portion of this ordinance shall be separate and severable from each and every other part, portion or sub-portion hereof and that the City Council intends to adopt each said part, portion or sub-portion separately and independently of any other part, portion or sub-portion. In the event that any part of this ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, portions and sub-portions shall be and remain in full force and effect.

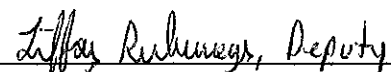
**SECTION FOURTEEN: Effective Date.** This Ordinance shall be in full force and effect on and after its passage and approval.

**ADOPTED THIS SIXTH DAY OF DECEMBER, 2016.**

**APPROVED THIS SIXTH DAY OF DECEMBER, 2016.**

  
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James R. Hark, Mayor

**ATTEST:**

  
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Angelica N. Vance, City Clerk