
FEDERAL TAX CERTIFICATE

Dated as of November 2, 2020

OF THE
VILLAGE OF SADDLEBROOKE, MISSOURI

\$350,000

Village of Saddlebrooke, Missouri
General Obligation Bonds
Series 2020

FEDERAL TAX CERTIFICATE

TABLE OF CONTENTS

Page

Parties and Recitals..... 1

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms 1

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Issuer 5
Section 2.2. Survival of Representations and Covenants 8

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General 8
Section 3.2. Reasonable Expectations 8
Section 3.3. Purposes of the Financing..... 8
Section 3.4. Funds 8
Section 3.5. Amount and Use of Bond Proceeds..... 8
Section 3.6. Multipurpose Issue 8
Section 3.7. No Current Refunding 9
Section 3.8. Project Completion 9
Section 3.9. Sinking Funds 9
Section 3.10. Reserve, Replacement and Pledged Funds 9
Section 3.11. Purpose Investment Yield..... 9
Section 3.12. Issue Price and Bond Yield 9
Section 3.13. Miscellaneous Arbitrage Matters..... 9
Section 3.14. Conclusion 10

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1. General 10
Section 4.2. Record Keeping, Use of Bond Proceeds and Use of Financed Facility 10
Section 4.3. Temporary Periods/Yield Restriction 11
Section 4.4. Procedures for Establishing Fair Market Value..... 11
Section 4.5. Bonds Exempt from the Rebate Requirement 14
Section 4.6. Filing Requirements 14

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1.	Term of Tax Certificate	14
Section 5.2.	Amendments	14
Section 5.3.	Opinion of Bond Counsel	15
Section 5.4.	Reliance	15
Section 5.5.	Severability	15
Section 5.6.	Benefit of Agreement	15
Section 5.7.	Default, Breach and Enforcement	15
Section 5.8.	Execution in Counterparts	15
Section 5.9.	Governing Law	15
Section 5.10.	Electronic Transactions	15
	Signatures	S-1

Exhibit A – Debt Service Schedule and Proof of Bond Yield

Exhibit B – IRS Form 8038-G

Exhibit C – Description of Property Comprising the Project

Exhibit D – Sample Final Written Allocation

Exhibit E – Bond Financing Compliance Policy and Procedure

* * *

FEDERAL TAX CERTIFICATE

THIS FEDERAL TAX CERTIFICATE (the “Tax Certificate”), is executed as of November 2, 2020, by the **VILLAGE OF SADDLEBROOKE, MISSOURI**, a political subdivision organized and existing under the laws of the State of Missouri (the “Issuer”).

RECITALS

1. This Tax Certificate is being executed and delivered in connection with the issuance by the Issuer of \$350,000 principal amount of General Obligation Bonds, Series 2020 (the “Bonds”), under an Ordinance adopted on October 1, 2020 (the “Ordinance”), for the purposes described in this Tax Certificate and in the Ordinance.

2. The Internal Revenue Code of 1986, as amended (the “Code”), and the applicable Regulations and rulings issued by the U.S. Treasury Department (the “Regulations”), impose certain limitations on the uses and Investment of the Bond proceeds and of certain other money relating to the Bonds and set forth the conditions under which the interest on the Bonds will be excluded from gross income for federal income tax purposes.

3. The Issuer is executing this Tax Certificate in order to set forth certain facts, covenants, representations, and expectations relating to the use of Bond proceeds and the property financed or refinanced with those proceeds and the Investment of the Bond proceeds and of certain other related money, in order to establish and maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate and yield reduction amount provisions of Code § 148(f).

4. The Issuer hereby adopts a Bond Financing Compliance Policy and Procedure (the “Tax Compliance Procedure”), in the form attached hereto as **Exhibit E**, for the purpose of setting out general procedures for the Issuer to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

5. This Tax Certificate is entered into as required by the Tax Compliance Procedure to set out specific tax compliance procedures applicable to the Bonds.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Certificate, the Issuer represents, covenants and agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. Except as otherwise provided in this Tax Certificate or unless the context otherwise requires, capitalized words and terms used in this Tax Certificate have the same meanings as set forth in the Ordinance, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. The following words and terms used in this Tax Certificate have the following meanings:

“Bona Fide Debt Service Fund” means a fund, which may include Bond proceeds, that (a) is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year and (b) is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of (1) the earnings on the fund for the immediately preceding Bond Year or (2) one-twelfth of the principal and interest payments on the Bonds for the immediately preceding Bond Year.

“Bond” or **“Bonds”** means any Bond or Bonds described in the recitals, authenticated and delivered under the Ordinance.

“Bond Compliance Officer” means the Issuer’s Clerk or other person named in the Tax Compliance Procedure.

“Bond Counsel” means Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel acceptable to the Issuer.

“Bond Year” means each 1-year period (or shorter period for the first Bond Year) ending December 31, or another 1-year period selected by the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended.

“Final Written Allocation” means the written allocation of expenditures of proceeds of the Bonds prepared by the Bond Compliance Officer in accordance with the Tax Compliance Procedure and **Section 4.2(b)**.

“Financed Facility” means the Project being financed with the proceeds of the Bonds as described on **Exhibit C**.

“Gross Proceeds” means (a) sale proceeds (any amounts actually or constructively received by the Issuer from the sale of the Bonds, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest), (b) Investment proceeds (any amounts received from investing sale proceeds, other Investment proceeds or transferred proceeds), (c) any amounts held in a sinking fund for the Bonds, (d) any amounts held in a pledged fund or reserve fund for the Bonds, (e) any other replacement proceeds and (f) any transferred proceeds. Specifically, Gross Proceeds includes (but is not limited to) amounts held in the following funds and accounts:

- (A) Project Fund.
- (B) Debt Service Fund.

“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 2 or more future dates (*e.g.*, a forward supply contract).

“Investment” means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, Gross Proceeds. This term does not include a tax-exempt bond, except for “specified private activity bonds” as defined in Code § 57(a)(5)(C), but it does include the investment element of most interest rate caps.

“IRS” means the United States Internal Revenue Service.

“Issue Date” means November 2, 2020.

“Issuer” means Village of Saddlebrooke, Missouri and its successors and assigns, or any body, agency or instrumentality of the State of Missouri succeeding to or charged with the powers, duties and functions of the Issuer.

“Management or Service Agreement” means a legal agreement defined in Regulations § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Financed Facility, such as a contract to manage the entire Financed Facility or a portion of the Financed Facility. Contracts for services that are solely incidental to the primary governmental function of the Financed Facility (for example, contracts for janitorial, office equipment repair, billing or similar services); however, are not treated as Management or Service Agreements.

“Measurement Period” means, with respect to each item of property financed as part of the Financed Facility with proceeds of the Bonds, the period beginning on the later of (a) the issue date of the Bonds or (b) the date the property was placed in service, and ending on the earlier of (1) the final maturity date of the Bonds or (2) the end of the expected economic useful life of the property.

“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.

“Non-Qualified Use” means use of Bond proceeds or the Financed Facility in a trade or business carried on by any Non-Qualified User. The rules set out in Regulations § 1.141-3 determine whether Bond proceeds or the Financed Facility are “used” in a trade or business. Generally, ownership, a lease, or any other use that grants a Non-Qualified User a special legal right or entitlement with respect to the Financed Facility, will constitute use under Regulations § 1.141-3.

“Non-Qualified User” means any person or entity other than a Qualified User.

“Official Intent Date” means January 2, 2020, as described in **Section 2.1(i)**.

“Opinion of Bond Counsel” means the written opinion of Bond Counsel to the effect that the proposed action or the failure to act will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

“Ordinance” means the Ordinance as originally executed by the Issuer as amended and supplemented in accordance with the provisions of the Ordinance.

“Post-Issuance Tax Requirements” means those requirements related to the use of proceeds of the Bonds, the use of the Financed Facility and the investment of Gross Proceeds after the Issue Date.

“Project” means all of the property being acquired, developed, constructed, renovated, and equipped by the Issuer using proceeds of the Bonds and Qualified Equity, all as described on **Exhibit C**.

“Purchaser” means Ozark Bank, Ozark, Missouri, the original purchaser of the Bonds.

“Qualified Equity” means funds that are not derived from proceeds of a tax-exempt financing that are spent on the Project at any time during the period beginning not earlier than the later of (1) 60 days prior to the Official Intent Date or (2) three years prior to the Issue Date, and ending not later than the date the Project is capable of and actually used at substantially its designed level. Qualified Equity excludes an ownership interest in real property or tangible personal property.

“Qualified Use Agreement” means any of the following:

(a) A lease or other short-term use by members of the general public who occupy the Financed Facility on a short-term basis in the ordinary course of the Issuer’s governmental purposes.

(b) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 200 days in length pursuant to an arrangement whereby (1) the use of the Financed Facility under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business and (2) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed. Any Qualified User or Non-Qualified User using all or any portion of the Financed Facility under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(c) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 100 days in length pursuant to arrangements whereby (1) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (2) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed and (3) the Financed Facility was not constructed for a principal purpose of providing the property for use by that Qualified User or Non-Qualified User. Any Qualified User or Non-Qualified User using all or any portion of the Financed Facility under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(d) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 50 days in length pursuant to a negotiated arm’s-length arrangement at fair market value so long as the Financed Facility was not constructed for a principal purpose of providing the property for use by that person.

“Qualified User” means a State, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

“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 the Bonds.

“Tax-Advantaged Bond File” means documents and records for the Bonds maintained by the Bond Compliance Officer pursuant to the Tax Compliance Procedure.

“**Tax Certificate**” means this Federal Tax Certificate as it may from time to time be amended and supplemented in accordance with its terms.

“**Tax Compliance Procedure**” means the Issuer’s Bond Financing Compliance Policy and Procedure attached hereto as **Exhibit E**.

“**Transcript**” means the Transcript of Proceedings relating to the authorization and issuance of the Bonds.

“**Yield**” means Yield on the Bonds, computed under Regulations § 1.148-4, and Yield on an Investment, computed under Regulations § 1.148-5.

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Issuer. The Issuer represents and covenants as follows:

(a) *Organization and Authority.* The Issuer (1) is a political subdivision organized and existing under the laws of the State of Missouri, (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 Ordinance, the Bonds, and this Tax Certificate and to carry out its obligations under this Tax Certificate and under such documents and (3) by all necessary action has been duly authorized to execute and deliver the Ordinance, the Bonds, and this Tax Certificate, acting by and through its duly authorized officials.

(b) *Tax-Exempt Status of Bonds–General Covenant and Allocation of Proceeds to Project.*

(1) The Issuer (to the extent within its power or direction) will not 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 Code § 148, and will not (to the extent within its power or direction) otherwise use or permit the use of any Bond proceeds or any other funds of the Issuer, 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.

(2) The Issuer will account for the expenditure of the proceeds of the Bonds and Qualified Equity for the Project as described in **Section 4.2** hereof. For purposes of the following covenants related to the use of the Financed Facility portion of the Project, any Non-Qualified Use shall be treated as first allocated entirely to the portion of the Project financed with Qualified Equity.

(c) *Governmental Obligations–Use of Proceeds.* Throughout the Measurement Period, (1) all of the Financed Facility has been and is expected to be owned by the Issuer or another Qualified User, (2) no portion of the Financed Facility has been or is expected to be used in a Non-Qualified Use and (3) the Issuer will not permit any Non-Qualified Use of the Financed Facility without first obtaining an Opinion of Bond Counsel.

(d) *Governmental Obligations–Private Security or Payment.* As of the Issue Date, the Issuer expects that none of the principal and interest on the Bonds will be (under the terms of the Bonds or any underlying arrangement) directly or indirectly:

(1) secured by (A) any interest in property used or to be used for a Non-Qualified Use or (B) any interest in payments in respect of such property; or

(2) derived from payments (whether or not such payments are made to the Issuer) in respect of property, or borrowed money, used or to be used for a Non-Qualified Use.

For purposes of the forgoing, taxes of general application, including payments in lieu of taxes, are not treated as private payments or as private security. The Issuer will not permit any private security or payment with respect to the Bonds without first consulting with Bond Counsel.

(e) *No Private Loan.* Not more than 5% of the net proceeds of the Bonds will be loaned directly or indirectly to any Non-Qualified User.

(f) *Management or Service Agreements.* As of the Issue Date, the Issuer has no Management or Service Agreements with Non-Qualified Users. During the Measurement Period the Issuer will not enter into or renew any Management or Service Agreement with any Non-Qualified User without first consulting with Bond Counsel.

(g) *Leases.* As of the Issue Date, the Issuer has not entered into any leases of any portion of the Financed Facility other than Qualified Use Agreements during the Measurement Period. During the Measurement Period the Issuer will not enter into or renew any lease or similar agreement or arrangement other than a Qualified Use Agreement without first consulting with Bond Counsel.

(h) *Limit on Maturity of Bonds.* A list of the assets included in the Financed Facility and a computation of the “average reasonably expected economic life” is attached to this Tax Certificate as **Exhibit C**. Based on this computation, the “average maturity” of the Bonds as computed by Bond Counsel, does not exceed the average reasonably expected economic life of the Financed Facility. The “average reasonably expected economic life” of the Financed Facility was determined as follows: the average economic life of the Financed Facility as of the issue date of the Original Obligations was first multiplied by 120%, then reduced by the number of years elapsed from the issue date of the Original Obligations to the Issue Date. The “average maturity” of the Bonds, as computed by the Bond Counsel, does not exceed the average reasonably expected economic life of the Financed Facility, as such terms are used in Code § 147(b).

(i) *Expenditure of Bond Proceeds.*

(1) The Issuer will evidence each allocation of the proceeds of the Bonds and Qualified Equity for the Project to an expenditure in writing. No allocation will be made more than 18 months following the later of (i) the date of the expenditure or (ii) the date the Financed Facility was placed in service.

(2) Reimbursement of Expenditures; Official Intent. On the Official Intent Date, the governing body of the Issuer adopted a resolution declaring the intent of the Issuer to finance the Financed Facility with tax-exempt bonds and to reimburse the Issuer for expenditures made for the Financed Facility prior to the issuance of those bonds. A copy of the resolution is included in the

Transcript of Proceedings. No portion of the Net Proceeds of the Bonds will be used to reimburse an expenditure paid by the Issuer more than 60 days prior to the Official Intent Date. No reimbursement allocation will be made more than 3 years following the later of (i) the date of the expenditure, or (ii) the date the Financed Facility was placed in service.

(j) *Registered Bonds.* The Ordinance requires that all of the Bonds will be issued and held in registered form within the meaning of Code § 149(a).

(k) *Bonds Not Federally Guaranteed.* The Issuer will not take any action or permit any action to be taken which would cause any Bond to be “federally guaranteed” within the meaning of Code § 149(b).

(l) *IRS Form 8038-G.* Bond Counsel will prepare Form 8038-G based on the representations and covenants of the Issuer contained in this Tax Certificate or otherwise provided by the Issuer. Bond Counsel will sign the return as a paid preparer following completion and will then deliver copies to the Issuer for execution and for the Issuer’s records. Issuer agrees to timely execute and return to Bond Counsel the execution copy of Form 8038-G for filing with the IRS. A copy of the “as-filed” 8038-G and proof of filing are included as **Exhibit B**.

(m) *Hedge Bonds.* At least 85% of the net sale proceeds (the sale proceeds of the Bonds less any sale proceeds invested in a reserve fund) of the Bonds will be used to carry out the governmental purpose of the Bonds within 3 years after the Issue Date, and not more than 50% of the proceeds of the Bonds will be invested in Investments having a substantially guaranteed Yield for 4 years or more.

(n) *Compliance with Future Tax Requirements.* The Issuer understands that the Code and the Regulations may impose new or different restrictions and requirements on the Issuer in the future. The Issuer 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) *Single Issue; No Other Issues.* The Bonds constitute a single “issue” under Regulations § 1.150-1(c). No other debt obligations of the Issuer (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).

(p) *Interest Rate Swap.* As of the Issue Date, the Issuer has not entered into an interest rate swap agreement or any other similar arrangement designed to modify its interest rate risk with respect to the Bonds or the Refunded Obligations. The Issuer will not enter into any such arrangement in the future without first consulting with Bond Counsel.

(q) *Guaranteed Investment Contract.* As of the Issue Date, the Issuer does not expect to enter into a Guaranteed Investment Contract for any Gross Proceeds of the Bonds. The Issuer will be responsible for complying with Section 4.4(d) if it decides to enter into a Guaranteed Investment Contract at a later date.

(r) *Bank Qualified Tax-Exempt Obligation.* The Issuer designates the Bonds as “qualified tax-exempt obligations” under Code § 265(b)(3), and with respect to this designation certifies as follows:

(1) the Issuer reasonably anticipates that the amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) that will be issued by or on behalf

of the Issuer (and all subordinate entities of the Issuer) during the calendar year that the Bonds are issued, including the Bonds, will not exceed \$10,000,000; and

(2) the Issuer (including all subordinate entities of the Issuer) will not issue tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) during the calendar year that the Bonds are issued, including the Bonds, in an aggregate principal amount or aggregate issue price in excess of \$10,000,000, without first obtaining advice of Bond Counsel that the designation of the Bonds as “qualified tax-exempt obligations” will not be adversely affected.

Section 2.2. Survival of Representations and Covenants. All representations, covenants and certifications contained in this Tax Certificate or in any certificate or other instrument delivered by the Issuer under this Tax Certificate, will survive the execution and delivery of such documents and the issuance 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 will remain in full force and effect notwithstanding the defeasance of the Bonds.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General. The purpose of this **Article III** is to certify, under Regulations § 1.148-2(b), the Issuer’s expectations as to the sources, uses and Investment of Bond proceeds and other money, in order to support the Issuer’s conclusion that the Bonds are not arbitrage bonds. The person executing this Tax Certificate on behalf of the Issuer is an officer of the Issuer responsible for issuing the Bonds.

Section 3.2. Reasonable Expectations. The facts, estimates and expectations set forth in this Article III are based upon and in reliance upon the Issuer’s understanding of the documents and certificates that comprise the Transcript, and the representations, covenants and certifications of the parties contained therein. To the Issuer’s knowledge, the facts and estimates set forth in this Tax Certificate are accurate, and the expectations of the Issuer set forth in this Tax Certificate are reasonable. The Issuer has no knowledge that would cause it to believe that the representations, warranties and certifications described in this Tax Certificate are unreasonable or inaccurate or may not be relied upon.

Section 3.3. Purposes of the Financing. The Bonds are being issued for the purpose of providing funds to (a) pay certain costs of the Project and (b) pay certain costs of issuing the Bonds.

Section 3.4. Funds. The following funds and accounts have been established under the Ordinance:

Debt Service Fund
Project Fund

Section 3.5. Amount and Use of Bond Proceeds. The total proceeds to be received by the Issuer from the sale of the Bonds (\$350,000) shall be deposited in the Project Fund to pay the costs of the Project and the costs of issuing the Bonds.

Section 3.6. Multipurpose Issue. Pursuant to Regulations § 1.148-9(h), the Issuer is applying the arbitrage rules to separate financing purposes of the issue that have the same initial temporary period as if they constitute a single issue for purposes of applying the arbitrage rules.

Section 3.7. No Current Refunding. No proceeds of the Bonds will be used to pay principal or interest on any other debt obligation.

Section 3.8. Project Completion. The Issuer has incurred, or will incur within 6 months after the Issue Date, a substantial binding obligation to a third party to spend at least 5% of the Net Proceeds of the Bonds on the Financed Facility. The completion of the Financed Facility and the allocation of the Net Proceeds of the Bonds to expenditures will proceed with due diligence. At least 85% of the Net Proceeds of the Bonds will be allocated to expenditures on the Financed Facility within 3 years after the Issue Date.

Section 3.9. Sinking Funds. The Issuer is required to make periodic payments in amounts sufficient to pay the principal of and interest on the Bonds. Such payments will be deposited into the Debt Service Fund. Except for the Debt Service Fund, no sinking fund or other similar fund that is expected to be used to pay principal of or interest on the Bonds has been established or is expected to be established. 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 Issuer expects that the Debt Service Fund will qualify as a Bona Fide Debt Service Fund.

Section 3.10. Reserve, Replacement and Pledged Funds.

(a) *Debt Service Reserve Fund.* No reserve or replacement fund has been established for the Bonds.

(b) *No Other Replacement or Pledged Funds.* None of the Bond proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Facility or refund the Refunded Obligations, and that instead has 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 Issuer encounters financial difficulty.

Section 3.11. Purpose Investment Yield. The proceeds of the Bonds will not be used to purchase an Investment for the purpose of carrying out the governmental purpose of the financing.

Section 3.12. Issue Price and Bond Yield.

(a) *Issue Price.* Based on the Purchaser's Receipt for Bonds and Closing Certificate, the Issuer hereby elects to establish the issue price of the Bonds pursuant to Regulations § 1.148-1(f)(2)(i) (relating to the so-called "private placement rule"). Therefore, the aggregate issue price of the Bonds for such purpose is \$350,000.

(b) *Bond Yield.* Based on the issue price, the Yield on the Bonds is 3.31044%, as shown on **Exhibit A**. The Issuer has not entered into an interest rate swap agreement with respect to any portion of the Bond proceeds.

Section 3.13. Miscellaneous Arbitrage Matters.

(a) *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 (1) enabling the Issuer to exploit the difference between tax-

exempt and taxable interest rates to gain a material financial advantage, and (2) overburdening the tax-exempt bond market.

(b) *No Over-Issuance.* The sale proceeds of the Bonds, together with expected Investment earnings thereon and other money contributed by the Issuer, do not exceed the cost of the governmental purpose of the Bonds as described above.

Section 3.14. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Certificate, the Issuer 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 Code § 148 and the Regulations.

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1. General.

(a) *Purpose of Article.* The purpose of this Article is to supplement the Tax Compliance Procedure and to set out specific policies and procedures governing compliance with the federal income tax requirements that apply after the Bonds are issued. The Issuer recognizes that interest on the Bonds will remain excludable from gross income only if the Post-Issuance Tax Requirements are followed after the Issue Date. The Issuer further acknowledges that written evidence substantiating compliance with the Post-Issuance Tax Requirements must be retained in order to permit the Bonds to be refinanced with tax-exempt obligations and substantiate the position that interest on the Bonds is exempt from gross income in the event of an audit of the Bonds by the IRS.

(b) *Written Policies and Procedures of the Issuer.* The Issuer intends for the Tax Compliance Procedure, as supplemented by this Tax Certificate, to be its primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Bonds and to supplement any other formal policies and procedures related to tax compliance that the Issuer has established. The provisions of this Tax Certificate are intended to be consistent with the Tax Compliance Procedure. In the event of any inconsistency between the Tax Compliance Procedure and this Tax Certificate, the terms of this Tax Certificate will govern.

(c) *Bond Compliance Officer.* The Issuer when necessary to fulfill its Post-Issuance Tax Requirements will, through its Bond Compliance Officer, sign Form 8038-T in connection with the payment of arbitrage rebate or yield reduction amounts, participate in any federal income tax audit of the Bonds or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake a remedial action procedure pursuant to Regulations §§ 1.141-12. In each case, all costs and expenses incurred by the Issuer shall be treated as a reasonable cost of administering the Bonds and the Issuer shall be entitled to reimbursement and recovery of its costs to the same extent as provided in the Ordinance or State law.

Section 4.2. Record Keeping; Use of Bond Proceeds and Use of Financed Facility.

(a) *Record Keeping.* The Bond Compliance Officer will maintain the Tax-Advantaged Bond File for the Bonds in accordance with the Tax Compliance Procedure. Unless otherwise specifically instructed in advice or a written Opinion of Bond Counsel or to the extent otherwise provided in this Tax Certificate, the Bond Compliance Officer shall retain records related to Post-Issuance Tax Requirements until 3 years following the final maturity of (1) the Bonds or (2) any obligation issued to refund the Bonds.

Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (A) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (B) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (C) exhibit a high degree of legibility and readability both electronically and in hardcopy, (D) provide support for other books and records of the Issuer and (E) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the Issuer's premises.

(b) *Accounting and Allocation of Bond Proceeds and Qualified Equity to Expenditures.* The Bond Compliance Officer will account for the investment and expenditure of Bond proceeds in the level of detail required by the Tax Compliance Procedure. The Bond Compliance Officer will supplement the expected allocation of Bond proceeds and Qualified Equity to expenditures with a Final Written Allocation as required by the Tax Compliance Procedure. A sample form of Final Written Allocation is attached as **Exhibit D**.

(c) *Opinions of Bond Counsel.* The Bond Compliance Officer is responsible for obtaining and delivering to the Issuer any advice or Opinion of Bond Counsel required under the provisions of this Tax Certificate.

Section 4.3. Temporary Periods/Yield Restriction. Except as described below, the Issuer will not invest Gross Proceeds at a Yield greater than the Yield on the Bonds:

(a) *Project Fund.* Bond proceeds deposited in the Project Fund and investment earnings on those proceeds may be invested without Yield restriction for up to 3 years following the Issue Date. If any unspent proceeds remain in therein after 3 years, those amounts may continue to be invested without Yield restriction so long as the Issuer pays to the IRS all Yield reduction payments in accordance with Regulations § 1.148-5(c). These payments are required whether or not the Bonds are exempt from the arbitrage rebate and yield reduction requirements of Code § 148.

(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 1 year after the date of receipt of such earnings.

(c) *Minor Portion.* In addition to the amounts described above, Gross Proceeds not exceeding the Minor Portion may be invested without Yield restriction.

Section 4.4. Procedures for Establishing 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 Regulations § 1.148-5.

(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 Code § 1273), 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 1 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 Regulations § 1.148-5.

(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 (1) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (2) the Yield on the CD is not less than the Yield on reasonably comparable direct obligations of the United States, and (3) 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 Issuer is applying Regulations § 1.148-5(d)(6)(iii)(A) to the Bonds. 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 Issuer 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, or are made available on an internet website or other similar electronic media that is regularly used to post bid specifications to potential bidders. A writing includes a hard copy, a fax, or an electronic e-mail copy.

(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 (i) that the potential provider did not consult with any other potential provider about its bid, (ii) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the bond issue), and (iii) that the bid is not being submitted solely as a courtesy to the Issuer 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 Issuer’s reasonably expected deposit and draw-down schedule for the amounts to be invested.

(F) All potential providers have an equal opportunity to bid. If the bidding process affords any opportunity for a potential provider to review other bids before providing a bid, then providers have an equal opportunity to bid only if all potential providers have an equal opportunity to review other bids. Thus, no potential provider may be given an opportunity to review other bids that is not equally given to all potential providers (that is no exclusive “last look”).

(G) At least 3 “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 must meet all of the following requirements:

(A) At least 3 bids are received from providers that were solicited as described above and that do not have a “material financial interest” in the issue. For this purpose, (i) 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, (ii) 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 (iii) 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 1 of the 3 bids received is from a reasonably competitive provider, as defined above.

(C) If an agent or broker is used 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 Issuer retains the following records with the bond documents until 3 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 for the Guaranteed Investment Contract, including a record of any administrative costs paid by the Issuer, and the certification as to fees paid, described in paragraph (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 3 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 4.5. Bonds Exempt from the Rebate Requirement.

(a) *The Bonds Qualify as a Rebate-Exempt Small Issue.*

(1) the Issuer is a governmental unit under State law with general taxing powers;

(2) no Bond is a “private activity bond” as defined in Code § 141;

(3) 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and

(4) the aggregate face amount of all tax-exempt bonds (other than private activity bonds), and qualified tax credit bonds as defined in Code § 54A(d)(1) to be issued by the Issuer during the current calendar year is not reasonably expected to exceed \$5,000,000. The Issuer understands that, for this purpose: (i) the Issuer and all entities which issue bonds on behalf of the Issuer are treated as one issuer; (ii) all bonds issued by an entity subordinate to the Issuer are treated as issued by the Issuer; and (iii) bonds issued by the Issuer to currently refund any other bond are not taken into account to the extent that the amount of the refunding bonds does not exceed the outstanding amount of the refunded obligations.

(b) *Conclusion as to Small Issuer Exemption.* Based on these certifications, Bond Counsel has advised the Issuer that the Bonds are exempt from the arbitrage rebate requirements of Code § 148(f), under the small-issuer exception set forth in Code § 148(f)(4)(D).

Section 4.6. Filing Requirements. The Issuer will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with the advice of Bond Counsel.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Certificate. This Tax Certificate 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 Tax Certificate regarding payment of arbitrage rebate and yield reduction amounts and all related penalties and interest will remain in effect until all such amounts are paid to the United States and the provisions of **Section 4.2** relating to record keeping shall continue in force for the period described therein for records to be retained.

Section 5.2. Amendments. This Tax Certificate may be amended from time to time by the parties to this Tax Certificate 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 Tax Certificate as so amended such amendment will not cause

interest on any Bond to be included in gross income for federal income tax purposes. No such amendment will become effective until the Issuer receives this Opinion of Bond Counsel.

Section 5.3. Opinion of Bond Counsel. The Issuer may deviate from the provisions of this Tax Certificate if furnished with an Opinion of Bond Counsel to the effect that the proposed deviation will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Issuer will 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 Tax Certificate the Issuer is making only those certifications, representations and agreements as are specifically attributed to them in this Tax Certificate. The Issuer is not aware of any facts or circumstances which would cause it to question the accuracy of the facts, circumstances, estimates or expectations of any other party providing certifications as part of this Tax Certificate and, to the best of its knowledge, those facts, circumstances, estimates and expectations are reasonable. The Issuer understands that its certifications will be relied upon by the law firm of Gilmore & Bell, 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 5.5. Severability. If any provision in this Tax Certificate 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 Tax Certificate is binding upon the Issuer its respective successors and assigns, and inures to the benefit of the owners of the Bonds. Nothing in this Tax Certificate or in the Ordinance or the Bonds, express or implied, gives to any person, other than the owners of the Bonds, any benefit or any legal or equitable right, remedy or claim under this Tax Certificate.

Section 5.7. Default, Breach and Enforcement. Any misrepresentation of a party contained herein or any breach of a covenant or agreement contained in this Tax Certificate may be pursued by the Bondowners pursuant to the terms of the Ordinance or any other document which references this Tax Certificate and gives remedies for a misrepresentation or breach thereof.

Section 5.8. Execution in Counterparts. This Tax Certificate 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 5.9. Governing Law. This Tax Certificate will be governed by and construed in accordance with the laws of the State of Missouri.

Section 5.10. Electronic Transactions. The transaction described in this Tax Certificate may be conducted, and related documents may be sent, received or stored, by electronic means.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the undersigned President of the Board of Trustees of the Issuer, by his execution of this Tax Certificate hereby makes the foregoing certifications, representations, and agreements contained in this Tax Certificate on behalf of the Issuer, as of the Issue Date.

VILLAGE OF SADDLEBROOKE, MISSOURI

By: _____
Title: President of the Board of Trustees

EXHIBIT A

DEBT SERVICE SCHEDULE AND PROOF OF BOND YIELD

BOND DEBT SERVICE

Village of Saddlebrooke, Missouri
General Obligation Bonds, Series 2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
11/02/2020						350,000	350,000
03/01/2021	17,000	3.310%	3,829.49	20,829.49		333,000	333,000
09/01/2021			5,511.15	5,511.15		333,000	333,000
12/31/2021					26,340.64	333,000	333,000
03/01/2022	18,000	3.310%	5,511.15	23,511.15		315,000	315,000
09/01/2022			5,213.25	5,213.25		315,000	315,000
12/31/2022					28,724.40	315,000	315,000
03/01/2023	19,000	3.310%	5,213.25	24,213.25		296,000	296,000
09/01/2023			4,898.80	4,898.80		296,000	296,000
12/31/2023					29,112.05	296,000	296,000
03/01/2024	20,000	3.310%	4,898.80	24,898.80		276,000	276,000
09/01/2024			4,567.80	4,567.80		276,000	276,000
12/31/2024					29,466.60	276,000	276,000
03/01/2025	21,000	3.310%	4,567.80	25,567.80		255,000	255,000
09/01/2025			4,220.25	4,220.25		255,000	255,000
12/31/2025					29,788.05	255,000	255,000
03/01/2026	21,000	3.310%	4,220.25	25,220.25		234,000	234,000
09/01/2026			3,872.70	3,872.70		234,000	234,000
12/31/2026					29,092.95	234,000	234,000
03/01/2027	22,000	3.310%	3,872.70	25,872.70		212,000	212,000
09/01/2027			3,508.60	3,508.60		212,000	212,000
12/31/2027					29,381.30	212,000	212,000
03/01/2028	23,000	3.310%	3,508.60	26,508.60		189,000	189,000
09/01/2028			3,127.95	3,127.95		189,000	189,000
12/31/2028					29,636.55	189,000	189,000
03/01/2029	24,000	3.310%	3,127.95	27,127.95		165,000	165,000
09/01/2029			2,730.75	2,730.75		165,000	165,000
12/31/2029					29,858.70	165,000	165,000
03/01/2030	25,000	3.310%	2,730.75	27,730.75		140,000	140,000
09/01/2030			2,317.00	2,317.00		140,000	140,000
12/31/2030					30,047.75	140,000	140,000
03/01/2031	26,000	3.310%	2,317.00	28,317.00		114,000	114,000
09/01/2031			1,886.70	1,886.70		114,000	114,000
12/31/2031					30,203.70	114,000	114,000
03/01/2032	27,000	3.310%	1,886.70	28,886.70		87,000	87,000
09/01/2032			1,439.85	1,439.85		87,000	87,000
12/31/2032					30,326.55	87,000	87,000
03/01/2033	28,000	3.310%	1,439.85	29,439.85		59,000	59,000
09/01/2033			976.45	976.45		59,000	59,000
12/31/2033					30,416.30	59,000	59,000
03/01/2034	29,000	3.310%	976.45	29,976.45		30,000	30,000
09/01/2034			496.50	496.50		30,000	30,000
12/31/2034					30,472.95	30,000	30,000
03/01/2035	30,000	3.310%	496.50	30,496.50			
12/31/2035					30,496.50		
	350,000		93,364.99	443,364.99	443,364.99		

PROOF OF ARBITRAGE YIELD

Village of Saddlebrooke, Missouri
 General Obligation Bonds, Series 2020

Date	Debt Service	PV Factor	Present Value to 11/02/2020 @ 3.3104438235%
03/01/2021	20,829.49	0.989205406	20,604.64
09/01/2021	5,511.15	0.973098466	5,362.89
03/01/2022	23,511.15	0.957253792	22,506.14
09/01/2022	5,213.25	0.941667112	4,909.15
03/01/2023	24,213.25	0.926334225	22,429.56
09/01/2023	4,898.80	0.911250998	4,464.04
03/01/2024	24,898.80	0.896413368	22,319.62
09/01/2024	4,567.80	0.881817334	4,027.97
03/01/2025	25,567.80	0.867458963	22,179.02
09/01/2025	4,220.25	0.853334386	3,601.28
03/01/2026	25,220.25	0.839439794	21,170.88
09/01/2026	3,872.70	0.825771444	3,197.97
03/01/2027	25,872.70	0.812325652	21,017.06
09/01/2027	3,508.60	0.799098794	2,803.72
03/01/2028	26,508.60	0.786087304	20,838.07
09/01/2028	3,127.95	0.773287677	2,418.81
03/01/2029	27,127.95	0.760696463	20,636.14
09/01/2029	2,730.75	0.748310267	2,043.45
03/01/2030	27,730.75	0.736125753	20,413.32
09/01/2030	2,317.00	0.724139635	1,677.83
03/01/2031	28,317.00	0.712348683	20,171.58
09/01/2031	1,886.70	0.700749720	1,322.10
03/01/2032	28,886.70	0.689339620	19,912.75
09/01/2032	1,439.85	0.678115307	976.38
03/01/2033	29,439.85	0.667073756	19,638.55
09/01/2033	976.45	0.656211991	640.76
03/01/2034	29,976.45	0.645527085	19,350.61
09/01/2034	496.50	0.635016159	315.29
03/01/2035	30,496.50	0.624676378	19,050.44
	443,364.99		350,000.00

Proceeds Summary

Delivery date	11/02/2020
Par Value	350,000.00
Target for yield calculation	350,000.00

EXHIBIT B
IRS FORM 8038-G

EXHIBIT C

DESCRIPTION OF PROPERTY COMPRISING THE PROJECT

<u>Description</u>	<u>Year Placed in Service</u>	<u>Estimated Useful Life</u>	<u>Estimated Total Cost</u>	<u>Estimated Amount Financed From Bonds</u>
Improvement of bridges and streets	2021	20	\$692,000	\$350,000

EXHIBIT D

SAMPLE FINAL WRITTEN ALLOCATION

VILLAGE OF SADDLEBROOKE, MISSOURI

**GENERAL OBLIGATION BONDS
SERIES 2020**

Final Written Allocation

The undersigned is the Bond Compliance Officer of the Village of Saddlebrooke, Missouri (the “Issuer”) and in that capacity is authorized to execute federal income tax returns required to be filed by the Issuer and to make appropriate elections and designations regarding federal income tax matters on behalf of the Issuer. This allocation of the proceeds of the bond issue referenced above (the “Bonds”) is necessary for the Issuer to satisfy ongoing reporting and compliance requirements under federal income tax laws.

Purpose. This document, together with the schedules and records referred to below, is intended to memorialize allocations of Bond proceeds to expenditures for purposes of §§ 141 and 148 of the Internal Revenue Code of 1986, as amended (the “Code”). All allocations are or were previously made no later than 18 months following the date the expenditure was made by the Issuer or, if later, the date the Project was Placed in Service (both as defined below), and no later than 60 days following the 5th anniversary of the Issue Date of the Bonds (as defined below).

Background. The Bonds were issued on November 2, 2020 (the “Issue Date”), by the Issuer. The Bonds was issued in order to construct the Project as described in the Federal Tax Certificate (the “Project”). The Bonds were issued pursuant to an ordinance of the Issuer passed on October 1, 2020. The proceeds of the Bonds were deposited to the Projects Fund.

Sources Used to Fund Project Costs and Allocation of Proceeds to Project Costs. The sources and uses of Bond proceeds and other legally available money of the Issuer, if any, are shown on **Exhibit A** hereto.

Identification of Financed Assets. The portions of the Project financed from Bond proceeds (i.e., the “Financed Facility” referenced in the Federal Tax Certificate) are listed on page 1 of **Exhibit B** hereto.

Identification and Timing of Expenditures for Arbitrage Purposes. For purposes of complying with the arbitrage rules, the Issuer allocates the proceeds of the Bonds to the various expenditures described in the invoices, requisitions or other substantiation attached as **Exhibit B** hereto. In each case, the cost requisitioned was either paid directly to a third party or reimbursed the Issuer for an amount it had previously paid or incurred. Amounts received from the sale of the Bonds and retained as underwriting discount are allocated to that purpose and spent on the Issue Date.

Placed In Service. The Project was Placed in Service on the date set out on **Exhibit B** hereto. For this purpose, the Financed Facility is considered to be Placed in Service as of the date on which, based on all the facts and circumstances: (1) the constructing, renovating, furnishing and equipping of the Financed Facility has reached a degree of completion which would permit its operation at substantially its designed level; and (2) the Financed Facility is, in fact, in operation at that level.

This allocation has been prepared based on statutes and regulations existing as of this date. The Issuer reserves the right to amend this allocation to the extent permitted by future Treasury Regulations or similar authorities.

VILLAGE OF SADDLEBROOKE, MISSOURI

By: _____
Name: _____
Title: Bond Compliance Officer

Dated: _____

Name of Legal Counsel/Law Firm Reviewing Final Written Allocation:

Date of Review: _____

**EXHIBIT A
TO FINAL WRITTEN ALLOCATION**

ALLOCATION OF SOURCES AND USES

**EXHIBIT B
TO FINAL WRITTEN ALLOCATION**

**IDENTIFICATION OF FINANCED ASSETS
&
DETAILED LISTING OF EXPENDITURES**

EXHIBIT E

BOND FINANCING COMPLIANCE POLICY AND PROCEDURE

[see attached]

VILLAGE OF SADDLEBROOKE, MISSOURI
BOND FINANCING COMPLIANCE POLICY AND PROCEDURE

Dated October 1, 2020

BOND FINANCING COMPLIANCE POLICY AND PROCEDURE

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

Section 1.1. Definitions 1

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure 3
Section 2.2. Scope of Compliance Procedure; Conflicts 3
Section 2.3. Amendments and Publication of Compliance Procedure 4

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties 4
Section 3.2. Training 4

ARTICLE IV

COMPLIANCE PROCEDURE FOR NEW TAX-ADVANTAGED BOND ISSUES

Section 4.1. Application 5
Section 4.2. Prior to Issuance of Tax-Advantaged Bonds 5
Section 4.3. Accounting and Recordkeeping 5
Section 4.4. Final Allocation of Bond Proceeds 6

ARTICLE VI

ONGOING MONITORING PROCEDURES

Section 5.1. Annual Compliance Checklist 7
Section 5.2. Arbitrage and Rebate Compliance 7

BOND FINANCING COMPLIANCE POLICY AND 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 5.1** hereof that is completed each year for a Tax-Advantaged Bond issue, a form of which is attached hereto as **Exhibit A**.

“Board of Trustees” means the Board of Trustees of the Issuer.

“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 Tax-Advantaged 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 Agreement for a Tax-Advantaged Bond issue.

“Bond Transcript” means the “transcript of proceedings” or other similar titled set of documents assembled by Bond Counsel following the issuance of Tax-Advantaged Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Compliance Procedure” means this Bond Financing Compliance Policy and Procedure.

“Cost” or “Costs” means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Project or costs of issuing Tax-Advantaged Bonds.

“Final Written Allocation” means the Final Written Allocation of Tax-Advantaged Bond proceeds prepared pursuant to **Section 4.4** hereof.

“Financed Assets” means that part of a Project treated as financed with Tax-Advantaged 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 Agreement for the Tax-Advantaged Bond issue.

“Intent Resolution” means a resolution of the Board of Trustees stating (a) the intent of the Issuer to finance all or a portion of the Project with proceeds of the Tax-Advantaged Bonds, (b) the expected maximum size of the Tax-Advantaged Bonds, and (c) the intent of the Issuer to reimburse the Costs paid by the Issuer from proceeds of the Tax-Advantaged Bonds.

“IRS” means the Internal Revenue Service.

“Issuer” means the Village of Saddlebrooke, Missouri.

“Placed In Service” means that date (as determined by the Bond Compliance Officer) when the Project is substantially complete and in operation at substantially its designed level.

“Project” means all tangible or intangible property financed in whole or in part with Tax-Advantaged Bonds that is functionally related or integrated in use, that is located on the same physical site or proximate sites, and that is expected to be Placed In Service within a one-year period of each other.

“Rebate Analyst” means the rebate analyst for the Tax-Advantaged Bonds selected pursuant to the Tax Agreement.

“Tax-Advantaged Bond(s)” means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Issuer, the proceeds of which are to be loaned or otherwise made available to the Issuer, and the interest on which is (a) excludable from gross income for federal income tax purposes, or (b) taxable to bond owners but is based on a lower rate due to the advantages of a federal program (such as Build America Bonds).

“Tax-Advantaged Bond File” means documents and records which may consist of paper and electronic medium, maintained for each Tax-Advantaged Bond. Each Tax-Advantaged 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 showing expenditures allocated to the proceeds of a Tax-Advantaged Bond 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 calculation.
- (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
 - (3) copies of the investment agreement and any amendments.

- (g) Any item required to be maintained by the terms of the Tax Agreement involving the use of the Project or expenditures related to tax compliance for the Tax-Advantaged Bonds.
- (h) Any opinion of Bond Counsel regarding the Tax-Advantaged 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-Advantaged Bonds including all correspondence relating to an audit by the IRS of the Tax-Advantaged Bonds or any proceedings under the Tax-Advantaged Bonds Voluntary Closing Agreement Program (VCAP).
- (k) Any available questionnaires or correspondence substantiating the use of the Project in accordance with the terms of the Tax Agreement for the Tax-Advantaged Bond issue.
- (l) For refunding bond issues, the Tax-Advantaged Bond File for the refunded Tax-Advantaged Bonds.

“Tax 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 a Tax-Advantaged Bond issue.

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) Issuer’s Use of Tax-Advantaged Financing. The Issuer finances various Projects and assets with proceeds of Tax-Advantaged Bonds. The Issuer understands that it receives favorable interest rates and terms on Tax-Advantaged Bonds but that in exchange for the right to issue Tax-Advantaged Bonds, federal tax law imposes ongoing requirements on the Issuer that it must comply with in order for the favorable interest rates and terms to continue. These requirements focus on the investment, use and expenditure of proceeds of the Tax-Advantaged Bonds and related funds as well as restrictions on the use of the Project.

(b) IRS Recommends Separate Written Policies and Procedures; Purpose of Compliance Procedure. The Issuer recognizes that the IRS has stated all issuers of Tax-Advantaged Bonds should have a *separate* written policy and procedure regarding ongoing compliance with the federal tax requirements for Tax-Advantaged Bonds. The Issuer is committed to full compliance with the tax-advantaged bond requirements for all of its outstanding and future tax-exempt or tax-advantaged financings. This Compliance Procedure is adopted by the Board of Trustees to comply with the IRS directive and to improve tax compliance and documentation.

Section 2.2. Scope of Compliance Procedure; Conflicts. This Compliance Procedure applies to all Tax-Advantaged Bonds currently outstanding and all Tax-Advantaged Bonds issued in the future. If

the provisions of this Compliance Procedure conflict with a Tax Agreement or any other specific written instructions of Bond Counsel, the terms of the Tax 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-Advantaged Bonds will be incorporated in the Tax Agreement for the future issue. Any requirements imposed on the Issuer in the Tax 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 Board of Trustees. 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 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 at least annually to the Board of Trustees, as necessary, regarding (i) implementation of this Compliance Procedure, (ii) any recommended changes or amendments to this Compliance Procedure, and (iii) results of the Annual Compliance Checklist, specifically whether any responses require further action, including those actions described in **Section 4.5** hereof.

Section 3.2. Training.

(a) **General.** Periodically, as individuals acting as the Issuer's Bond Compliance Officer pass the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the outgoing individual is responsible for training the incoming individual to ensure the Issuer's continued compliance with the provisions of this Compliance Procedure and all Tax Agreements for any outstanding Tax-Advantaged Bonds.

(b) **Training Opportunities.** Prior to each future issuance of Tax-Advantaged Bonds, the Bond Compliance Officer will discuss tax requirements related to such Tax-Advantaged Bonds with Bond Counsel. When appropriate, the Bond Compliance Officer will take advantage of training opportunities regarding tax-Advantaged financing that are relevant to the Issuer such as:

- Subscribing for IRS Newswire updates related to Tax-Advantaged financing at <http://www.irs.gov/newsroom/article/0,,id=154805,00.html>
- Attending training programs offered by the IRS or other industry professionals
- Consulting Bond Counsel from time-to-time with questions regarding tax requirements applicable to the Issuer

ARTICLE IV

COMPLIANCE PROCEDURE FOR NEW TAX-ADVANTAGED BOND ISSUES

Section 4.1. Application. This Article IV applies to Tax-Advantaged Bond financings issued on or after the date of this Compliance Procedure.

Section 4.2. Prior to Issuance of Tax-Advantaged Bonds.

(a) Intent Resolution. The Board of Trustees will authorize and approve the issuance of Tax-Advantaged Bonds. Prior to or as a part of this authorizing resolution or ordinance, the Board of Trustees may adopt an Intent Resolution.

(b) 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-Advantaged 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.

(c) Tax Agreement. Each Tax-Advantaged Bond issue will include a Tax Agreement signed by the Bond Compliance Officer. The Tax Agreement will (1) describe the Project and the anticipated Financed Assets, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings, require the Issuer to complete a Final Written Allocation, and (4) contain a form of the Annual Compliance Checklist for the Tax-Advantaged Bond issue. 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 Agreement.

(d) Preliminary Cost Allocations. For new money financings, the Bond Compliance Officer in consultation with Bond Counsel, will prepare a preliminary cost allocation plan for the Project. The preliminary cost allocation plan will identify the assets and expected costs for the Project, and, when necessary, will break-out the portions of Costs that the Issuer expects to finance with Tax-Advantaged Bonds from the portions expected to be financed from other sources.

(e) Tax Review with Bond Counsel. Prior to the sale of Tax-Advantaged Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the draft Tax Agreement, or must be supplemented to account for special issues or requirements for the Tax-Advantaged Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax 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-Advantaged Bond issue.

Section 4.3. Accounting and Recordkeeping.

(a) Accounting for New Money Projects. The Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the Tax-Advantaged Bonds. The Bond Compliance Officer will establish separate accounts or subaccounts to record expenditures for Costs of the Project. 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, 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.

(b) Accounting for Refunded Bonds and Related Refunded Bond Accounts. For Tax-Advantaged Bonds that refund prior issues, the Tax Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced debt.

(c) Tax-Advantaged Bond File. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Advantaged Bond File.

Section 4.4. Final Allocation of Bond Proceeds.

(a) Bond Compliance Officer Responsible for Preparation of Final Written Allocation: Timing. The Bond Compliance Officer is responsible for making a written allocation of proceeds to expenditures and the identification of 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-Advantaged Bond proceeds from any segregated Tax-Advantaged Bond funded account, (2) the date the Project has been substantially completed or (3) four and one-half years following the issue date of the Tax-Advantaged Bonds. For Tax-Advantaged Bonds issued only to refund a prior issue of Tax-Advantaged Bonds, the Bond Compliance Officer will prepare and/or document the Final Written Allocation for the Project financed by the refunded Tax-Advantaged Bonds in accordance with the advice of Bond Counsel and include it in the Tax Agreement.

(b) Contents and Procedure. The Bond Compliance Officer will consult the Tax Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Advantaged Bond proceeds and other money of the Issuer to the Costs of the Project. If no special allocation is required or recommended, the Bond Compliance Officer will allocate Costs of the Project to the proceeds of the Tax-Advantaged 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, (2) the percentage of the cost of the Project financed with proceeds of the Tax-Advantaged Bonds (sale proceeds plus any investment earnings on those sale proceeds), (3) the Project's Placed in Service date, (4) the estimated economic useful life of the Project, 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 that the Final Written Allocation or the Tax Agreement treats as having been financed by Tax-Advantaged Bonds).

(c) 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 Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Advantaged Bonds in the Annual Compliance Checklist.

(d) 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 Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

Section 4.5. Correcting Prior Deficiencies in Compliance. In the event the Bond Compliance Officer determines any deficiency in compliance with a Tax Agreement for an outstanding Tax-Advantaged

Bond, the Bond Compliance Officer will disclose such deficiency in compliance to the Board of Trustees and direct the Issuer to follow the procedures described in Treasury Regulations or the Tax-Advantaged Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance.

ARTICLE V

ONGOING MONITORING PROCEDURES

Section 5.1. 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 Agreement or this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Project) that are required to be incorporated in the Tax-Advantaged Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Agreement to legal counsel to the Issuer or Bond Counsel and, if recommended by counsel, will follow the procedure set out in **Section 4.5** hereof to remediate the non-compliance.

Section 5.2. 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.

**ADOPTED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF SADDLEBROOKE,
MISSOURI, THIS 1st DAY OF OCTOBER, 2020.**

EXHIBIT A

SAMPLE ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt bonds (“Bonds”) financing the Financed Assets*:	General Obligation Bonds, Series 2020
Issue Date of Bonds:	November 2, 2020
Placed in service date of Financed Facility:	
Name of Bond Compliance Officer:	Village Clerk
Period covered by request (“Annual Period”):	

Item	Question	Response
1 Ownership	Was the entire Financed Facility owned or purchased by the Issuer during the entire Annual Period? If “Yes,” skip to Item 2.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “No,” was the advice of Bond Counsel obtained prior to the transfer? If Yes, include a description of the advice in the Tax-Advantaged Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Advantaged Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

2 Leases & Other Rights to Possession	During the Annual Period, was any part of the Financed Facility leased at any time pursuant to a lease or similar agreement for more than 50 days? If “No,” skip to Item 3.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was the advice of Bond Counsel obtained prior to entering into the lease or other arrangement? If Yes, include a description of the advice in the Tax-Advantaged Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Advantaged Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

* Capitalized words and terms used herein, unless otherwise defined herein or the context requires otherwise, shall have the same meanings ascribed to them in the Issuer’s Bond Financing Compliance Policy and Procedure adopted on October 1, 2020, as amended and supplemented.

Item	Question	Response
3 Management or Service Agreements	During the Annual Period, has the management of all or any part of the operations of the Financed Facility (e.g., cafeteria, concessions, etc.) been assumed by or transferred to another entity? If “No,” skip to Item 4.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was the advice of Bond Counsel obtained prior to entering into the Management or Service Agreement? If Yes, include a description of the advice in the Tax-Advantaged Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Advantaged Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights or privileges to such individual or entity that are not otherwise available to the general public? If “No,” skip to Item 5.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “Yes,” was the advice of Bond Counsel obtained prior to entering into the agreement? If Yes, include a description of the advice in the Tax-Advantaged Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Advantaged Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

5 Arbitrage & Yield Restriction	Has the Issuer set aside money in any fund or account in excess of an amount needed to pay debt service on the Bonds within the next 12 months (i.e. is more than one year of debt service pre-funded)? If “No,” skip to Item 6.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If you answered Yes to either question, contact Bond Counsel and incorporate report or include description of resolution in the Tax-Advantaged Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Bond Compliance Officer: _____

Date Completed: _____