

THE COUNTY COMMISSION  
OF  
STONE COUNTY, MISSOURI

February 1, 2018

STATE OF MISSOURI |

COUNTY OF STONE |

Be it remembered that a session of the County Commission of Stone County was held in the courthouse at Galena, on February 1, 2018. Those in attendance today were Presiding Commissioner Dennis Wood, Southern Commissioner Hank Smythe and Northern Commissioner Mark Maples.

**Morning Session:**

**10:00 AM**

Presiding Commissioner Dennis Wood opened the meeting with the pledge of allegiance to the flag. Those present for this meeting today are as follows: County Counsel William McCullah; Denise Dickens, Commission Administrative Assistant; Jack Dillingham, Todd Goffoy, Piper Jaffray & CO.; Jennifer Wilson, N-Form Architect; Kristi Stephens Treasurer, Donna McConkey Chief Deputy County Clerk and Tena Foster Stone County Clerk's office.

**Approval of Commission Minutes**

The matter to approve the minutes for Stone County Commission meeting dated January 30, 2018 was brought to decision by a roll call vote: Smythe – yes; Maples – yes; Wood – yes. Minutes ordered approved.

**Schedule of Bills - 1**

Presiding Commissioner Dennis Wood presented a schedule of bills that have been submitted to him from the County Clerk's office in the amount of \$9,541.98. This matter to accept the bills for payment was brought to decision by a roll call vote: Smythe – yes; Maples – yes; Wood - yes. Order to pay carried.

**Mark Twain National Forest Introduction**

District Ranger Joe Koloski with USDA Forest Service came before the Commission introducing himself and gave some information on what all the Forest Service provides.

**Recess: 10:25 AM to Road & Bridge Meeting at Noon**

**R&B 12:00 – 12:48 PM**

**Recess: 12:48 PM to Meeting at 2 with Jack Dillingham**

## **Jack Dillingham discuss financing for the Judicial Building Future Expansion**

**2:00 PM**

The Stone County Commission and County Counsel William McCullah discussed with Jack Dillingham, Todd Goffoy, Piper Jaffray & Co., Jennifer Wilson with N-Form Architect, Kristi Stephens Treasurer, Donna McConkey Chief Deputy County Clerk, the preliminary work and actions that need to be fulfilled in order to proceed with the refinancing and paying costs of the Expansion of the Judicial Building. It was recommended that County Counsel William McCullah contact auditors and get back with the Commission with more information.

County Counsel William McCullah came before the Commission with *GilmoreBell* Scope of Engagement letter. The purpose of this engagement letter is to set forth certain matters concerning the services they will perform as bond counsel to the County of Stone. Proposed Issuance of Approximately \$5,640,000 Refunding and Improvement Certificated of Participation, Series 2018. The matter to sign the Engagement letter was brought to decision by a roll call vote: Smythe— yes; Maples – absent; Wood – yes. Matter carried, Scope Engagement signed.

County Counsel William McCullah came before the Commission with an Order Authorizing the offering for sale of refunding and improvement certificates of participation to finance and refinance the costs of certain projects for the County engaging bond counsel in connection therewith; and declaring an intent to reimburse certain expenditures. The matter to sign Order was brought to decision by a roll call vote: Smythe— yes; Maples – absent; Wood – yes. Matter carried, Order signed.

### **Public Time:**

Time was extended to anyone who wanted to speak to the commission at this time.

### **Announcements:**

Southern Commissioner Hank Smythe gave an update on the water damage in the Judicial Building, on January 31, 2018 ServePro took 300 books to be dried, cleaned and restored, and will return back to them in a few weeks.

### **Adjournment:**

Adjournment of the Stone County Commission meeting was brought to decision by roll call vote: Smythe – yes; Maples – yes; Wood – yes. Meeting adjourned at 3:25 PM.

**ORDER OF THE COUNTY COMMISSION OF STONE COUNTY, MISSOURI  
AUTHORIZING THE OFFERING FOR SALE OF REFUNDING AND  
IMPROVEMENT CERTIFICATES OF PARTICIPATION TO FINANCE AND  
REFINANCE THE COSTS OF CERTAIN PROJECTS FOR THE COUNTY;  
ENGAGING BOND COUNSEL IN CONNECTION THEREWITH; AND  
DECLARING AN INTENT TO REIMBURSE CERTAIN EXPENDITURES.**

WHEREAS, the County Commission of Stone County, Missouri (the "County"), determine it to be in the County's best interest to authorize the sale of approximately \$5,640,000 Refunding and Improvement Certificates of Participation, in one or more series (collectively, the "Series 2018 Certificates") to provide funds for (i) paying costs of expanding and renovating the Stone County Justice Center (the "Project") and (ii) repaying the County's outstanding obligations under that certain Lease Purchase Agreement dated as of October 1, 2009 (the "2009 Lease"), between The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and as lessor, and the County, as lessee; and

WHEREAS, the Trustee previously delivered Refunding Certificates of Participation, Series 2009 (the "Series 2009 Certificates"), evidencing proportionate ownership interests in the County's rental payments under the 2009 Lease; and

WHEREAS, proceeds of the Series 2009 Certificates were used to refund (i) the County's Certificates of Participation (Stone County, Missouri Law Enforcement Center Improvement Project), Series 1998 and (ii) the County's Neighborhood Improvement District Bonds (Black Oak Mountain Resort Water, Sewer System and Street Improvement Project - Phase 1, Project 1), Series 2000; and

WHEREAS, in order to proceed with the refinancing and paying costs of the Project, it is necessary to authorize certain preliminary work and actions.

**NOW, THEREFORE, BE IT ORDERED BY THE COUNTY COMMISSION OF STONE COUNTY, MISSOURI, AS FOLLOWS:**

**Section 1.** In order to proceed with the refinancing and improvements described in the recitals, the law firm of Gilmore & Bell, P.C. of Kansas County, Missouri ("Bond Counsel"), is hereby engaged as the County's special counsel with respect to the issuance of the Series 2018 Certificates, and the County Commission hereby approves the terms and provisions of Bond Counsel's engagement as presented at the meeting at which this Order is approved. In cooperation with Piper Jaffray & Co., as underwriter of the Series 2018 Certificates, Bond Counsel is authorized and directed to prepare an official statement and all legal proceedings necessary for the issuance, sale and delivery of the Series 2018 Certificates to provide funds for (i) paying costs the Project, and (ii) repaying the County's obligations under the 2009 Lease.

**Section 2.** The County has made or expects to make certain capital expenditures in connection with the Project. The County Commission hereby determines and declares that it intends for the County to reimburse itself for such expenditures with the proceeds of the Series 2018 Certificates, the maximum principal amount of which is expected to be \$5,100,000, for allocation solely to the Project and related costs of issuance.

**Section 3.** All officers and representatives of the County are hereby authorized and directed to take such other action as may be necessary to carry out the intent and purposes of this order.

APPROVED by the County Commission of the County of Stone, Missouri, this 1<sup>st</sup> day of February, 2018.

(SEAL)

ATTEST:

*Cindy Elmore by*  
Cindy Elmore, County Clerk  
*Donna McConkey*  
Deputy

  
Dennis Wood  
Presiding Commissioner

  
Mark Maples  
Northern Commissioner

  
Hank Smythe  
Southern Commissioner

**GILMORE BELL**

GILMORE & BELL, P.C.  
2465 GRAND BOWLEZARD, SUITE 1100  
KANSAS CITY, MISSOURI 64108-2821  
816-271-1086 FAX 816-271-0884 FAX  
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February 1, 2018

Stone County Commission  
108 East Fourth Street  
Galena, MO 65656

Re: Proposed Issuance of Approximately \$5,640,000 Refunding and Improvement  
Certificates of Participation, Series 2018

Gentlemen:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to the County of Stone, Missouri (the "County"), in connection with the issuance of the above-referenced certificates of participation (the "Certificates of Participation"). We understand that the Certificates of Participation are being issued for the purpose of (1) refunding the outstanding Certificates of Participation (Stone County, Missouri, as Lessee), Series 2009, (2) paying costs of expanding and renovating the Stone County Justice Center, and (3) paying costs of issuing the Certificates of Participation. We further understand that the Certificates of Participation will be purchased at negotiated sale by Piper Jaffray & Co. (the "Underwriter"), with a closing expected to occur on or about May 1, 2018.

**SCOPE OF ENGAGEMENT**

In this engagement, as bond counsel to the County we expect to perform the following duties:

- (1) Subject to the completion of proceedings to our satisfaction, render our legal opinion (the "Approving Opinion") regarding the validity and binding effect of the Base Lease, Lease Purchase Agreement and other agreements entered into in connection with the issuance of the Certificates of Participation (the "Transaction Documents"), the excludability of interest on the Certificates of Participation from gross income for federal and Missouri income tax purposes, and such related matters as we deem necessary or appropriate.
- (2) Examine applicable law as it relates to the County's authority to enter into the Transaction Documents, the delivery of the Certificates of Participation and delivery of our Approving Opinion, and advise the County regarding the legal authority for the issuance of the Certificates of Participation and other legal matters related to the financing structure.

- (3) Prepare or review authorizing proceedings and legal documents necessary or appropriate to the execution and delivery of the Transaction Documents and the Certificates of Participation, and coordinate the authorization and execution of such documents.
- (4) As disclosure counsel to the County, prepare or assist with preparation of the official statement to be disseminated in connection with the sale of the Certificates of Participation, and rendering advice that, subject to certain limitations, the official statement or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
- (5) Draft or review the continuing disclosure undertaking of the County.
- (6) Assist the County in seeking from other governmental authorities such approvals, permissions, and exemptions as we determine are necessary or appropriate in connection with the execution and delivery of the Transaction Documents and delivery of the Certificates of Participation, except that we will not be responsible for any required Blue Sky filing.
- (7) Assist the County in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the Certificates of Participation.
- (8) Attend meetings and conferences related to the Certificates of Participation and otherwise consult with the parties to the transaction prior to the issuance of the Certificates of Participation.
- (9) Coordinate the closing of the transaction, and after the closing assemble and distribute transcripts of the proceedings and documentation relating to the authorization and issuance of the Certificates of Participation.
- (10) Undertake such additional duties as we deem necessary to complete the financing and to render our Approving Opinion.

Our Approving Opinion will be addressed to the County and the Underwriter and will be delivered by us on the date the Certificates of Participation are exchanged for their purchase price (the "Closing"). The Approving Opinion will be based on facts and law existing as of its date. In rendering our Approving Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the County with applicable laws relating to the Transaction Documents and the Certificates of Participation. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Certificates of Participation and

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as they deem necessary and appropriate to represent their interests in this transaction. We further assume that all other parties understand that in this transaction we represent only the County, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the County's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the County will not affect, however, our responsibility to render an objective Approving Opinion.

Our representation of the County and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Certificates of Participation and delivery of our Approving Opinion. Nevertheless, subsequent to Closing, we will mail the appropriate Internal Revenue Service Form 8038 and prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Certificates of Participation. We do not undertake (unless separately engaged) to provide continuing advice to the County or any other party concerning any actions necessary to assure that the interest portion of the County's rental payments to be distributed to owners of the Certificates of Participation will continue to be excludable from gross income for federal and Missouri income tax purposes or to assure compliance with the continuing disclosure requirements of applicable federal securities laws. Nonetheless, subsequent events may affect the tax-exempt status of the interest portion of the County's rental payments to be distributed to owners of the Certificates of Participation and compliance with federal securities laws. Consequently, continued monitoring and other action to assure compliance with these requirements may be necessary. Should the County want our firm to assist with such compliance (e.g., arbitrage rebate calculations and ongoing securities law disclosure), our participation in such post-closing matters must be specifically requested, and a separate engagement will be required.

**CONFLICTS**

As you are aware, our firm represents many political subdivisions, underwriters and others. It is possible that during the time that we are representing the County, one or more of our present or future clients will have transactions with the County. We also may represent, in unrelated matters, one or more of the entities involved in the issuance of the Certificates of Participation. We do not believe any such representation will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Certificates of Participation so as to make such representations not adverse to our representation of the County or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Certificates of Participation. Execution of this letter will signify the County's consent to our representation of others consistent with the circumstances described in this paragraph.

**FEES**

Based upon (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Certificates of Participation, (ii) the duties we will undertake pursuant

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their security. We understand that you will direct members of your staff and other employees of the County to cooperate with us in this regard.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties do not include:

- (a) Except as described in paragraph (4) above, assisting in the preparation or review of any disclosure document with respect to the Certificates of Participation or performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document.
- (b) Preparing requests for tax rulings from the Internal Revenue Service or no-action letters from the Securities and Exchange Commission, or representing the County in Internal Revenue Service examinations or inquiries or Securities and Exchange Commission investigations.
- (c) Preparing blue sky or investment surveys with respect to the Certificates of Participation.
- (d) Drafting state constitutional or legislative amendments or pursuing test cases or other litigation.
- (e) Making an investigation or expressing any view as to the creditworthiness of the County or any credit enhancement provider for the Certificates of Participation.
- (f) Preparing or negotiating the terms of any guaranteed investment contract or other investment agreement.
- (g) After Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking.
- (h) After Closing, providing continuing advice to the County or any other party concerning any actions necessary to assure that interest portion of the County's rental payments distributed to owners of the Certificates of Participation will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Certificates of Participation).
- (i) Addressing any other matter not specifically set forth above that is not required to render our Approving Opinion.

**ATTORNEY-CLIENT RELATIONSHIP**

Upon execution of this engagement letter, the County will be our client and an attorney-client relationship will exist between us. We assume that all other parties will retain such counsel

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to this engagement letter, (iii) the time we anticipate devoting to the financing, and (iv) the responsibilities we will assume in connection therewith, we estimate that our fee will be \$53,000. Our fee may vary (a) if the principal amount of Certificates of Participation actually issued differs significantly from the amount stated above, (b) if material changes in the structure or schedule of the financing occur, or (c) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any time, we believe that circumstances require an adjustment of our original fee estimate, we will advise you and prepare and provide to you an amendment to this engagement letter. We agree to absorb within the fee all ordinary out-of-pocket expenses, such as travel costs, photocopying, deliveries, teleconference charges, telecopy charges, postage, filing fees and computer-assisted research expenses. Title insurance or examination fees and recording and filing fees will be payable to the appropriate third-party providers.

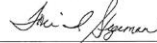
Our fee is usually paid at the Closing, and we customarily do not submit any statement until the Closing unless there is a substantial delay in completing the financing. We may submit an additional statement for client charges following the Closing. If the financing is not consummated or is completed without the delivery of our Approving Opinion as bond counsel, or our services are otherwise terminated, we understand and agree that we will not be paid the fee stated above or for our time expended on your behalf.

#### RECORDS

Papers and property furnished by you will be returned promptly upon request. Our own files, including lawyer work product, pertaining to the transaction will be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other materials retained by us after the termination of this engagement.

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.

GILMORE & BELL, P.C.

By: 

ACCEPTED AND APPROVED:

COUNTY OF STONE, MISSOURI

By:   
Title: Presiding Commissioner  
Date: 2-1-18

cc: Mr. William McCullah, County Counselor  
Mr. Todd Goffoy, Piper Jaffray & Co.