
FEDERAL TAX CERTIFICATE

Dated as of June 30, 2010

OF

CITY OF KIRKSVILLE, MISSOURI

\$2,274,000

**TAXABLE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
(RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)
SERIES 2010**

FEDERAL TAX CERTIFICATE

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FEDERAL TAX CERTIFICATE

THIS FEDERAL TAX CERTIFICATE (the “Tax Certificate”), is dated and executed as of June 30, 2010, by the **CITY OF KIRKSVILLE, MISSOURI**, a city of the third class and political subdivision duly 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 \$2,274,000 principal amount of Taxable Combined Waterworks and Sewerage System Revenue Bonds (Recovery Zone Economic Development Bonds) Series 2010 (the “Bonds”), pursuant to an ordinance adopted by the Issuer on June 21, 2010 (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 could be excluded from the gross income of the Bond holders under Code § 103 (a “Tax-Exempt Obligation”).

3. In lieu of issuing the Bonds as Tax-Exempt Obligations, the Issuer is electing (a) to issue the Bonds as taxable Recovery Zone Economic Development Bonds, as defined in Code § 1400U-2 (“Recovery Zone Economic Development Bonds”), eligible to receive payments from the U.S. Treasury equal to 45% of each interest payment on the Bonds in accordance with Code §§ 54AA, 1400U-2(a)(2) and 6431 (“RZEDB Interest Subsidy Payments”).

4. The Issuer has requested that Gilmore & Bell, P.C. (“Bond Counsel”) provide an opinion that the Bonds constitute Recovery Zone Economic Development Bonds and that the Issuer is eligible to receive RZEDB Interest Subsidy Payments in connection with interest paid on the Bonds (the “Initial Opinion of Bond Counsel”).

5. As a condition to providing this opinion, Bond Counsel is requiring that the Issuer set forth certain facts, covenants, representations, and expectations relating to the use of Bond proceeds and the use of property financed or refinanced with those proceeds, and the investment of the Bond proceeds and certain other related money.

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 Resolution, and certain other words and phrases

have the meanings assigned in Code §§ 103, 141-150, 54AA, 1400U-1, 1400U-2 and the Regulations. The following words and terms used in this Tax Certificate have the following meanings:

“Adjusted Gross Proceeds” means the Gross Proceeds of the Bonds reduced by amounts (1) in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund, (2) that as of the Issue Date are not expected to be Gross Proceeds, but which arise after the end of the applicable spending period, and (3) representing grant repayments or sale or Investment proceeds of any purpose Investment.

“Available Construction Proceeds” means the sale proceeds of the Bonds, increased by (1) Investment earnings on the sale proceeds, (2) earnings on amounts in a reasonably required reserve or replacement fund allocable to the Bonds but not funded from the Bonds, and (3) earnings on those earnings, reduced by sale proceeds (a) in any reasonably required reserve fund or (b) used to pay Issuance Costs. But Available Construction Proceeds do not include Investment earnings on amounts in a reasonably required reserve or replacement fund after the earlier of (a) the second anniversary of the Issue Date or (b) the date the Financed Facility is substantially completed.

“Available Project Proceeds” means the sale proceeds of the Bonds, plus Investment earnings on those proceeds, reduced by (1) proceeds used to pay Issuance Costs (to the extent those costs do not exceed 2% of the sale proceeds) and (2) proceeds deposited in a reasonably required reserve or replacement fund.

“Bona Fide Debt Service Fund” means a fund, which may include Bond proceeds, that (1) is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year and (2) is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of (a) the earnings on the fund for the immediately preceding Bond Year, or (b) 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 Counsel” means Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel acceptable to the Issuer.

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

“Capital Expenditures” means any capital expenditures as defined in Regulation § 1.150-1(b). A Capital Expenditure is generally any cost of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation § 1.150-2(c)) under general Federal income tax principles (*e.g.* costs incurred to acquire, construct, or improve land, buildings, and equipment generally are capital expenditures), determined at the time the expenditure is paid with respect to the property. For this purpose, Capital Expenditures include reimbursement of capital expenditures under the reimbursement rules contained in Regulation § 1.150-2.

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

“Computation Date” means each date on which arbitrage rebate for the Bonds is computed. The Issuer may treat any date as a Computation Date, subject to the following limits:

(a) the first rebate installment payment must be made for a Computation Date not later than 5 years after the Issue Date;

(b) each subsequent rebate installment payment must be made for a Computation Date not later than 5 years after the previous Computation Date for which an installment payment was made; and

(c) the date the last Bond is discharged is the final Computation Date.

The Issuer selects June 30, 2015, as the first Computation Date but reserves the right to select a different date consistent with the Regulations.

“Financed Facility” means any of the property financed or refinanced with the proceeds of the Bonds as described on **Exhibit D**.

“Gross Proceeds” means (1) 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), (2) Investment proceeds (any amounts received from investing sale proceeds or other Investment proceeds), (3) any amounts held in a sinking fund for the Bonds, (4) any amounts held in a pledged fund or reserve fund for the Bonds, and (5) any other replacement proceeds. Specifically, Gross Proceeds includes (but is not limited to) amounts held in the following funds and accounts:

- (a) Project Fund.
- (b) Debt Service Account.
- (c) Costs of Issuance 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 two or more future dates (*e.g.*, a forward supply contract).

“Initial Opinion of Bond Counsel” means the written opinion of Gilmore & Bell, P.C. being delivered in connection with the issuance of the Bonds, concluding that the Bonds are Recovery Zone Economic Development Bonds under Code § 1400U-2 and that the Issuer is entitled to receive RZEDB Interest Subsidy Payments in connection with interest paid on the Bonds.

“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 does include the Investment element of most interest rate caps.

“IRS” means the United States Internal Revenue Service.

“Issuance Costs” means any cost or expense incurred on account of and in connection with the Bonds including: (1) underwriters’ spread or placement fees (whether realized directly or derived through purchase of one or more Bonds at a discount below the price at which they are expected to be sold to the public); (2) legal counsel fees and expenses; (3) financial advisor fees; (4) rating agency fees; (5) trustee or escrow agent fees; (6) paying agent and certifying and authenticating agent fees related to issuance of

the Bonds; (7) accountant fees related to issuance of the Bonds; (8) printing costs (for the Bonds and of preliminary and final offering materials); and (9) costs of engineering and feasibility studies necessary to the issuance of the Bonds (as opposed to such studies related to completion of the Financed Facility, but not to the financing). However, Issuance Costs do not include fees or expenses directly related to the cost of credit enhancement for the Bonds to the extent those fees or expenses may be included as a qualified guaranty in the calculation of the yield on the Bonds.

“Issue Date” means June 30, 2010.

“Issuer” means the City of Kirksville, 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 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. However, 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) are not treated as Management Agreements.

“Measurement Period” means, with respect to each item of property financed as part of the Financed Facility, the period beginning on the later of (1) the Issue Date or (2) the date the property is placed in service and ending on the earlier of (a) the final maturity date of the Bonds or (b) 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, when used in reference to the Bonds, the sale proceeds (excluding pre-issuance accrued interest), less an allocable share of any proceeds deposited in a reasonably required reserve or replacement fund, plus an allocable share of 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.

“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 status of the Bonds as Recovery Zone Economic Development Bonds or the Issuer’s right to receive RZEDB Interest Subsidy Payments.

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

“Proposed Regulations” means the proposed arbitrage regulations including Prop. Treas. Reg. §§ 1.148-0, 1.148-3, 1.148-4, 1.148-5, 1.148-8, and 1.148-11 (published at 72 Fed. Reg. 54606 (Sept. 26, 2007)) and IRS Notice 2009-26.

“Qualified Economic Development Purposes” means expenditures for promoting development or other economic activity in a Recovery Zone, including (1) Capital Expenditures paid or incurred with respect to property located in such zone, (2) expenditures for public infrastructure and construction of public facilities and (3) expenditures for job training and educational programs.

“Qualified Use Agreement” means any of the following:

(1) 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.

(2) 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 (a) 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 (b) 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.

(3) 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 (a) 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, (b) 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 (c) 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.

(4) 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 Issuer 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.

“Reasonable Retainage” means Gross Proceeds retained by the Issuer for reasonable business purposes, such as to ensure or promote compliance with a construction contract; provided that such amount may not exceed (a) for purposes of the 18-month spending test, 5% of net sale proceeds of the Bonds on the date 18 months after the Issue Date, or (b) for purposes of the 2-year spending test, 5% of the Available Construction Proceeds as of the end of the 2-year spending period.

“Rebate Analyst” means Gilmore & Bell, P.C. or any successor Rebate Analyst selected pursuant to this Tax Certificate.

“**Recovery Zone**” means the area designated by the Issuer as having significant poverty, unemployment, rate of home foreclosures or general distress.

“**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.

“**RZEDB Interest Subsidy Payments**” means payments to be received by the Issuer from the U.S. Department of the Treasury under Code §§ 54AA(g), 1400U-2(a)(2) and 6431 in connection with the payment of interest on the Bonds.

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

“**Tax-Exempt Obligation**” means any obligation issued by or on behalf of a State or political subdivision thereof, the interest on which is excluded from the gross income under Code § 103.

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

“**Underwriter**” means Piper Jaffray & Co., as the underwriter 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. In computing Bond yield, the expected RZEDB Interest Subsidy Payments (treated as received on each interest payment date) must be deducted from the Bond payments in accordance with Code § 6431(c).

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 third class city and 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) *Recovery Zone.* On _____, _____, the Issuer adopted a resolution, attached to the Tax Certificate as **Exhibit E-1**, designating the geographic area described therein as a Recovery Zone pursuant to Code § 1400U-1(b). The Financed Facility is located within, or attributable to, the Recovery Zone, and the Recovery Zone is located wholly within both the jurisdiction of the Issuer and Adair County, the county from which the Issuer obtained an allocation of the Recovery Zone Economic Development Bond limitation, as described in **Section 2.1(v)**.

(c) *Elections; Status of Bonds as Recovery Zone Economic Development Bonds.*

(1) The Issuer (A) makes an irrevocable election (i) under Code § 54AA(d) to treat the Bonds as “Build America Bonds” and (ii) under Code § 54AA(g)(2) to treat the Bonds as “qualified bonds” eligible for a refundable credit pursuant to Code § 6431; and (B) designates the Bonds as Recovery Zone Economic Development Bonds eligible for RZEDB Interest Subsidy Payments under Code § 1400U-2(b); and

(2) The Issuer (A) will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code related to Recovery Zone Economic Development Bonds, including any limitations applicable to Tax-Exempt Obligations and Build America Bonds that apply to Recovery Zone Economic Development Bonds; (B) will not use or invest, or permit the use or investment of, any money on deposit in any fund or account maintained in connection with the Bonds, whether or not that money was derived from the proceeds of the sale of the Bonds or from any other source, in a manner that would violate applicable provisions of the Code related to Recovery Zone Economic Development Bonds; and (C) will not use, or permit the use of, any portion of the Financed Facility in a manner that would cause the Bonds to become “private activity bonds” as defined in Code § 141.

(d) *Use of Available Project Proceeds – Qualified Economic Development Purpose.* The Expected Available Project Proceeds of the Bonds is \$ _____, computed as follows:

Sale Proceeds (Offering Price)	\$2,274,000.00
Minus Underwriter’s Discount (Issuance Cost)	
Other Estimated Issuance Costs	
Sub-Total Issuance Costs	
(may not exceed 2% of Sale Proceeds)	(_____)
Minus Bond Proceeds Deposited in a Reasonably Required Reserve or Replacement Fund	(_____)
Plus Expected Earnings on Sales Proceeds (Investment Proceeds)	
Equals Expected Available Project Proceeds	\$ _____

The Issuer will allocate 100% of the “Available Project Proceeds” of the Bonds to one or more Qualified Economic Development Purposes. No Available Project Proceeds of the Bonds will be used to discharge any debt previously incurred by the Issuer.

(e) *Governmental Obligations–Use of Financed Facility.* Throughout the Measurement Period (1) all of the Financed Facility is expected to be owned by the Issuer or another Qualified User, (2) no portion of the Financed Facility 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.

(f) *Governmental Obligations–Private Security or Payment.* As of the Issue Date, the Issuer expects that none of the principal of 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 private business 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 private business use.

For purposes of the foregoing, 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 obtaining an Opinion of Bond Counsel.

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

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

(i) *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, the Issuer will not enter into or renew any lease or similar agreement or arrangement other than a Qualified Use Agreement without first obtaining an Opinion of Bond Counsel.

(j) *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” thereof is attached to this Tax Certificate as **Exhibit D**. Based on this computation, the “average maturity” of the Bonds, as computed by Bond Counsel, as shown on **Exhibit A**, does not exceed the average reasonably expected economic life of the Financed Facility.

(k) *Reimbursement of Expenditures.* On January 25, 2010, the governing body of the Issuer adopted an ordinance declaring the intent of the Issuer to finance the Financed Facility with bonds and to reimburse the Issuer for expenditures made for the Financed Facility prior to the issuance of such bonds. A copy of the ordinance is attached to this Tax Certificate as **Exhibit C**. No portion of the Net Proceeds will be used to reimburse an expenditure paid by the Issuer more than 60 days prior to the date the resolution was adopted. The Issuer will evidence each allocation of the proceeds of the Bonds to an expenditure in writing. No reimbursement allocation will be made for an expenditure made more than 3 years prior to the date of the reimbursement allocation. In addition no reimbursement allocation will be made more than 18 months following the later of (1) the date of the expenditure or (2) the date the Financed Facility was placed in service.

(l) *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).

(m) *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). For this purpose the RZEDB Interest Subsidy Payments are not treated as a federal guarantee.

(n) *IRS Form 8038-B and IRS Form 8038-CP.*

(1) Attached as **Exhibit B** is a copy of IRS Form 8038-B (Information Return for Build America Bonds and Recovery Zone Economic Development Bonds) that is being executed by a representative of the Issuer. Bond Counsel prepared Form 8038-B in connection with the

issuance of the Bonds. The Issuer knows of no inaccuracies in the Form 8038-B prepared by Bond Counsel. The Issuer is the sole Qualified User of the proceeds of the Bonds listed on Part V, Lines 1-10 of Form 8038-B. The Form 8038-B is being filed with the IRS in connection with the issuance of the Bonds as required by Code § 149(e). The Issuer understands that current IRS procedures require Form 8038-B to be filed at least 30 days before the first IRS Form 8038-CP is filed.

(2) The Issuer will file IRS Form 8038-CP (Request for Credit Payments to Issuers of Qualified Bonds) no sooner than 90 or less than 45 days prior to the first interest payment date on the Bonds. The Issuer understands that current IRS procedures require Form 8038-CP to be filed no sooner than 90 and no less than 45 days prior to each interest payment date for the Bonds in order for the Issuer to timely receive RZEDB Interest Subsidy Payments and that the Issuer is responsible for preparing Form 8038-CP and for making each filing.

(o) *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 three 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 four years or more.

(p) *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 intends to comply with such future restrictions that are necessary to maintain the status of the Bonds as Recovery Zone Economic Development Bonds and the Issuer's right to receive RZEDB Interest Subsidy Payments.

(q) *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).

(r) *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. The Issuer will not enter into any such arrangement in the future without obtaining an Opinion of Bond Counsel.

(s) *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 4.2(d)** if it decides to enter into a Guaranteed Investment Contract at a later date.

(t) *Limit on Issuance Costs.* Not more than 2% of the sale proceeds of the Bonds will be used to pay Issuance Costs.

(u) *Bank Qualified Tax-Exempt Obligation.* The Bonds are not "qualified tax-exempt obligations" under Code § 265(b)(3).

(v) *Recovery Zone Economic Development Bond National Limitation.* Adair County, Missouri received an allocation of Recovery Zone Economic Development Bond limitation in the amount

of \$2,274,000 pursuant to IRS Notice 2009-50 issued on June 12, 2009. On June _____, 2010, the governing body of Adair County adopted a resolution, attached to this Tax Certificate as **Exhibit E-2**, allocating \$2,274,000 of said limitation to the Issuer. The Issuer is using this allocation to issue the Bonds, and the aggregate face amount of the Bonds, including any other Recovery Zone Economic Development Bonds issued by the Issuer to date, if any, does not exceed the Issuer's allocation of the national Recovery Zone Economic Development Bond limitation.

(w) *Limit on Bond Premium.* Based on the offering prices provided by the Underwriter on the cover page of the Official Statement and the calculations shown on **Exhibit G**, Bond Counsel has advised the Issuer that no Bond is expected to be issued with more than a "de minimis" amount of premium over the stated principal amount of the Bond. A "de minimis" amount of premium is an amount that is not greater than 1/4 of 1 percent of the Bond's stated redemption price at maturity, multiplied by the number of complete years to the earlier of the Bond's maturity date or the Bond's first optional redemption date.

Section 2.2. Continuing Application of Representations. All representations and certifications contained in this Tax Certificate or in any certificate or other instrument delivered by the Issuer are intended to be representations of facts and expectations existing as of the Issue Date regardless of the dated date or execution date of the document. The representations of the Issuer contained in this Tax Certificate are intended to apply from and after the Issue Date as long as the Issuer requests or claims any RZEDB Interest Subsidy Payment on the Bonds, including any RZEDB Interest Subsidy Payment claimed or requested following the defeasance of the Bonds.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General. The purpose of this Article 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 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. Purpose of the Financing. The Bonds are being issued for the purpose of providing funds to finance certain costs of the Financed Facility and pay Costs of Issuance.

Section 3.4. Funds and Accounts. The following accounts have been created or ratified under the Ordinance:

- (a) Project Fund.
- (b) Debt Service Account.
- (c) Costs of Issuance Fund.
- (d) Revenue Fund.

- (e) Operation and Maintenance Account.
- (f) Outstanding Senior Sewer Bond Debt Service Account.
- (g) Outstanding Senior Water Bond Debt Service Account.
- (h) Outstanding Parity Bond Debt Service Account.
- (i) Outstanding Senior Sewer Bond Debt Service Reserve Account.
- (j) Outstanding Senior Water Bond Debt Service Reserve Account.
- (k) Outstanding Parity Bond Debt Service Reserve Account.
- (l) Depreciation and Replacement Account.
- (m) Surplus Account.

Section 3.5. Amount and Use of Bond Proceeds and Other Money.

(a) *Amount of Bond Proceeds.* The total proceeds to be received by the Issuer from the sale of the Bonds will be as follows:

Principal Amount	\$2,274,000.00
Less Underwriting Discount	_____
Total Proceeds Received by Issuer	_____

(b) *Use of Bond Proceeds.* The Bond proceeds are expected to be allocated to expenditures as follows:

(1) The accrued interest on the Bonds, if any, will be deposited in the Debt Service Account and used to pay interest on the Bonds.

(2) \$_____ will be deposited in the Costs of Issuance Fund and used to pay Costs of Issuance.

(3) \$_____ will be deposited in the Project Fund to pay costs of the Financed Facility.

(c) *Use of Other Money.* Other money contributed by the Issuer, not representing Bond proceeds, is expected to be allocated to expenditures as follows:

(2) \$_____ from available funds of the City will be deposited in the Costs of Issuance Fund and used to pay additional Costs of Issuance.

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 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 three 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 Account. Except for the Debt Service Account, 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 Account 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 Account 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, and that instead have been or will be used to acquire Investments with a Yield greater than the Yield on the Bonds. Except for the Debt Service Account, there are no other funds or accounts 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. Offering Prices and Yield on Bonds.

(a) *Offering Prices.* In the Underwriter's Receipt for Bonds and Closing Certificate, the Underwriter has certified that (1) all of the Bonds have been the subject of an initial offering to the public at prices no higher than those shown on the cover page of the official statement (the "Offering Prices"), and (2) the Underwriter expects that at least 10% of the Bonds of each maturity will be sold to the public at initial offering prices no higher than said Offering Prices. The aggregate initial offering price of the Bonds is \$_____, plus accrued interest.

(b) *Bond Yield.* Based on the Offering Prices, the Yield on the Bonds is _____%, as computed by Bond Counsel as shown on **Exhibit A**. The expected RZEDB Interest Subsidy Payments (treated as received on each interest payment date) were deducted from the debt service payments on the Bonds to determine the Yield on the Bonds, as shown on **Exhibit A**. The Issuer has not entered into an interest rate swap agreement with respect to any portion of the proceeds of the Bonds.

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

ARBITRAGE INVESTMENT AND REBATE INSTRUCTIONS

Section 4.1. 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 and Costs of Issuance Fund.* Bond proceeds deposited in the Project Fund and the Costs of Issuance Fund and Investment earnings on such proceeds may be invested without Yield restriction for up to three years following the Issue Date. If any unspent proceeds remain in the those funds after three years, such 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 requirements of Code § 148.

(b) *Debt Service Account.* To the extent that the Debt Service Account qualifies as a Bona Fide Debt Service Fund, money in such account may be invested without Yield restriction for 13 months after the date of deposit. Earnings on such amounts may be invested without Yield restriction for one year after the date of receipt of such earnings.

(c) *Other Funds.* Amounts on deposit in the Revenue Fund, Operation and Maintenance Account, Depreciation and Replacement Account, and the Surplus Account may be invested without Yield restriction. Amounts on deposit in the Outstanding Senior Sewer Bond Debt Service Account, Outstanding Senior Water Bond Debt Service Account, Outstanding Parity Bond Debt Service Account, Outstanding Senior Sewer Bond Debt Service Reserve Account, Outstanding Senior Water Bond Debt Service Reserve Account, and the Outstanding Parity Bond Debt Service Reserve Account may be invested according to the direction provided under the corresponding bond documents.

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

Section 4.2. 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 Regulation § 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 one of the paragraphs below. The fair market value of Investments purchased for a Yield-restricted defeasance escrow must be determined in a bona fide solicitation for bids that complies with Regulation § 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 to the Bonds Regulation § 1.148-5(d)(6)(iii)(A) as amended by the Proposed Regulations (relating to electronic bidding of Guaranteed Investment Contracts). The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:

(1) Bona Fide Solicitation for Bids. The 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 three “reasonably competitive providers” are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased.

(2) Bids Received. The bids received 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, (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 one of the three 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 three years after the last outstanding Bond is redeemed:

(A) A copy of the Guaranteed Investment Contract.

(B) The receipt or other record of the amount actually paid 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 the Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

(e) *Other Investments.* If an Investment is not described above, the fair market value may be established through a competitive bidding process, as follows:

(1) at least three bids on the Investment must be received from persons with no financial interest in the Bonds (*e.g.*, as underwriters or brokers); and

(2) the Yield on the Investment must be equal to or greater than the Yield offered under the highest bid.

Section 4.3. Certain Gross Proceeds Exempt from the Rebate Requirement.

(a) *General.* A portion of the Gross Proceeds of the Bonds may be exempt from rebate pursuant to one or more of the following exceptions. The exceptions typically will not apply with respect to all Gross Proceeds of the Bonds and will not otherwise affect the application of the Investment limitations described in **Section 4.1** hereof. Unless specifically noted, the obligation to compute, and if necessary, to pay rebate as set forth in **Section 4.4** hereof applies even if a portion of the Gross Proceeds of the Bonds is exempt from the rebate requirement. To the extent all or a portion of the Bonds is exempt from rebate the Rebate Analyst may account for such fact in connection with its preparation of a rebate report described in **Section 4.4** hereof.

(b) *Applicable Spending Exceptions.*

(1) The Issuer expects that at least 75% of the Available Construction Proceeds will be used for construction or rehabilitation expenditures for property owned by the Issuer.

(2) The following optional rebate spending exceptions can apply to the Bonds:

(A) 6-month spending exception (Code § 148(f)(4)(B) and Regulations § 1.148-7(c)).

(B) 18-month spending exception (Regulations § 1.148-7(d)).

(C) 2-year spending exception (Code § 148(f)(4)(C) and Regulations § 1.148-7(e)).

(3) The Issuer expects to earn approximately \$_____ in Investment earnings on Bond proceeds in the Project Fund.

(c) *Special Elections Made with Respect to Spending Exception Elections.* No special elections are being made in connection with the application of the spending exceptions.

(d) *Bona Fide Debt Service Fund.* To the extent that the Debt Service Account qualifies as a Bona Fide Debt Service Fund, Investment earnings in the fund cannot be taken into account in computing arbitrage rebate (1) with respect to such portion that meets the 6-month, 18-month or 2-year spending exception, or (2) for a given Bond Year, if the gross earnings on the Debt Service Account for such Bond Year are less than \$100,000. If the average annual debt service on the Bonds does not exceed \$2,500,000, the \$100,000 earnings test may be treated as satisfied in every Bond Year.

(e) *Documenting Application of Spending Exception.* At any time prior to the first Computation Date, the Issuer may engage the Rebate Analyst to determine whether one or more spending exceptions has been satisfied, and the extent to which the Issuer must continue to comply with **Section 4.4** hereof.

(f) *General Requirements for Spending Exception.* The following general requirements apply in determining whether a spending exception is met.

(1) Using Adjusted Gross Proceeds or Available Construction Proceeds to pay principal of any Bonds is not taken into account as an expenditure for purposes of meeting any of the spending tests.

(2) The 6-month spending exception generally is met if all Adjusted Gross Proceeds of the Bonds are spent within 6 months following the Issue Date. The test may still be satisfied even if up to 5% of the sale proceeds remain at the end of the initial 6-month period, so long as this amount is spent within 1 year of the Issue Date.

(3) The 18-month spending exception generally is met if all Adjusted Gross Proceeds of the Bonds are spent in accordance with the following schedule:

Time Period After the Issue Date	Minimum Percentage of Adjusted Gross Proceeds Spent
6 months	15%
12 months	60%
18 months (Final)	100%

(4) The 2-year spending exception generally is met if all Available Construction Proceeds are spent in accordance with the following schedule:

Time Period After the Issue Date	Minimum Percentage of Available Construction Proceeds Spent
6 months	10%
12 months	45%
18 months	75%
24 months (Final)	100%

(5) For purposes of applying the 18-month and 2-year spending exceptions only, the failure to satisfy the **final** spending requirement is disregarded if the Issuer uses due diligence to complete the Financed Facility and the failure does not exceed the lesser of 3% of the aggregate issue price the Bonds or \$250,000. **No such exception applies for any other spending period.**

(6) For purposes of applying the 18-month and 2-year spending exceptions only, the Bonds meet the applicable spending test even if, at the end of the **final** spending period, proceeds

not exceeding a Reasonable Retainage remain unspent, so long as such Reasonable Retainage is spent within 30 months after the Issue Date in the case of the 18-month exception or 3 years after the Issue Date in the case of the 2-year spending exception.

Section 4.4. Computation and Payment of Arbitrage Rebate.

(a) *Rebate Fund.* The Issuer will keep the Rebate Fund separate from all other funds and will administer the Rebate Fund under this Tax Certificate. Any Investment earnings derived from the Rebate Fund will be credited to the Rebate Fund, and any Investment loss will be charged to the Rebate Fund.

(b) *Computation of Rebate Amount.* The Issuer will provide the Rebate Analyst Investment reports relating to each fund held by it that contains Gross Proceeds of the Bonds together with copies of Investment reports for any funds containing Gross Proceeds that are held by a party other than the Issuer annually as of the end of each Bond Year and not later than 10 days following each Computation Date. Each Investment report provided to the Rebate Analyst will contain a record of each Investment, including (1) purchase date, (2) purchase price, (3) information establishing the fair market value on the date such Investment was allocated to the Bonds, (4) any accrued interest paid, (5) face amount, (6) coupon rate, (7) frequency of interest payments, (8) disposition price, (9) any accrued interest received, and (10) disposition date. Such records may be supplied in electronic form. The Rebate Analyst will compute rebate following each Computation Date and deliver a written report to the Issuer together with an opinion or certificate of the Rebate Analyst stating that arbitrage rebate was determined in accordance with the Regulations. Each report and opinion will be provided not later than 45 days following the Computation Date to which it relates. In performing its duties, the Rebate Analyst may rely, in its discretion, on the correctness of financial analysis reports prepared by other professionals. If the sum of the amount on deposit in the Rebate Fund and the value of prior rebate payments is less than the arbitrage rebate due, the Issuer will, within 55 days after such Computation Date, pay the amount of the deficiency for deposit into the Rebate Fund. If the sum of the amount on deposit in the Rebate Fund and the value of prior rebate payments is greater than the Rebate Amount the Issuer will transfer such surplus in the Rebate Fund to the Debt Service Account. After the final Computation Date or at any other time if the Rebate Analyst has advised the Issuer, any money left in the Rebate Fund will be paid to the Issuer and may be used for any purpose not prohibited by law.

(c) *Rebate Payments.* Within 60 days after each Computation Date, the Issuer will pay to the United States the rebate amount then due, determined in accordance with the Regulations. Each payment must be (1) accompanied by IRS Form 8038-T and such other forms, documents or certificates as may be required by the Regulations, and (2) mailed or delivered to the IRS at the address shown below, or to such other location as the IRS may direct:

Internal Revenue Service Center
Ogden, UT 84201

Section 4.5. Successor Rebate Analyst. If the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason, or if the Issuer desires that a different firm act as the Rebate Analyst, then the Issuer by an instrument or concurrent instruments in writing delivered to the firm then serving as the Rebate Analyst and any other party to this Tax Certificate, will name a successor Rebate Analyst. In each case the successor Rebate Analyst must be a firm of nationally recognized bond counsel or a firm of independent certified public accountants and such firm must expressly agree to undertake the responsibilities assigned to the Rebate Analyst hereunder.

Section 4.6. Rebate Report Records. The Issuer will retain copies of each arbitrage rebate report and opinion until 3 years after the final Computation Date.

Section 4.7. 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 an Opinion of Bond Counsel.

Section 4.8. Survival after Defeasance. Notwithstanding anything in the Ordinance to the contrary, the obligation to pay arbitrage rebate to the United States will survive the payment or defeasance of the Bonds.

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 all related penalties and interest will remain in effect until all such amounts are paid to the United States and the provisions of **Section 5.5** hereof relating to record keeping shall continue in force for the period described therein for records to be retained.

Section 5.2. Opinion of Bond Counsel. The Issuer acknowledges that Bond Counsel has not provided advice relating to the Federal income tax consequences of issuing the Bonds except to the extent reflected in the Initial Opinion of Bond Counsel. In addition, the Issuer understands that unless separately contracted, Bond Counsel has not agreed to assist the Issuer in obtaining any RZEDB Interest Subsidy Payments. THE ISSUER UNDERSTANDS THAT FAILURE TO COMPLY WITH ALL REQUIREMENTS IMPOSED ON ISSUERS OF RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS, INCLUDING THOSE SET OUT IN THIS TAX CERTIFICATE MAY RESULT IN TERMINATION OF CONTINUED PAYMENT OF ANY RZEDB INTEREST SUBSIDY PAYMENTS AND THAT THE IRS MAY ALSO REQUIRE THE ISSUER TO REPAY ANY RZEDB INTEREST SUBSIDY PAYMENTS, PREVIOUSLY RECEIVED BY IT TOGETHER WITH INTEREST AND APPLICABLE PENALTIES, IN THE EVENT IT IS DETERMINED THAT THE ISSUER IS NOT ENTITLED TO THEM FOR ANY REASON.

Section 5.3. Compliance with Terms of Tax Certificate. The Issuer understands that the Initial Opinion of Bond Counsel is based on the accuracy of the certifications of the Issuer in this Tax Certificate and assumes compliance by the Issuer with the terms and conditions of this Tax Certificate, including but not limited to the Issuer's agreement to obtain an Opinion of Bond Counsel prior to taking certain actions in this Tax Certificate. Nothing contained in this Tax Certificate is intended, or should be construed, to obligate the Issuer to comply with any provision of this Tax Certificate. However, if the Issuer does not comply with the provisions of this Tax Certificate, including provisions requiring an Opinion of Bond Counsel, then in addition to the consequences described in **Section 5.2**, it may no longer rely on the Initial Opinion of Bond Counsel.

Section 5.4. Reliance. In delivering this Tax Certificate the Issuer is making only those certifications, representations and agreements as are specifically attributed to it 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 the Initial Opinion of Bond Counsel.

Section 5.5. Record Keeping Responsibilities. The Issuer recognizes (a) that the status of the Bonds as Recovery Zone Economic Development Bonds eligible for the RZEDB Interest Subsidy Payments depends on the accuracy of the representations and the satisfaction of the covenants contained in this Tax Certificate by the Issuer, many of which relate to matters that will occur after the date the Bonds are issued, and (b) that as part of its ongoing audit program for tax-exempt bonds and Recovery Zone Economic Development Bonds, the IRS requires that records be created and maintained with respect to the following matters:

- (1) Documentation evidencing expenditure of Bond proceeds in sufficient detail to determine the date of the expenditure, the asset acquired or the purpose of the expenditure.
- (2) Documentation evidencing use of the Financed Facility by public and private persons (e.g., copies of Management Agreements).
- (3) Documentation evidencing all sources of payment or security for the Bonds.
- (4) Documentation pertaining to any Investment of Bond proceeds (including the purchase and sale of securities, SLGs subscriptions, actual Investment income received from the investment of proceeds, Guaranteed Investment Contracts, and (if required) rebate calculations).

The Issuer has procedures in place or will establish procedures to create and retain these records or to cause these records to be created and retained. Unless otherwise specifically instructed in a written Opinion of Bond Counsel or to the extent otherwise provided in this Tax Certificate, the Issuer shall retain and maintain these records until three years following the final maturity of (i) the Bonds or (ii) any obligation issued to refund the Bonds. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22.

Section 5.6. Electronic Transactions. The transaction described in this Tax Certificate may be conducted, and related documents may be stored, by electronic means.

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THE UNDERSIGNED, the Mayor of the Issuer, by 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.

CITY OF KIRKSVILLE, MISSOURI

By: _____
Title: Mayor

EXHIBIT A

DEBT SERVICE SCHEDULE AND PROOF OF BOND YIELD

EXHIBIT B

IRS FORM 8038-G

EXHIBIT C

REIMBURSEMENT RESOLUTION

EXHIBIT D

DESCRIPTION OF PROPERTY COMPRISING THE FINANCED FACILITY

Description	Year Placed in Service	Estimated Useful Life	Total Cost	Amount Financed From Bonds
TOTAL				

EXHIBIT E-1

RESOLUTION OF THE ISSUER DESIGNATING A RECOVERY ZONE

EXHIBIT E-2

**RESOLUTION OF ADAIR COUNTY, MISSOURI, ASSIGNING RECOVERY ZONE
ECONOMIC DEVELOPMENT BOND LIMITATION TO THE ISSUER**

EXHIBIT F
CERTIFICATE OF UNDERWRITER

EXHIBIT G

PROOF OF LIMIT ON BOND PREMIUM