

**EXHIBIT C
TO ORDINANCE**

LENDER'S PROPOSAL

[On file in the Office of the City Clerk.]

REGIONS CAPITAL ADVANTAGE, INC.

August 5, 2019

Janet Frazier
Interim Finance Director
City of Columbia
701 East Broadway
Columbia, Missouri 65205

Reference: Up to \$10,000,000 Term Loan to be evidenced by the City of Columbia, Missouri Sewerage Revenue Bonds (Non-Bank Qualified) Series 2019 (the “Debt Instrument” or the “Bonds”)

Dear Ms. Frazier:

Regions Capital Advantage, Inc. (the “**Lender**”) is pleased to furnish this Commitment Letter (this “**Commitment Letter**”) to the City of Columbia, Missouri (the “**Borrower**”) for up to a \$10,000,000 Tax Exempt, Non-Bank Qualified Loan (the “**Loan**”) for the purposes set forth below. This Commitment Letter will automatically terminate unless: (i) it is accepted by execution of Exhibit B by the Borrower on or before August 6, 2019, and (ii) the Bonds are executed and delivered to the Lender on or before September 4, 2019 (the “**Anticipated Closing Date**”).

Borrower: City of Columbia, Missouri

Lender: Regions Capital Advantage, Inc.

Role of Lender: The Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Commitment Letter and any other information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Commitment Letter, or any other information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the Borrower has been informed that the Borrower should discuss this Commitment Letter and any such other information, materials or communications with any and all internal and external advisors and experts that the Borrower deems appropriate before acting on this Commitment Letter or any such other information, materials or communications.

Privately Negotiated Loan: The Borrower acknowledges and agrees that the Lender is purchasing the Bonds as evidence of a privately negotiated loan and in that connection the Bonds shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

REGIONS CAPITAL ADVANTAGE, INC.

Purpose: The proceeds of the Loan will be used to refund the \$10,405,000 Taxable Sewerage System Revenue Bonds, Series 2009 and pay for associated costs of issuance (collectively, the “Refunding”).

Loan Amount: Up to \$10,000,000.

Structure: Non-Bank Qualified Tax-Exempt Net Revenue Backed, Special Obligation Loan evidenced by the Bonds. The Bonds will be issued to the Lender as a single term bond with mandatory sinking fund redemptions.

Interest Rate: The Loan is a **Tax-Exempt, Non-Bank Qualified** Loan.

The Loan will bear interest at a tax-exempt fixed rate per annum of % through the Maturity Date.

The rate above is subject to acceptance and execution of this Commitment Letter on or before August 6, 2019 and closing on or before September 4, 2019. In the event the foregoing conditions are not satisfied the rate is subject to change in the Lender’s sole discretion, based on market conditions at the time the Loan is closed.

Default Rate: The interest rate otherwise applicable to the Debt Instrument plus 5%.

Repayment: Interest will be payable semi-annually (calculated on the basis of a year of a 30 day month and a 360 day year) on each April 1 and October 1, commencing April 1, 2020. Annual principal payments will be payable each October 1, commencing October 1, 2024. Graduated principal payments due as set forth in Exhibit A. All payments are due on the same calendar day of the month.

Maturity Date: October 1, 2034. Maturity date must fall on a payment due date.

Prepayment: The Borrower may not prepay any part of the principal balance through October 1, 2027. After October 1, 2027, the Borrower may prepay all or any part of the principal balance of the Loan on not less than ten business days’ written notice to the Lender provided that the Borrower pays all principal, interest and costs owing at the time of prepayment. The Borrower's notice of its intent to prepay shall be irrevocable. All partial prepayments of principal shall be applied in the inverse order of maturity or sinking fund redemption date.

REGIONS CAPITAL ADVANTAGE, INC.

Other Fees, Costs and Expenses: The Borrower will be responsible for all out-of-pocket fees, costs and expenses of the Lender (including, without limitation, counsel fees and expenses) incurred in connection with the negotiation, execution, delivery, administration and enforcement of the documents evidencing the Loan and issuance of the Bonds (the "Loan Documents"). In consideration of the undertakings of the Lender hereunder, and recognizing that in connection herewith the Lender will be incurring such fees, costs and expenses, the Borrower agrees to reimburse the Lender for all such fees, costs and expenses, regardless of whether, or to what extent, any of the transactions contemplated hereby are consummated. Bose McKinney & Evans LLP will serve as counsel to the Lender in connection with the Loan. We expect the fees and expenses of Lender's Counsel for the review of the Loan Documents will not exceed \$3,500.

Security: Pursuant to the Loan Documents, as security for all amounts payable to the Lender or any affiliate thereof in connection with the Loan, the Borrower will provide a first priority pledge of, the net income and revenues derived from the ownership and operation of the sewerage system of the Borrower (the "System"), after providing for the costs of operation and maintenance thereof, as further described in the Bond Ordinance pursuant to which the Bonds will be issued (the "Bond Ordinance").

Debt Service Reserve Debt Service Reserve Fund not required.

Taxability: Upon the occurrence of a Determination of Taxability of the Loan, caused by an action of the Borrower, the Borrower agrees to pay to the Lender a rate of interest from the date of Loan funding that would provide the Lender with an after-tax yield on the then outstanding principal amount of this Loan at least equal to the after-tax yield the Lender could have received if a Determination of Taxability had not occurred. The taxable equivalent rate is %.

Representations and Warranties: Usual and customary for this type of financing.

REGIONS CAPITAL ADVANTAGE, INC.

Covenants: Usual and customary for this type of financing, including but not limited to the following:

1. The Borrower shall deliver to the Lender, to the extent not available on the Borrower's website, and upon written request by the Lender, in form and substance satisfactory to the Lender, audited financial statements by March 31 after the end of each of the Borrower's fiscal years,
2. The Borrower shall deliver to the Lender, to the extent not available on the Borrower's website, and upon written request by the Lender, in form and substance satisfactory to the Lender, annual budget for the succeeding fiscal year prior to commencement of each of the Borrower's fiscal years;
3. The Borrower shall deliver to the Lender, any other information reasonably requested by the Borrower, upon written request;
4. The Borrower shall collect charges for the use and services of the System to achieve and observe, in each fiscal year, Net Revenues not less than 110% of the actual Debt Service Requirements, as further defined in the Bond Ordinance; and
5. The Borrower must meet the Additional Bonds Test of at least 110% Average Annual Debt Service prior to the issuance of any Additional Bonds, as further defined in the Bond Ordinance.

Defaults: Usual and customary for this type of financing.

Remedies: The Lender shall have all of the rights and remedies set forth in the Loan Documents, and available at law and in equity, for the enforcement thereof, including but not limited to the right to accelerate the Bonds upon the occurrence of an event of default.

Legal Opinions: As an additional condition precedent to the Lender making the Loan, the Borrower shall provide, among other things, the following opinions to the Lender:

(i) an opinion of bond counsel in form and substance satisfactory to the Lender and its counsel in all respects, which shall include opinions to the effect that (a) the Borrower has the authority under the laws of the State of Missouri to issue the the Bonds and execute and deliver the Loan Documents, (b) that the Bonds have been duly issued and the Bonds and the other Loan Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower, (c) that the Bonds and the other Loan Documents to which the Borrower is a party are valid and binding obligations of the Borrower, duly enforceable in accordance with their terms, (d) that interest on the Bonds is (i) excludable from gross income of the holders thereof for federal income tax purposes and (ii) is exempt from present income taxation in the State of Missouri, and (e) that the Bonds are payable from the net income and revenues derived by the Borrower from the operation of the System, after providing for the cost of the operation and maintenance thereof.

REGIONS CAPITAL ADVANTAGE, INC.

Transfer Provisions: The Lender shall maintain the right to transfer and/or assign, in whole or in part, its rights hereunder, the Debt Instrument and/or the Loan, or, in either case, any interest therein, to any person or entity in its sole and absolute discretion. The Lender agrees that in the event of any transfer of the Bonds it will only transfer the Bonds to an entity that is an “accredited investor” as defined in Regulation D under the Securities Act of 1933 and/or a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933. The Borrower may not assign its rights hereunder or under any of the Loan Documents to any person without the prior written consent of the Lender. The Lender will agree in the Loan Documents to comply with any and all applicable state and federal laws in any assignment or transfer of the Bonds or the Loan Documents.

Disclaimer: This Commitment Letter describes some of the basic terms and conditions proposed to be included in the documents between the Lender and the Borrower. This Commitment Letter does not purport to summarize all the conditions, covenants, representations, warranties, assignments, events of default, cross default, acceleration events, remedies or other provisions that may be contained in documents required to consummate this financing.

US Patriot Act: The Borrower represents and warrants to the Lender that neither it nor any of its principals, shareholders, members, partners, or Affiliates, as applicable, is a Person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The Borrower further represents and warrants to the Lender that the borrower and its principals, shareholders, members, partners, or Affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any Person named as a Specially Designated National and Blocked Person.

Confidentiality: The Borrower acknowledges and agrees that this Commitment Letter and the information set forth herein is confidential and proprietary, and further agrees to keep this Commitment Letter and the information set forth herein **CONFIDENTIAL**. The Borrower shall not disclose this Commitment Letter or any of its material terms to anyone, without the prior written consent of the Lender in each instance, except as such disclosure is required by law or regulation or as a result of any legal or administrative procedure.

Governing Law: State of Missouri

Term of Commitment: The commitment herein contained will automatically terminate unless this Commitment Letter is accepted by execution on or before August 6, 2019 and unless Loan Documents and the Bonds are executed and delivered to the Lender on or before September 4, 2019, unless the Lender shall agree (in its sole and absolute discretion) to an extension of such date.

Thank you for providing the Lender with this opportunity to be involved in a financial partnership with the Borrower. The Lender is willing to discuss the terms reflected herein through August 6, 2019. This Commitment Letter assumes a closing date no later than September 4, 2019. After such dates, terms, conditions and pricing may change based on prevailing market conditions and further discussion will be at Lender’s sole discretion. We are grateful for your consideration and remain available to promptly respond to any questions that you may have regarding this document. We look forward to hearing from you.

REGIONS CAPITAL ADVANTAGE, INC.

EXHIBIT A

Estimated Principal Repayment Schedule*

Date (October 1)	Principal Due
2024	\$ 120,000
2025	170,000
2026	865,000
2027	890,000
2028	1,030,000
2029	1,055,000
2030	1,080,000
2031	1,110,000
2032	1,135,000
2033	1,170,000
2034	<u>1,200,000</u>
Total	\$ 9,825,000

* Principal repayment schedule is preliminary and for discussion purposes only.

REGIONS CAPITAL ADVANTAGE, INC.

EXHIBIT B

In the event Borrower requests Lender to move forward with the approval process after discussion of the aforementioned terms and conditions contained in the Commitment Letter, Borrower agrees to reimburse Lender on demand for all out of pocket expenses incurred by Lender if the transaction fails to close for any reason other than Lender's decision not to approve the transaction. Such expenses shall include, but not be limited to, legal expenses incurred by Lender.

ACCEPTANCE:

Borrower does hereby agree to all provisions contained in Exhibit B.

Borrower Signature:

CITY OF COLUMBIA, MISSOURI

By: _____

Name: _____

Title: _____