
ORDINANCE NO. _____

OF

CITY OF COLUMBIA, MISSOURI

PASSED _____, 2019

AUTHORIZING

\$9,805,000
SEWERAGE SYSTEM REFUNDING REVENUE BONDS
SERIES 2019

ORDINANCE NO. _____

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Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 211-19

AN ORDINANCE

authorizing the issuance of Sewerage System Refunding Revenue Bonds, Series 2019; prescribing the form and details of the bonds and the covenants and agreements to provide for the payment and security thereof; authorizing certain actions and documents and prescribing other matters relating thereto; and fixing the time when this ordinance shall become effective.

WHEREAS, the City of Columbia, Missouri (the “City”), a constitutional charter city and political subdivision duly organized and existing under the constitution and laws of the State of Missouri, and pursuant to Article VI, Section 27 of the Missouri Constitution and Chapter 250 of the Revised Statutes of Missouri (the “Act”), now owns and operates a revenue-producing sewerage system serving the City and its inhabitants and others within its service area (the “System,” as hereinafter more fully defined); and

WHEREAS, the City has the following bonds and other obligations outstanding payable from the Net Revenues (as hereinafter more fully defined) of the System:

<u>Series of Bonds</u>	<u>Dated</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Sanitary Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1999A	6/1/1999	\$3,730,000	\$225,000
Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1999B	12/01/1999	\$1,420,000	\$85,000
Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2000	11/1/2000	\$2,445,000	\$295,000
Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2002	5/08/2002	\$2,230,000	\$520,000
Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2003	4/9/2003	\$3,620,000	\$1,055,000
Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2004	5/28/2004	\$650,000	\$230,000

Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2006	11/1/2006	\$915,000	\$365,000
Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2007	11/15/2007	\$1,800,000	\$895,000
Taxable Sewerage System Revenue Bonds (Build America Bonds – Direct Payment), Series 2009 (the “ Series 2009 Bonds ”)	9/29/2009	\$10,405,000	\$10,405,000
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program – ARRA), Series 2010A	1/14/2010	\$59,335,000 ⁽¹⁾	\$41,041,800
Sewerage System Revenue Bonds, Series 2012	3/29/2012	\$9,365,000	\$7,315,000
Sewerage System Revenue Bonds, Series 2015	3/31/2015	\$18,200,000	\$15,885,000
Sewerage System Revenue Bonds, Series 2017	4/19/2017	\$15,790,000	\$15,225,000

⁽¹⁾ The Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program – ARRA), Series 2010A, were approved in an amount not to exceed \$59,335,000 in principal amount. The City made its final drawdown during the fiscal year ended September 30, 2015, and the final principal amount equaled \$58,030,645.

WHEREAS, the City desires to refund the Series 2009 Bonds and is authorized under the provisions of Section 108.140(2) and Chapter 250 of the Revised Statutes of Missouri to issue and sell refunding revenue bonds for the purpose of refunding, in whole or in part, its valid outstanding revenue bonds, which refunding revenue bonds may be payable from the same sources as were pledged to the payment of the bonds refunded; and

WHEREAS, the City now finds it necessary and in the best interests of the City to adopt this Ordinance authorizing the issuance of the City’s Sewerage System Refunding Revenue Bonds, Series 2019 (the “**Bonds**”), to provide funds to refund the Series 2009 Bonds and pay the costs of issuing the Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following capitalized words and terms as used in this Ordinance shall have the following meanings:

“**Accountant**” means an independent certified public accountant or firm of certified public accountants.

“**Act**” means Article VI, Section 27 of the Missouri Constitution and Chapter 250 of the Revised Statutes of Missouri.

“**Authority**” means the State Environmental Improvement and Energy Resources Authority, a governmental instrumentality of the State of Missouri.

“**Authority Program Bonds**” means any bonds of the Authority heretofore or hereafter issued under the SRF Program, all or a portion of the proceeds of which are loaned to the City with respect to the System and pursuant to the SRF Program.

“**Average Annual Debt Service**” means the average of the Debt Service Requirements as computed for the then current and all future Fiscal Years.

“**Bond Counsel**” means Gilmore & Bell, P.C., St. Louis, Missouri, or any other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“**Bond Payment Date**” means any date on which principal or Redemption Price of or interest on any Bond is payable.

“**Bond Register**” means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

“**Bondowner,**” “**Owner**” or “**Registered Owner**” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

“**Bonds**” means the Sewerage System Refunding Revenue Bonds, Series 2019, of the City, authorized and issued pursuant to this Ordinance.

“**Business Day**” means a day, other than a Saturday, Sunday or holiday, on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

“**City**” means the City of Columbia, Missouri, and any successors or assigns.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

“**Consultant**” means the Consulting Engineer, an Accountant or a registered municipal advisor.

“**Consulting Engineer**” means each independent engineer or engineering firm with experience in designing and constructing wastewater treatment, sanitary sewerage or water pollution control facilities, and retained by the City.

“**Debt Service Account**” means the Series 2019 Debt Service Account in the Debt Service Fund created by **Section 501** hereof.

“**Debt Service Requirements**” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and net interest or interest-like payments (after taking into account any applicable Subsidy Payments) on all System Revenue Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount,

principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State of Missouri and having full trust powers.

“Debt Service Reserve Account Surety Bond” means, any irrevocable insurance policy, letter of credit or surety bond satisfying the requirements described in the applicable Parity Ordinance which guarantees payments into the debt service reserve account for the applicable series of Parity Bonds or payment of the principal of and interest on the applicable series of Parity Bonds in an amount which, together with cash or Permitted Investments on deposit in the debt service reserve account for such Parity Bonds, is equal to the Debt Service Reserve Requirement for such Parity Bonds.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations, plus any cash in the escrow fund, are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the same rating category or higher as United States Government Obligations by a nationally recognized rating service.

“Depreciation and Replacement Account” means the account by that name ratified and confirmed by **Section 501** hereof.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(a) on the date the City files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability has in fact occurred;

(b) on the date the City is advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the City or upon any review or audit of the City, an Event of Taxability has occurred; or

(c) on the date the City receives notice from the Bondowner or any former Bondowner that the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondowner or such former Bondowner the interest on the Bonds due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (b) or (c) hereunder unless the City has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Bondowner or any former Bondowner, the City shall promptly reimburse the Bondowner or former Bondowner for any payments, including any taxes, interest, penalties or other charges, such Bondowner or former Bondowner is obligated to make as a result of the Determination of Taxability.

“DNR” means the Missouri Department of Natural Resources.

“Escrow Agent” means UMB Bank, N.A., St. Louis, Missouri, and any successors or assigns.

“Escrow Agreement” means the Escrow Trust Agreement dated as of September 1, 2019, between the City and the Escrow Agent, in substantially the form attached hereto as **Exhibit B**.

“Escrow Fund” means the fund by that name referred to in **Section 501** hereof.

“Escrowed Securities” means the direct, noncallable obligations of the United States of America, as described in the Escrow Agreement.

“Event of Taxability” means (a) the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the City, the failure to take any action by the City, or the making by the City of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Bonds) that has the effect of causing interest paid or payable on the Bonds to become includable, in whole or in part, in the gross income of the Bondowner or any former Bondowner for federal income tax purposes or (b) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action is final and non-appealable under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Bonds to become includable, in whole or in part, in the gross income of the Bondowner or any former Bondowner for federal income tax purposes with respect to the Bonds.

“Expenses” means all reasonable and necessary expenses of operation, maintenance and repair of the System and keeping the System in good repair and working order (other than interest paid on System Revenue Bonds and depreciation and amortization charges during the period of determination), determined in accordance with generally accepted accounting principles, including without limiting the generality of the foregoing, current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, Paying Agent fees and expenses, annual audits, periodic Consultant’s reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, if any, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term indebtedness incurred and payable within a particular fiscal year, other obligations or indebtedness incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the operation of the System, but shall exclude all general administrative expenses of the City not related to the operation of the System.

“Federal Tax Certificate” means the Federal Tax Certificate delivered by the City for the Bonds, which sets 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 in order to comply with the requirements of the Code imposed on the Bonds, in substantially the form attached hereto as **Exhibit D**.

“Fiscal Year” means the fiscal year of the City, currently October 1 to September 30.

“Interest Payment Date” means the Stated Maturity of an installment of interest on any Bond.

“Lender” means Regions Capital Advantage, Inc., the purchaser of the Bonds.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or by call for redemption or otherwise.

“Net Revenues” means all Revenues less all Expenses.

“Operation and Maintenance Account” means the account by that name ratified and confirmed by **Section 501** hereof.

“Ordinance” means this Ordinance as from time to time amended in accordance with the terms hereof.

“Outstanding” means when used with reference to Bonds, means, as of any particular date of determination, all Bonds theretofore issued and delivered hereunder, except the following Bonds:

(a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 1101** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered hereunder.

“Parity Bonds” means the Previously Issued Parity Bonds and any additional bonds or other obligations hereafter issued or incurred pursuant to **Section 902** hereof and standing on a parity and equality with the Bonds with respect to the payment of principal and interest from the Net Revenues of the System.

“Parity Ordinances” means the Previously Issued Parity Ordinances and the ordinance or ordinances under which any additional Parity Bonds are hereafter issued pursuant to **Section 902** hereof.

“Paying Agent” means the Finance Director and any successors and assigns.

“Permitted Investments” means any securities or investments that are lawful for the investment of the City’s moneys held in such funds or accounts under the laws of the State of Missouri

“Person” means any natural person, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Previously Issued Parity Bonds” means, collectively, the Series 1999A Bonds, the Series 1999B Bonds, the Series 2000 Bonds, the Series 2002 Bonds, the Series 2003 Bonds, the Series 2004 Bonds, the Series 2006 Bonds, the Series 2007 Bonds, the Series 2009 Bonds, the Series 2010 Bonds, the Series 2012 Bonds, the Series 2015 Bonds and the Series 2017 Bonds.

“Previously Issued Parity Ordinances” means, collectively, the Series 1999A Ordinance, the Series 1999B Ordinance, the Series 2000 Ordinance, the Series 2002 Ordinance, the Series 2003 Ordinance, the Series 2004 Ordinance, the Series 2006 Ordinance, the Series 2007 Ordinance, the Series 2009 Ordinance, the Series 2010 Ordinance, the Series 2012 Ordinance, the Series 2015 Ordinance and the Series 2017 Ordinance.

“Record Date” for the interest payable on any Interest Payment Date means the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of this Ordinance.

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of this Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Replacement Bonds” means Bonds issued to the beneficial owners of the Bonds in accordance with **Section 210(b)** hereof.

“Revenue Fund” means the fund by that name ratified and confirmed by **Section 501** hereof.

“Revenues” means all income and revenues derived from the ownership and operation of the System, including investment and rental income, net proceeds from business interruption insurance, sales tax revenues which have been annually appropriated by the City or which are limited solely to the payment of improvements to or expenses of the System, and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of System facilities to be applied during the period of determination to pay interest on System Revenue Bonds, but excluding

any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

“Series 1999A Bonds” means the Sanitary Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1999A, of the City, in the aggregate principal amount of \$3,730,000, authorized and issued pursuant to the Series 1999A Ordinance.

“Series 1999A Ordinance” means Ordinance No. 016011 of the City passed on May 20, 1999, under which the Series 1999A Bonds were issued.

“Series 1999B Bonds” means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1999B, of the City, in the aggregate principal amount of \$1,420,000, authorized and issued pursuant to the Series 1999B Ordinance.

“Series 1999B Ordinance” means Ordinance No. 016262 of the City passed on November 18, 1999, under which the Series 1999B Bonds were issued.

“Series 2000 Bonds” means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2000, of the City, in the aggregate principal amount of \$2,445,000, authorized and issued pursuant to the Series 2000 Ordinance.

“Series 2000 Ordinance” means Ordinance No. 016647 of the City passed on November 2, 2000, under which the Series 2000 Bonds were issued.

“Series 2002 Bonds” means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2002, of the City, in the aggregate principal amount of \$2,230,000, authorized and issued pursuant to the Series 2002 Ordinance.

“Series 2002 Ordinance” means Ordinance No. 017274 of the City passed on April 24, 2002, under which the Series 2002 Bonds were issued.

“Series 2003 Bonds” means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2003, of the City, in the aggregate principal amount of \$3,620,000, authorized and issued pursuant to the Series 2003 Ordinance.

“Series 2003 Ordinance” means Ordinance No. 017634 of the City passed on April 2, 2003, under which the Series 2003 Bonds were issued.

“Series 2004 Bonds” means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2004, of the City, in the aggregate principal amount of \$650,000, authorized and issued pursuant to the Series 2004 Ordinance.

“Series 2004 Ordinance” means Ordinance No. 018078 of the City passed on May 12, 2004, under which the Series 2004 Bonds were issued.

“Series 2006 Bonds” means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2006, of the City, in the aggregate principal amount of \$915,000, authorized and issued pursuant to the Series 2006 Ordinance.

“Series 2006 Ordinance” means Ordinance No. 019272 of the City passed on October 16, 2006, under which the Series 2006 Bonds were issued.

“Series 2007 Bonds” means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2007, of the City, in the aggregate principal amount of \$1,800,000, authorized and issued pursuant to the Series 2007 Ordinance.

“Series 2007 Ordinance” means Ordinance No. 019709 of the City passed on October 15, 2007, under which the Series 2007 Bonds were issued.

“Series 2009 Bonds” means the Taxable Sewerage System Revenue Bonds (Build America Bonds – Direct Subsidy), Series 2009, of the City, in the aggregate principal amount of \$10,405,000, authorized and issued pursuant to the Series 2009 Ordinance.

“Series 2009 Ordinance” means Ordinance No. 020420 of the City passed on September 21, 2009, under which the Series 2009 Bonds were issued.

“Series 2009 Redemption Date” means October 4, 2019.

“Series 2010 Bonds” means the Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program - ARRA), Series 2010A, of the City, in the aggregate principal amount of \$59,335,000, authorized and issued pursuant to the Series 2010 Ordinance.

“Series 2010 Ordinance” means Ordinance No. 020519 of the City passed on January 4, 2010, under which the Series 2010 Bonds were issued.

“Series 2012 Bonds” means the Sewerage System Revenue Bonds, Series 2012, of the City, in the aggregate principal amount of \$9,365,000, authorized and issued pursuant to the Series 2012 Ordinance.

“Series 2012 Ordinance” means Ordinance No. 021268 of the City passed on March 19, 2012, under which the Series 2012 Bonds were issued.

“Series 2015 Bonds” means the Sewerage System Revenue Bonds, Series 2015, of the City, in the aggregate principal amount of \$18,200,000, authorized and issued pursuant to the Series 2015 Ordinance.

“Series 2015 Ordinance” means Ordinance No. 022383 of the City passed on March 16, 2015, under which the Series 2015 Bonds were issued.

“Series 2017 Bonds” means the Sewerage System Revenue Bonds, Series 2017, of the City, in the aggregate principal amount of \$15,790,000, authorized and issued pursuant to the Series 2017 Ordinance.

“Series 2017 Ordinance” means Ordinance No. 023139 of the City passed on April 3, 2017, under which the Series 2017 Bonds were issued.

“Special Record Date” means the date fixed by the Paying Agent pursuant to **Section 204** hereof for the payment of Defaulted Interest.

“**SRF Program**” means the Missouri Leveraged State Water Pollution Control Revolving Fund Program of the DNR and the Authority.

“**SRF Program Bonds**” means any System Revenue Bonds heretofore or hereafter issued in connection with the City’s participation in the SRF Program.

“**Stated Maturity**” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Ordinance as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“**Subsidy Payments**” means funds received (or with respect to **Section 902(b)** hereof funds that are reasonably expected to be received) by the City that either (a) must be used or (b) have been used (or with respect to **Section 902(b)** hereof are reasonably expected to be used) to reduce the interest or principal payments on System Revenue Bonds. Such Subsidy Payments would include, but are not limited to, payments received by the City through a federal or State of Missouri program.

“**Surplus Account**” means the account by that name ratified and confirmed by **Section 501** hereof.

“**System**” means the entire sewerage plant and system owned and operated by the City for the collection, treatment and disposal of sewage, to serve the needs of the City and its inhabitants and others, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the City.

“**System Revenue Bonds**” means collectively the Bonds and all other revenue bonds or other obligations which are payable out of, or secured by an interest in, the Net Revenues of the System.

“**United States Government Obligations**” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the same rating category as the United States of America or higher by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the City.

“**Valuation Date**” means the first business day of each fiscal year of the System.

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds. There is hereby authorized and directed to be issued a series of bonds of the City, designated “Sewerage System Refunding Revenue Bonds, Series 2019,” in the principal amount of \$9,805,000 (the “**Bonds**”), for the purpose of providing funds to refund the Series 2009 Bonds and pay the costs of issuing the Bonds.

Section 202. Description of Bonds. The Bonds shall consist of fully-registered bonds, numbered from 1 upward, in denominations of \$100,000 or any integral multiple of \$5,000 in excess

thereof. The Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be substantially in the form set forth in **Exhibit A** attached hereto and shall be subject to registration, transfer and exchange as provided in **Section 205** hereof. The Bonds shall be dated the date of original issuance and delivery thereof, shall become due on October 1, 2034 (subject to redemption prior to their Stated Maturity as provided in **Article III** hereof), and shall bear interest at the rate of ___% per annum (computed on the basis of a 360-day year of twelve 30-day months) from the dated date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 in each year, beginning on April 1, 2020.

Notwithstanding the foregoing, upon the occurrence of a Determination of Taxability the interest rate on the Bonds shall be adjusted to ___% (the “**Taxable Rate**”), and the Bonds shall thereafter bear interest at the Taxable Rate. Additionally, following a Determination of Taxability, the City agrees to pay to the Bondowners on demand (a) an amount equal to the difference between (1) the amount of interest that would have been paid to the Bondowners from the date of the original issuance of the Bonds to and including the date of the Determination of Taxability, had the Bonds borne interest at the Taxable Rate during such period, and (2) the amount of interest actually paid to the Bondowners during such period, and (b) an amount equal to any interest, penalties or charges owed by such Bondowners as a result of interest on the Bonds becoming included in the gross income of the Bondowners, together with any and all attorneys’ fees, court costs, or other out-of-pocket costs incurred by the Bondowners in connection therewith.

Notwithstanding the foregoing:

(1) if the City does not pay the principal (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) or interest on any of the Bonds within three Business Days after any Bond Payment Date, then the interest rate on the Bonds shall be adjusted to 5% above the rate then in effect (Taxable Rate or otherwise) (“**Default Rate**”), and the Bonds shall bear interest at the Default Rate until such principal or interest is paid; and

(2) if the City or the City Council or any of the officers, agents or employees thereof fail or refuse to comply with any of the provisions of this Ordinance, and such default continues for a period of 30 days after written notice specifying such default has been given to the City by the Registered Owner of the Bonds then Outstanding, then the interest rate on the Bonds shall be adjusted to the Default Rate, and the Bonds shall bear interest at the Default Rate until such default is cured.

Section 203. Designation of Paying Agent. The Finance Director is hereby designated as the paying agent for the payment of principal of and interest on the Bonds and as bond registrar with respect to the registration, transfer and exchange of Bonds (herein called the “Paying Agent”).

The City will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent by (1) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor, and (2) causing notice of the appointment of the successor Paying Agent to be given by first class mail to each Bondowner. The Paying Agent may resign upon giving written notice by first class mail to the City and the Bondowners not less than 60 days prior to the date such resignation is to take effect. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of the Paying Agent.

Every Paying Agent appointed hereunder shall at all times be either (1) the Finance Director or (2) a commercial banking association or corporation or trust company located in the State of Missouri organized and in good standing and doing business under the laws of the United States of America or of the State of Missouri and subject to supervision or examination by federal or state regulatory authority.

The Paying Agent shall be paid its fees and expenses for its services in connection herewith, which fees and expenses shall be paid as other Expenses are paid.

Section 204. Method and Place of Payment of Bonds. The principal or Redemption Price of and interest on the Bonds shall be payable in any coin or currency of the United States of America that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Bond shall be paid at Maturity by check, electronic transfer or draft to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the office of the Paying Agent. Notwithstanding anything contained herein to the contrary, the Bonds only need to be presented for payment upon final maturity or redemption in full.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (1) by check or draft mailed by the Paying Agent to such Registered Owner at the address shown on the Bond Register or (2) by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, address, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgement that an electronic transfer fee may be applicable.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Registered Owner of such Bond on the relevant Record Date and shall be payable to the Registered Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Registered Owner of a Bond entitled to such notice at the address of such Registered Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and shall, upon the written request of the City, at least annually forward a copy or summary of such records to the City.

Section 205. Registration, Transfer and Exchange of Bonds. The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of

the Paying Agent for the registration, transfer and exchange of Bonds as herein provided. Each Bond when issued shall be registered in the name of the owner thereof on the Bond Register.

The Bonds may be transferred in whole only, and the Lender agrees that it will only offer, sell, pledge, transfer or exchange any of the Bonds it purchases (1) in accordance with an available exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended, (2) in accordance with any applicable state securities laws, (3) to an institution that is an “accredited investor” as defined in Regulation D under the Securities Act of 1933 and/or a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933, and (4) in accordance with the provisions of this Ordinance. Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the office of the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner’s duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The City shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Ordinance and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market for the transfer of the Bonds, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

The City and the Paying Agent shall not be required (a) to register the transfer or exchange of any Bond after notice calling such Bond or portion thereof for redemption has been given or during the period of fifteen days next preceding the first mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

The City and the Paying Agent may deem and treat the Person in whose name any Bond is registered in the Bond Register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner’s order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Paying Agent, the Bond Register may be inspected and copied by the Registered Owners of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Registered Owners whose authority is evidenced to the satisfaction of the Paying Agent.

Section 206. Execution, Authentication and Delivery of Bonds. The Bonds, including any Bonds issued in exchange or as substitution for the Bonds initially delivered, shall be signed by the

manual or facsimile signature of the City Manager, attested by the manual or facsimile signature of the City Clerk, and shall have the official seal of the City affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The City Manager and City Clerk are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Paying Agent for authentication.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit A** attached hereto, which shall be manually executed by an authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. Upon authentication, the Paying Agent shall deliver the Bonds to or upon the order of the Lender upon payment of the Purchase Price to the City.

Section 207. Mutilated, Destroyed, Lost and Stolen Bonds. If (a) any mutilated Bond is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the City and the Paying Agent such security or indemnity as may be required by the Paying Agent, then, in the absence of notice to the City and the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Paying Agent, in its discretion may pay such Bond instead of delivering a new Bond.

Upon the issuance of any new Bond under this Section, the City or the Paying Agent may require the payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the City, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and shall file an executed counterpart of such certificate with the City.

Section 209. Sale of Bonds. The City hereby accepts the Lender’s proposal, attached as **Exhibit C** hereto, to purchase the Bonds, and the Mayor or the City Manager is authorized to execute the proposal. The City is authorized to sell the Bonds to the Lender at a purchase price of \$_____, plus accrued interest, if any, to the date of delivery. The Bonds shall be delivered to or upon the order of the Lender as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of sale. The City agrees to pay the Lender’s costs associated with the Lender’s purchase of the Bonds, as set forth in the proposal.

Section 210. Authorization of Escrow Agreement. The City is hereby authorized to enter into the Escrow Agreement in substantially the form attached to this Ordinance as **Exhibit B** and the City Manager and City Clerk are hereby authorized and directed to execute the Escrow Agreement with such changes therein as such officials may deem appropriate, for and on behalf of and as the act and deed of the City. The Escrow Agent is hereby authorized to carry out, on behalf of the City, the duties, terms and provisions of the Escrow Agreement, and the Escrow Agent, the Financial Advisor and Bond Counsel are authorized to take all necessary actions for the subscription and purchase of the Escrowed Securities described therein.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Optional and Mandatory Redemption of Bonds.

(a) *Optional Redemption.* At the option of the City, the Bonds or portions thereof maturing on October 1, 2028 and thereafter may be called for redemption and payment prior to their Stated Maturity on October 1, 2027 and thereafter in whole or in part at any time at the Redemption Price of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date.

(b) *Mandatory Redemption of Bonds.* The Bonds will be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments specified in **Section 602(b)** hereof that are to be deposited into the Debt Service Account shall be sufficient to redeem, and the City shall redeem on October 1 in each year, the following principal amounts of the Bonds:

<u>Year</u>	<u>Principal Amount</u>
2024	\$
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034 [†]	

[†] Final Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired, or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof, whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical. Each Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem the Bonds on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for the Bonds in chronological order, and the principal amount of the Bonds to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1) or (2) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish to the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1) and (2) are to be complied with, with respect to such mandatory redemption payment.

Section 302. Selection of Bonds to Be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 45 days prior to the Redemption Date of written instructions from the City specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. If any Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow agreement entered into by the City in connection with such refunding shall provide that such written instructions to the Paying Agent shall be given by the escrow agent on behalf of the City not less than 45 days prior to the Redemption Date. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** are met. The foregoing provisions of this paragraph shall not apply to the mandatory redemption of Bonds hereunder, and Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the City and whether or not the Paying Agent holds moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in inverse order of their Stated Maturity or mandatory Redemption Date.

(c) In the case of a partial redemption of Bonds at the time Outstanding in denominations greater than \$5,000, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the Redemption Price and interest to the Redemption Date of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only). Notwithstanding anything contained herein to the contrary, the Bonds only need to be presented for payment upon final maturity or redemption in full.

Section 303. Notice and Effect of Call for Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first class, registered or certified mail at least 10 Business Days prior to the Redemption Date to each Registered Owner of the Bonds to be redeemed at the address shown on the Bond Register.

All official notices of redemption shall be dated and shall contain the following information:

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Bonds are to be redeemed, the Stated Maturity, and, in the case of partial redemption of any Bonds, the respective principal amounts of the Bonds to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
- (e) the place where such Bonds are to be surrendered for payment of the Redemption Price.

The failure of any Registered Owner to receive notice given as heretofore provided or any defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been redeemed shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

ARTICLE IV

SECURITY FOR BONDS

Section 401. Security for Bonds. The Bonds shall be special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues of the System, and the City hereby pledges said Net Revenues to the payment of the principal of and interest on the Bonds. The Bonds shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, charter or statutory

provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest.

The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal Owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, Stated Maturity and right of redemption prior to Stated Maturity as provided in this Ordinance. The Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues of the System and in all other respects with any Parity Bonds. The Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over Parity Bonds and Parity Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Bonds.

ARTICLE V

CREATION AND RATIFICATION OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF BOND PROCEEDS

Section 501. Establishment of Funds and Accounts. There are hereby created or ratified and ordered to be established and maintained in the treasury of the City the following separate funds and accounts to be known respectively as the:

- (a) Costs of Issuance Fund.
- (b) Sewerage System Revenue Fund (the “Revenue Fund”).
- (c) Sewerage System Operation and Maintenance Account (the “Operation and Maintenance Account”).
- (d) Debt Service Account for the Bonds, in the Debt Service Fund.
- (e) Sewerage System Depreciation and Replacement Account (the “Depreciation and Replacement Account”).
- (f) Sewerage System Surplus Account (the “Surplus Account”).

The Escrow Agreement establishes the Escrow Fund to be held and administered by the Escrow Agent in accordance with the provisions of the Escrow Agreement. The investment and use of money in the Escrow Fund shall be governed by the provisions of the Escrow Agreement.

The funds and accounts referred to in paragraphs (a) through (f) of this Section shall be maintained and administered by the City solely for the purposes and in the manner as provided in the Act and in this Ordinance and in the Previously Issued Parity Ordinances so long as any of the Bonds or the Previously Issued Parity Bonds remain outstanding within the meaning of this Ordinance and said Previously Issued Parity Ordinances, respectively; provided that the Escrow Fund shall be held and administered by the Escrow Agent as provided in the Escrow Agreement.

The City acknowledges the creation and continuing existence of the reserve accounts, debt service accounts, principal accounts and interest accounts established under the Previously Issued Parity Ordinances.

Section 502. Deposit of Bond Proceeds and Other Moneys. The net proceeds received from the sale of the Bonds, including any premium or accrued interest thereon, plus other legally available money of the City, shall be deposited simultaneously with the delivery of the Bonds, as follows:

(a) Any accrued interest shall be paid and credited to the Debt Service Account and applied in accordance with **Section 602** hereof;

(b) \$_____ (consisting of proceeds of the Bonds in the amount of \$_____ and funds on deposit in the debt service reserve fund for the Series 2009 Bonds in the amount of \$937,988.92), shall be paid and transferred to the Escrow Agent for deposit in the Escrow Fund, to be applied in accordance with the Escrow Agreement; and

(c) the remaining balance of the proceeds of the Bonds (\$_____) shall be deposited in the Costs of Issuance Fund and shall be applied in accordance with **Section 503** hereof.

Section 503. Application of Moneys in the Costs of Issuance Fund. Money in the Costs of Issuance Fund shall be used solely for the purpose of paying the costs and expenses incident to the issuance of the Bonds, including, but not limited to, the fees of attorneys, financial consultants, accountants, rating agencies, printers and others employed to render professional services and other costs, fees and expenses incurred in connection with the issuance of the Bonds. Any moneys remaining in the Costs of Issuance Fund after March 1, 2020 shall be transferred to the Debt Service Account and applied as set forth in **Section 602**.

Section 504. Redemption of Series 2009 Bonds. The Series 2009 Bonds are hereby called for redemption and payment prior to maturity on the Series 2009 Redemption Date. The Series 2009 Bonds shall be redeemed at the principal payment office of The Bank of New York Mellon Trust Company, N.A., the paying agent for the Series 2009 Bonds, by the payment of the principal thereof, together with the redemption premium and accrued interest thereon to the Series 2009 Redemption Date. The officers of the City, the Escrow Agent and the paying agent for the Series 2009 Bonds are hereby authorized and directed to take such action as may be necessary in order to effect the redemption and payment of said Series 2009 Bonds as herein provided.

Section 505. Application of Money in the Escrow Fund. Under the Escrow Agreement, the Escrow Agent will apply money in the Escrow Fund to purchase the Escrowed Securities and to establish an initial cash balance, if necessary, in accordance with the Escrow Agreement. Except as otherwise provided in the Escrow Agreement, the cash and Escrowed Securities held in the Escrow Fund will be applied by the Escrow Agent solely to the payment of the principal and redemption price of the Series 2009 Bonds. All money deposited with the Escrow Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Series 2009 Ordinance and the Escrow Agreement.

ARTICLE VI

APPLICATION OF REVENUES

Section 601. Revenue Fund. The City covenants and agrees that from and after the delivery of the Bonds, and continuing as long as any of the Bonds remain Outstanding hereunder, all of the Revenues shall as and when received be paid and deposited into the Revenue Fund unless otherwise specifically provided by this Ordinance. Said Revenues shall be segregated and kept separate and apart from all other moneys, revenues, funds and accounts of the City and shall not be commingled with any other moneys, revenues, funds and accounts of the City. The Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in this Ordinance and the Parity Ordinances.

Section 602. Application of Moneys in Funds and Accounts. The City covenants and agrees that from and after the delivery of the Bonds and continuing so long as any of the Bonds shall remain Outstanding, it will administer and allocate all of the moneys then held in the Revenue Fund as follows:

(a) *Operation and Maintenance Account.* On the 1st day of each month, there shall be paid and credited to the Operation and Maintenance Account an amount sufficient to pay the estimated Expenses during the ensuing month. All amounts paid and credited to the Operation and Maintenance Account shall be expended and used by the City solely for the purpose of paying the Expenses of the System.

(b) *Debt Service Accounts.* On the 25th day of each month, there shall next be paid and credited to the Debt Service Account, to the extent necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Bonds, the following sums:

(1) Beginning on October 25, 2019 and continuing on the 25th day of each month thereafter to and including March 25, 2020, an equal *pro rata* portion of the amount of interest becoming due on the Bonds on April 1, 2020; and thereafter, beginning on April 25, 2020, and continuing on the 25th day of each month thereafter so long as the Bonds shall remain outstanding and unpaid, an amount not less than 1/6 of the amount of interest that will become due on the Bonds on the next succeeding Interest Payment Date; and

(2) Beginning on October 25, 2023 and continuing on the 25th day of each month thereafter so long as any of the respective series of the Bonds remain outstanding and unpaid, an amount not less than 1/12 of the amount of principal that will become due on the respective series of the Bonds on the next succeeding Maturity.

The amounts required to be paid and credited to the Debt Service Account pursuant to this Section shall be so paid at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service accounts established for the payment of principal and interest on Parity Bonds under the provisions of the Parity Ordinances.

If at any time the moneys in the Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Debt Service Account and to the debt service accounts established to pay the principal of and interest on any Parity Bonds, the available moneys in the Revenue Fund shall, unless otherwise directed by the Previously Issued Parity Ordinances, be divided among such debt service accounts in proportion to the respective principal

amounts of said series of bonds at the time outstanding which are payable from the moneys in said debt service accounts.

All amounts paid and credited to the Debt Service Account shall be expended and used by the City for the sole purpose of paying the interest on and principal of the Bonds as and when the same become due on each Bond Payment Date.

(c) *Depreciation and Replacement Account.* Certain deposits are required to be made into the Depreciation and Replacement Account under the ordinances authorizing the Previously Issued Parity Bonds. Except as hereinafter provided in **Section 603**, moneys in the Depreciation and Replacement Account shall be expended and used by the City, if no other funds are available therefor, solely for the purpose of making unusual or extraordinary replacements and repairs in and to the System as may be necessary to keep the System in good repair and working order and to assure the continued effective and efficient operation thereof, including replacing or repairing portions of the System or major items of any plant or equipment which either have been fully depreciated and are worn out or have become obsolete, inefficient or uneconomical. No moneys in said Account shall be used for the purpose of extending or enlarging the System.

(d) *Surplus Account.* After all payments and credits required at the time to be made under the provisions of the foregoing paragraphs of this Section have been made, all moneys remaining in the Revenue Fund shall be paid and credited to the Surplus Account. Moneys in the Surplus Account may be expended and used for the following purposes as determined by the Council of the City:

(1) Paying Expenses of the System to the extent that may be necessary after the application of the moneys held in the Operation and Maintenance Account under the provisions of paragraph (a) of this Section;

(2) Paying the cost of extending, enlarging or improving the System;

(3) Preventing default in, anticipating payments into or increasing the amounts in the debt service accounts or debt service reserve accounts for System Revenue Bonds or the Depreciation and Replacement Account, or any one of them, said payments made to prevent default to be made in the order prescribed in this **Section 602** of this Ordinance or in the applicable sections of ordinances authorizing additional System Revenue Bonds hereafter issued, or establishing or increasing the amount of any debt service account or debt service reserve account created by the City for the payment of any additional System Revenue Bonds; or

(4) Calling, redeeming and paying prior to Stated Maturity, or, at the option of the City, purchasing in the open market at the best price obtainable not exceeding the redemption price (if any bonds are callable), the Bonds or any other System Revenue Bonds, including principal, interest and redemption premium, if any; or

(5) Any other lawful purpose in connection with the operation of the System and benefitting the System.

So long as any of the Bonds remain Outstanding, no moneys derived from the operation of the System shall be diverted to the general governmental or municipal functions of the City.

(e) *Deficiency of Payments into Funds and Accounts.* If at any time the Revenues shall be insufficient to make any payment on the date or dates hereinbefore specified, the City will make good the amount of such deficiency by making additional payments or credits out of the first available Revenues thereafter received by the City, such payments and credits being made and applied in the order hereinbefore specified in this Section.

Section 603. Transfer of Funds to Paying Agent. The Finance Director or other authorized officer of the City is hereby authorized and directed to withdraw from the Debt Service Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Bonds, from the Surplus Account and the Depreciation and Replacement Account as provided in **Section 602** hereof, sums sufficient to pay the principal of and interest on the Bonds as and when the same become due on any Bond Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding each Bond Payment Date. If, through lapse of time, or otherwise, the Registered Owners of Bonds are no longer entitled to enforce payment of their obligations, it shall be the duty of the Paying Agent forthwith to return said funds to the City as provided in **Section 605** hereof. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance.

Section 604. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 605. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent, all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the City without liability for interest thereon the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money. Notwithstanding anything contained herein to the contrary, the Bonds only need to be presented for payment upon final maturity or redemption in full.

ARTICLE VII

DEPOSIT AND INVESTMENT OF MONEYS

Section 701. Deposit and Investment of Moneys.

(a) Except with respect to the Escrow Fund, moneys in each of the funds and accounts created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions located in the State of Missouri that are members of the Federal Deposit

Insurance Corporation. All such deposits shall be continuously and adequately secured by the banks or financial institutions holding such deposits as provided by the laws of the State of Missouri.

(b) Except with respect to the Escrow Fund, moneys held in any fund or account held in the custody of the City referred to in this Ordinance may be invested in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than the date when the moneys invested may be needed for the purpose for which such fund or account was created. All earnings on any investments held in any fund or account shall accrue to and become a part of such fund or account. In determining the amount held in any fund or account under any of the provisions of this Ordinance, obligations shall be valued at the lower of the cost or the market value thereof. If and when the amount held in any fund or account shall be in excess of the amount required by the provisions of this Ordinance, the City shall direct that such excess be paid and credited to the Revenue Fund.

(c) So long as any of the Previously Issued Parity Bonds remain outstanding and unpaid, any investments made pursuant to this Section shall be subject to any restrictions in the Previously Issued Parity Ordinances with respect to the funds and accounts created or ratified by and referred to in the Previously Issued Parity Ordinances.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

The City covenants and agrees with each of the Registered Owners of the Bonds that so long as any of the Bonds remain Outstanding it will comply with each of the following covenants:

Section 801. Efficient and Economical Operation. The City in accordance with and subject to applicable legal requirements will continuously own and will operate the System as a revenue-producing facility in an efficient and economical manner and will keep and maintain the same in good repair and working order. The City will establish and maintain such rules and regulations for the use of the System as may be necessary to assure maximum utilization and most efficient operation of the System.

Section 802. Rate Covenant. The City will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce Revenues sufficient to (a) pay the Expenses of the System, (b) pay the principal of and interest on the System Revenue Bonds as and when the same become due, and (c) provide reasonable and adequate reserves for the payment of the System Revenue Bonds and the interest thereon and for the protection and benefit of the System as provided in this Ordinance. The City further covenants and agrees that such rates and charges will be sufficient to enable the City to have in each Fiscal Year Net Revenues not less than an amount equal to the sum of (i) 110% of the Debt Service Requirements for such Fiscal Year, provided that interest on any System Revenue Bonds will be reduced by the Subsidy Payments, if any, and (ii) the amount then owed to the issuer of any Debt Service Reserve Account Surety Bond in connection with any amount drawn thereon or required to replenish any Outstanding Parity Bond Debt Service Reserve Account as required by the related Parity Ordinance. The City will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. The City will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues will be sufficient to cover the obligations of the City under this Section and otherwise under the provisions of this Ordinance. If for any two consecutive Fiscal Years Net Revenues are an amount less than as hereinbefore provided, the City

will immediately employ a Consultant to make recommendations with respect to such rates and charges. A copy of the Consultant's report and recommendations shall be filed with the City Clerk and with the Lender and shall be furnished to any Registered Owner of the Bonds requesting a copy of the same, at the cost of such Registered Owner. The City shall, to the extent feasible, follow the recommendations of the Consultant.

Section 803. Reasonable Charges for all Services. None of the facilities or services provided by the System will be furnished to any user (excepting the City itself) without a reasonable charge being made therefor. If the Revenues are at any time insufficient to pay the Expenses of the System and also to pay all interest on and principal of the Bonds as and when the same become due, then the City will thereafter pay into the Revenue Fund a fair and reasonable payment in accordance with effective applicable rates and charges for all use and services furnished to the City by the System, and such payments will continue so long as the same may be necessary in order to prevent or reduce the amount of any default in the payment of the interest on or principal of the Bonds.

Section 804. Corporate Existence. The City will maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities and duties of the City and is obligated by law to comply with the terms and provisions of this Ordinance without materially adversely affecting at any time the privileges and rights of any Owner of any Outstanding Bond.

Section 805. Restrictions on Mortgage or Sale of System. The City will not mortgage, pledge or otherwise encumber the System or any part thereof, nor will it sell, lease or otherwise dispose of the System or any material part thereof; provided, however, the City may:

(a) sell at fair market value any portion of the System which has been replaced by other similar property of at least equal value, or which shall cease to be necessary for the efficient operation of the System, and in the event of sale, the City will apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing redemption of Bonds in advance of Stated Maturity, or (2) replacement of the property so disposed of by other property the Revenues of which shall be incorporated into the System as hereinbefore provided;

(b) cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the City;

(c) lease, (1) as lessor, any real or personal property which is unused or unimproved, or which has become obsolete, nonproductive or otherwise unusable to the advantage of the City, or which is being acquired as a part of a lease/purchase financing for the acquisition and/or improvement of such property; and/or (2) as lessee, with an option of the City to purchase, any real or personal property for the extension and improvement of the System. Property being leased as lessor and/or lessee pursuant to this subparagraph (c) shall not be treated as part of the System for purposes of this **Section 805** and may be mortgaged, pledged or otherwise encumbered; or

(d) sell, lease or convey all or substantially all of the System to another entity or enter into a management contract with another entity, with the prior written consent of the Registered Owner (which will not be unreasonably withheld), if:

(1) The transferee entity is a political subdivision organized and existing under the laws of the State of Missouri, or instrumentality thereof, or an organization described in Section 501(c)(3) of the Code, and expressly assumes in writing the due and punctual payment of the principal of and premium, if any, and interest on all outstanding

System Revenue Bonds according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Ordinance;

(2) If there remains unpaid any System Revenue Bond which bears interest that is not includable in gross income under the Code, the City receives an opinion of Bond Counsel, in form and substance satisfactory to the City, to the effect that under then existing law the consummation of such sale, lease or conveyance, whether or not contemplated on any date of the delivery of such System Revenue Bond, would not cause the interest payable on such System Revenue Bond to become includable in gross income under the Code;

(3) The City receives a certificate of a Consultant which demonstrates and certifies that immediately upon such sale or conveyance the transferee entity will not, as a result thereof, be in default in the performance or observance of any covenant or agreement to be performed or observed by it under this Ordinance;

(4) Such transferee entity possesses such licenses to operate the System as may be required if it is to operate the System; and

(5) The City receives an opinion of Bond Counsel, in form and substance satisfactory to the City, as conclusive evidence that any such sale, lease or conveyance, and any such assumption, is permitted by law and complies with the provisions of this Section.

Section 806. Insurance. The City will carry and maintain insurance with respect to the System and its operations against casualties, contingencies and risks (including but not limited to property and casualty, fire and extended coverage insurance upon all of the properties forming a part of the System insofar as the same are of an insurable nature, public liability insurance, business interruption insurance and worker's compensation), such insurance to be of the character and coverage and in such amounts as would normally be carried by other municipalities or public entities engaged in similar activities of comparable size and similarly situated. In the event of loss or damage, the City, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or in paying the claims on account of which such proceeds were received, or if such reconstruction or replacement is unnecessary or impracticable, then the City will pay and deposit the proceeds of such insurance into the Revenue Fund. The cost of all insurance obtained pursuant to the requirements of this Section shall be paid as an Expense out of the Revenues.

Section 807. Books, Records and Accounts. The City will install and maintain proper books, records and accounts (entirely separate from all other records and accounts of the City) in which complete and correct entries will be made of all dealings and transactions of or in relation to the System. Such accounts shall show the amount of Revenues of the System, the application of such Revenues, and all financial transactions in connection therewith. Said books shall be kept by the City according to standard accounting practices as applicable to the operation of facilities comparable to the System.

Section 808. Annual Budget. Prior to the commencement of each Fiscal Year, the City will cause to be prepared a budget setting forth the estimated receipts and expenditures of the System for the next succeeding Fiscal Year (in substantially the same form as the budget for the current Fiscal Year or in such other form as is reasonably acceptable to the Lender). The Finance Director will, promptly following the Council's approval of the budget, mail a copy of said budget to the Lender if the budget is not posted on the City's website.

Section 809. Annual Audit. Annually, promptly after the end of the Fiscal Year, the City will cause an audit of the System to be made for the preceding Fiscal Year (in substantially the same form as the most recent audit or in such other form as is reasonably acceptable to the Lender) by an Accountant to be employed for that purpose and paid from the Revenues. Said annual audit shall cover in reasonable detail the operation of the System during such Fiscal Year.

Within 30 days after the completion of each such audit and not later than the March 31 following the end of the Fiscal Year to which the audit applies, a copy thereof shall be mailed to the Lender if the audit is not posted on the City's website. The audit shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any user of the services of the System, any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer, user or Registered Owner.

As soon as possible after the completion of the annual audit, the City Council shall review such audit, and if any audit discloses that proper provision has not been made for all of the requirements of this Ordinance, the City will promptly cure such deficiency and will promptly proceed to increase the rates and charges to be charged for the use and services furnished by the System as may be necessary to adequately provide for such requirements.

Upon request of the Lender, the City shall provide to the Lender any other information reasonably requested by the Lender.

Section 810. Right of Inspection. The Lender or any Registered Owner or Owners of 10% or more of the principal amount of the Bonds then Outstanding shall have the right at all reasonable times to inspect the System and all records, accounts and data relating thereto, and shall be furnished all such information concerning the System and the operation thereof which the Lender or such Registered Owner or Owners may reasonably request.

Section 811. Performance of Duties and Covenants. The City will faithfully and punctually perform all duties, covenants and obligations with respect to the operation of the System now or hereafter imposed upon the City by the Constitution and laws of the State of Missouri, the City's Charter and by the provisions of this Ordinance.

Section 812. Parity Bond Certification. The City hereby represents and covenants that the Bonds directed to be issued by this Ordinance are so issued in full compliance with the restrictions and conditions upon which the City may issue additional bonds payable out of the Net Revenues of the System and which stand on a parity with the Previously Issued Parity Bonds now outstanding, as set forth and contained in the Previously Issued Parity Ordinances, and that the Bonds herein directed to be issued are so issued in all respects on a parity and equality with the Previously Issued Parity Bonds now outstanding.

Section 813. Tax Covenants.

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from federal gross income of the interest on the Bonds and (2) it will not use or permit the use of any proceeds of Bonds or any other funds of the City, nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from federal gross income of the interest on the Bonds. The City will also pass such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future law in order to

ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The City covenants and agrees that (1) it will use the proceeds of the Bonds as soon as practicable for the purposes for which the Bonds are issued, and (2) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the City in any manner, or take or omit to take any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(c) The City covenants that it will pay or provide for the payment from time to time of all arbitrage rebate to the United States pursuant to Section 148(f) of the Code and the Federal Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds. The Federal Tax Certificate may be amended or replaced if, in the opinion of Bond Counsel, such amendment or replacement will not adversely affect the exclusion from federal gross income of the interest on the Bonds.

(d) The City covenants that it will not use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Bond to be a “private activity bond” within the meaning of Section 141 of the Code.

(e) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article XI** of this Ordinance or any other provision of this Ordinance, until the final Maturity and payment in full of all Bonds Outstanding.

(f) The City Manager and Finance Director are hereby authorized and directed to execute the Federal Tax Certificate with such changes therein as such officials deem appropriate, for and on behalf of and as the act and deed of the City. The City Council hereby approves the form of such Federal Tax Certificate on file with the City Clerk.

ARTICLE IX

ADDITIONAL BONDS AND OBLIGATIONS

Section 901. Senior Lien Bonds. The City covenants and agrees that so long as any of the Bonds remain Outstanding, the City will not issue any additional bonds or incur or assume any other debt obligations appearing as liabilities on the balance sheet of the System for the payment of moneys determined in accordance with generally accepted accounting principles consistently applied, including capital leases as defined by generally accepted accounting principles, payable out of the Net Revenues of the System or any part thereof which are superior to the Bonds.

Section 902. Parity Bonds and Other Obligations. The City covenants and agrees that so long as any of the Bonds remain Outstanding, it will not issue any additional bonds or other long-term obligations payable out of the Net Revenues of the System or any part thereof which stand on a parity or equality with the Bonds unless the following conditions are met:

(1) The City is not in default in the payment of principal or interest on the Bonds or any Parity Bonds or in making any deposit into the funds and accounts under this Ordinance or any Parity Ordinance; and

(2) The City provides a certificate showing either of the following:

(A) the average annual Net Revenues as set forth in the two most recent annual audits for Fiscal Years preceding the issuance of additional bonds, are at least equal to the sum of (i) 110% of the Average Annual Debt Service on the System Revenue Bonds, including the additional bonds proposed to be issued, to be paid out of the Net Revenues in all succeeding Fiscal Years (interest to be paid on any System Revenue Bonds will be reduced by Subsidy Payments, if any) and (ii) the amount then owed to the issuer of any Debt Service Reserve Account Surety Bond in connection with any amount drawn thereon. If the City has made any increase in rates for the use and services of the System and the increase has not been in effect during all of the two Fiscal Years for which annual audits are available, the City may add the additional Net Revenues which would have resulted if the rate increase had been in effect for the entire period to the audited Net Revenues, as certified by the Consultant; or

(B) The estimated average annual Net Revenues for the two Fiscal Years immediately following the issuance of the additional bonds or, if improvements are to be made to the System with the proceeds of the additional bonds, for the two Fiscal Years immediately following the Fiscal Year in which the improvements to the System being financed by the additional bonds are to be in commercial operation, as certified by the Consultant, is at least equal to the sum of (i) 110% of the Average Annual Debt Service on the System Revenue Bonds, including the additional bonds proposed to be issued, to be paid out of the Net Revenues in succeeding Fiscal Years following the commencement of commercial operation of the improvements (interest to be paid on any System Revenue Bonds will be reduced by Subsidy Payments, if any) and (ii) the amount then owed to the issuer of any Debt Service Reserve Account Surety Bond in connection with any amount drawn thereon. In determining the amount of estimated Net Revenues available for debt service for the purpose of this subsection, the Consultant may adjust the estimated net income and revenues by adding the estimated increase in Net Revenues resulting from any increase in rates for the use and services of the System approved by the City and to become effective during the two Fiscal Years immediately following the Fiscal Year in which the improvements to the System being financed by the additional bonds are to be in commercial operation; and

(C) the City complies with the provisions of any Parity Ordinances relating to the issuance of Parity Bonds; and

(D) if any amounts are past due and owing to the issuer of any Debt Service Reserve Account Surety Bond with respect to a draw thereon, the issuer of such Debt Service Reserve Account Surety Bonds shall have consented in writing to the issuance of such additional revenue bonds or other obligations on a parity with the Bonds.

Additional sewerage system revenue bonds of the City issued under the conditions set forth in this Section shall stand on a parity with the Bonds and shall enjoy complete equality of lien on and claim against the Net Revenues with the Bonds, and the City may make equal provision for paying said bonds and the interest thereon out of the Revenue Fund and may likewise provide for the creation of reasonable debt service accounts and debt service reserve accounts for the payment of such additional bonds and the interest thereon out of moneys in the Revenue Fund.

Section 903. Junior Lien Bonds and Other Obligations. Nothing in this Section contained shall prohibit or restrict the right of the City to issue additional revenue bonds or other revenue

obligations for any lawful purpose in connection with the operation of the System and to provide that the principal of and interest on said revenue bonds or obligations shall be payable out of the Net Revenues of the System, provided at the time of the issuance of such additional revenue bonds or obligations the City shall not be in default in the performance of any covenant or agreement contained in this Ordinance (unless such additional revenue bonds or obligations are being issued to provide funds to cure such default), and provided further that such additional revenue bonds or obligations shall be junior and subordinate to the Bonds so that if at any time the City shall be in default in paying either interest on or principal of the Bonds, or if the City shall be in default in making any payments required to be made by it under the provisions of paragraphs (a), (b), (c) and (d) of **Section 602** of this Ordinance, the City shall make no payments of either principal of or interest on said junior and subordinate revenue bonds or obligations until said default or defaults be cured. In the event of the issuance of any such junior and subordinate revenue bonds or obligations, the City, subject to the provisions aforesaid, may make provision for paying the principal of and interest on said revenue bonds or for paying said obligations out of moneys in the Revenue Fund.

Section 904. Refunding Bonds. The City may, without complying with the provisions of **Section 902** hereof, refund any of the Bonds under the provisions of any law then available, and the refunding bonds so issued shall enjoy complete equality of pledge with any of the Bonds that are not refunded, if any, upon the Net Revenues of the System; provided, however, that if only a portion of the Bonds are refunded and if said Bonds are refunded in such manner that the aggregate amount of principal and interest scheduled to become due on the refunding bonds in any fiscal year (taking into account scheduled mandatory redemptions) exceeds the aggregate amount of principal and interest scheduled to become due on the refunded bonds in said fiscal year (taking into account scheduled mandatory redemptions), then said Bonds may be refunded without complying with the provisions of **Section 902** hereof only by and with the written consent of the Registered Owners of a majority in principal amount of the Bonds not refunded.

ARTICLE X

DEFAULT AND REMEDIES

Section 1001. Acceleration of Maturity Upon Default. The City covenants and agrees that if it defaults in the payment of the principal of or interest on any of the Bonds as the same shall become due on any Bond Payment Date, or if the City or the City Council or any of the officers, agents or employees thereof fail or refuse to comply with any of the provisions of this Ordinance or of the constitution or statutes of the State of Missouri or the City's Charter, and such default continues for a period of 60 days after written notice specifying such default has been given to the City by the Registered Owner of any Bond then Outstanding, then, at any time thereafter and while such default continues, the Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding may, by written notice to the City filed in the office of the City Clerk or delivered in person to said City Clerk, declare the principal of all Bonds then Outstanding to be due and payable immediately, and upon any such declaration given as aforesaid, all of said Bonds shall become and be immediately due and payable, anything in this Ordinance or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if at any time after the principal of said Outstanding Bonds has been so declared to be due and payable, all arrears of interest upon all of said Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds has been paid in full and all other defaults, if any, by the City under the provisions of this Ordinance and under the provisions of the statutes of the State of Missouri have been cured, then and in every such case the Registered Owners of a majority in principal amount of the Bonds then Outstanding, by written notice to the City given as hereinbefore specified, may rescind and annul such declaration and its consequences,

but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

Section 1002. Other Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Registered Owners of the Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

- (a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Ordinance or by the constitution and laws of the State of Missouri;
- (b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and
- (c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

Section 1003. Limitation on Rights of Bondowners. No one or more Bondowners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

Section 1004. Remedies Cumulative. No remedy conferred herein upon the Bondowners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Registered Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of any Bondowner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the Bonds by this Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondowner, then, and in every such case, the City and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 1005. No Obligation to Levy Taxes. Nothing contained in this Ordinance shall be construed as imposing on the City any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Bonds.

ARTICLE XI

DEFEASANCE

Section 1101. Defeasance. When any or all of the Bonds or the interest payments thereon shall have been paid and discharged, then the requirements contained in this Ordinance and the pledge of Net Revenues made hereunder and all other rights granted hereby shall terminate with respect to the Bonds or interest payments so paid and discharged. Bonds or the interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Ordinance if there has been deposited with the Paying Agent or other commercial bank or trust company located in the State of Missouri and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned thereon, will be sufficient for the payment of the principal or Redemption Price of said Bonds, and/or interest to accrue on such Bonds to the Stated Maturity or Redemption Date, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds shall be redeemed prior to the Stated Maturity thereof, (1) the City shall have elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to redeem such Bonds in compliance with **Section 302(a)** of this Ordinance. Any moneys and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds or the interest payments thereon, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of such Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All moneys and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance.

To accomplish a defeasance of the principal of the Bonds or scheduled interest payments thereon when the City will rely on interest to be earned on any Defeasance Obligations deposited as described above, the City shall cause to be delivered a verification report of an independent recognized public accountant verifying the sufficiency of the amounts on deposit with the Paying Agent or other escrow agent to provide for payment in full of the Bonds as provided herein.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1201. Amendments. The rights and duties of the City and the Bondowners, and the terms and provisions of the Bonds or of this Ordinance, may be amended or modified at any time in any respect by ordinance of the City with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;

- (b) alter the optional Redemption Date of any Bond;
- (c) effect a reduction in the amount which the City is required to pay by way of principal of or interest on any Bond;
- (d) permit the creation of a lien on the Net Revenues of the System prior or equal to the lien of the Bonds or Parity Bonds;
- (e) permit preference or priority of any Bonds over any other Bonds; or
- (f) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Ordinance.

Any provision of the Bonds or of this Ordinance may, however, be amended or modified by Ordinance duly adopted by the City Council at any time in any respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Bondowners, the City may amend or supplement this Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the interests of the Bondowners.

Every amendment or modification of the provisions of the Bonds or of this Ordinance to which the written consent of the Bondowners is given, as above provided, shall be expressed in an ordinance passed by the City Council amending or supplementing the provisions of this Ordinance and shall be deemed to be a part of this Ordinance. Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the City Clerk a copy of the ordinance of the City herein provided for, duly certified, as well as proof of any required consent to such modification by the Registered Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification. A certified copy of every such amendatory or supplemental proceedings and a certified copy of this Ordinance shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental proceedings or of this Ordinance will be sent by the City Clerk to any such Bondowner or prospective Bondowner.

The City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Ordinance made hereunder which affects the duties or obligations of the Paying Agent under this Ordinance.

Section 1202. Notices, Consents and Other Instruments by Bondowners. Any notice, consent, request, direction, approval, objection or other instrument required by this Ordinance to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds (except for the assignment of ownership of a Bond as provided for in the form of Bond set forth in **Exhibit A**), if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Ordinance, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this Ordinance, except that, in determining whether the Bondowners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Bondowners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Bondowners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City.

Section 1203. Further Authority. The officers of the City, including the City Manager and City Clerk, shall be, and they hereby are, authorized and directed to execute all documents and take such actions as they may deem necessary or advisable to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 1204. Severability. If any section or other part of this Ordinance, whether large or small, shall for any reason be held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 1205. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 1206. Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be sent, received or stored by electronic means.

[Remainder of Page Intentionally Left Blank.]

Section 1207. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the Council.

PASSED this _____ day of _____, 2019.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor