



**Agenda of the Belton City Council
Work Session & Regular Meeting
February 25, 2020 – 6:00 p.m.
City Hall Annex
520 Main Street, Belton, Missouri
*Addendum***

- I. CALL WORK SESSION TO ORDER
- II. ITEMS FOR REVIEW AND DISCUSSION
 - A. FY2021 Budget Work Session
 1. General Capital Fund (page 29) Fund 014
 2. Public Safety Sales Tax Fund (page 28) Fund 012
 3. General Fund (pages 2-27) Fund 010
- III. ADJOURN WORK SESSION
- IV. CALL REGULAR MEETING TO ORDER
- V. PLEDGE OF ALLEGIANCE – Councilmember Savage
- VI. ROLL CALL
- VII. CONSENT AGENDA

One motion, non-debatable, to approve the " recommendations" noted. Any member of the Council may ask for an item to be taken from the consent agenda for discussion and separate action.

 - A. **Motion approving the minutes of the February 11, 2020, City Council Public Hearing, Work Session & Regular Meeting, and the minutes of the February 19, 2020 Work Session.**

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- B. **Motion authorizing the Mayor to sign IRS Form 8038-G to report the lease purchase agreement through Municipal Asset Management, Inc. for High Blue Wellness Center equipment including, but not limited to, treadmills, stretch trainers, and strength equipment by the Park Board in the amount of \$113,796.00.**

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- C. **Motion approving Resolution R2020-05**
A resolution authorizing the City of Belton, Missouri through its Police Department to renew the software subscription with Omnigo Software.

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- D. **Motion approving Resolution R2020-06**
A resolution reappointing Owen Buckley and Lynne Buckley to the Board of Directors of the Cedar Tree Community Improvement District.

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VIII. PERSONAL APPEARANCES

- IX. POLICE DEPARTMENT PRESENTATION OF 2019 DEPARTMENTAL AWARDS
Recess for Reception in Honor of Award Recipients

X. ORDINANCES

- A. Motion approving the final reading of Bill No. 2020-07
An ordinance of the City of Belton, Missouri amending Chapter 3 – Alcoholic Beverages, Chapter 15 – Offenses Involving Minors, and Appendix A – Schedule of Fees and Charges of the Code of Ordinances of the City of Belton, Missouri.
- B. Motion approving the first reading of Bill No. 2020-09
An ordinance approving the proposed Fiscal Year 2021 City Budget, as revised, and appropriating funds from the revenues of the City.

This ordinance approves the first reading to adopt the proposed Fiscal Year 2021 City Budget. The second reading is scheduled for March 10, 2020.

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- C. Motion approving both readings of Bill No. 2020-10
An ordinance authorizing the Chief of Police to submit for grant applications to the Missouri Department of Transportation (MoDOT) Division of Highway Safety for 2020-2021.

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D. Motion approving both readings of Bill No. 2020-11

An ordinance authorizing the City Manager to execute the final Missouri Highways and Transportation Commission Cost Share Agreement with the City of Belton, Missouri substantially similar to the draft agreement included as Exhibit A for the Belton Route 58 and Powell Road Multimodal Traffic Relief Project.

This agreement must be executed by the City prior to March 1, 2020, so it can be included in the Mid-America Regional Council's Transportation Improvement Program.

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E. *Motion approving both readings of Bill No. 2020-12

An ordinance authorizing the issuance of \$2,625,000 principal amount of Sewerage System Refunding Revenue Bonds, Series 2020, of the City of Belton, Missouri and certain other actions and documents.

This ordinance authorizes the City to issue revenue bonds to refund the 2010 Sewer Bonds. Bond yields have decreased and refunding these bonds and issuing new bonds is estimated to result in approximately \$500,000 of interest savings over the term of the bonds, and an estimated net present value benefit of approximately \$450,000. City Council passed the go-to-market resolution on January 14, 2020. A final version of this ordinance will be presented on Tuesday evening that has the final pricing details from the public sale that is occurring on Tuesday, February 25, 2020.

XI. RESOLUTIONS

XII. CITY COUNCIL LIAISON REPORTS

XIII. MAYOR'S COMMUNICATIONS

XIV. CITY MANAGER'S REPORT

March/April 2020 meetings

3/10 work session & regular meetings – 6:00 p.m.

3/24 work session & regular meetings – 6:00 p.m.

4/14 work session & regular meetings – 6:00 p.m.

4/28 work session & regular meetings – 6:00 p.m.

XV. OTHER BUSINESS

XVI. Motion to enter Executive Session to discuss matters pertaining to the leasing, purchase or sale of Real Estate, according to Missouri Statute 610.021.2; to discuss matters pertaining to Legal Actions, according to Missouri Statute 610.021.1; to discuss matters pertaining to negotiated contracts, according to Missouri Statute 610.021.12, and that the record be closed, and the meeting adjourned from there.

ORDINANCE NO. ____

OF

CITY OF BELTON, MISSOURI

PASSED FEBRUARY __, 2020

AUTHORIZING

\$2,625,000

**SEWERAGE SYSTEM REFUNDING REVENUE BONDS
SERIES 2020**

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AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$2,625,000 PRINCIPAL AMOUNT OF SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2020, OF THE CITY OF BELTON, MISSOURI AND CERTAIN OTHER ACTIONS AND DOCUMENTS.

WHEREAS, the City of Belton, Missouri (the “City”), is a constitutional charter city and political subdivision duly organized and existing under the laws of the State of Missouri, and pursuant to Chapter 250 of the Revised Statutes of Missouri, as amended (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 no bonds or other obligations outstanding payable from the Net Revenues (as hereinafter more fully defined) of the System save and except the following:

<u>Series of Bonds</u>	<u>Date of Bonds</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Taxable Sewerage System Revenue Bonds (Build America Bonds-Direct Pay), Series 2010B (the “Series 2010B Bonds”)	November 17, 2010	\$3,065,000	\$2,870,000
Sewerage System Revenue Bonds, Series 2015 (the “Series 2015 Bonds”)	June 3, 2015	\$13,977,000	\$12,119,000

WHEREAS, the City desires to issue its Sewerage System Refunding Revenue Bonds, Series 2020 (the “Bonds”) to current refund the outstanding Series 2010B Bonds shown above (the “Refunded Bonds”) and is authorized under the provisions of Section 108.140(2) and Chapter 250 of the Revised Statutes of Missouri, as amended (the “Refunding Law”), 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, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and its inhabitants that refunding revenue bonds be issued and secured in the form and manner as hereinafter provided to provide funds for the purpose described above.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BELTON, 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 Chapter 250 of the Revised Statutes of Missouri, as amended.

“Arbitrage Instructions” means the arbitrage investment and rebate instructions included in the City’s Federal Tax Certificate related to the Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

“Authorized Denominations” means \$5,000 or any integral multiple thereof.

“Average Annual Debt Service” means the average of the Debt Service Requirements as computed for the period of time for which calculated.

“Bond Counsel” means Gilmore & Bell, P.C., Kansas City, Missouri, or 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 of or interest on any Bond is payable at the Maturity thereof or on any Interest Payment Date.

“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 2020 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.

“Cede & Co.” means Cede & Co., as nominee name of The Depository Trust Company, New York, New York, or any successor nominee of the Securities Depository with respect to the Bonds.

“Certificate of Final Terms” means the certificate by that name relating to the Bonds and executed by the City and the Original Purchaser.

“City” means the City of Belton, 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 an independent firm having a favorable reputation for skill and experience in the construction, financing and operation of public utilities and the preparation of management studies and financial feasibility studies in connection therewith, selected by the City for the purpose of carrying out the duties imposed on the Consultant by this Ordinance.

“Costs of Issuance Account” means the account by that name referred to in **Section 501** hereof.

“Debt Service Account” means the account by that name referred to in **Section 501** hereof.

“Debt Service Requirements” means the aggregate principal payments (including any scheduled mandatory redemption requirements) and net interest or interest-like payments on all System Revenue Bonds (after taking into account any applicable Subsidy Payments) for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and net 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 qualified to do business in the State of Missouri and having full trust powers.

“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) Cash.
- (b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – “SLGS”).
- (c) Direct obligations of the Treasury which have been stripped by the Treasury itself.
- (d) The interest component of Resolution Funding Corporation (REFCORP) strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form.

- (e) Pre-refunded municipal bonds rated in the highest rating category by a nationally recognized rating service, pre-refunded with cash, direct U.S. obligations or obligations guaranteed by the U.S. as to full and timely payment.

"Escrow Agent" means UMB Bank, N.A., in Kansas City, Missouri, and any successors or assigns.

"Escrow Agreement" means the Escrow Letter of Instructions from the City to the Escrow Agent.

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

"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 or other borrowed money and depreciation, amortization or other noncash charges during the period of determination), determined in accordance with accounting principles generally accepted in the United States of America, 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, properly allocable reimbursement to the City's General Fund for general administrative expenses applicable to the System, the cost of purchased water, gas and power, if any, obligations (other than for borrowed money or for rents payable under financing 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 obligations 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 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.

"Insurance Consultant" means an individual or firm selected by the City qualified to survey risks and to recommend insurance coverage for entities engaged in operations similar to those of the System and having a favorable reputation for skill and experience in making such surveys and recommendations.

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

"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 optional or mandatory redemption or otherwise.

"Net Revenues" means, for the period of determination, all Revenues less all Expenses.

"Operation and Maintenance Account" means the account by that name referred to in **Section 501** hereof.

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

“Original Purchaser” means [PURCHASER], the original purchasers of the Bonds selected by the City.

“Outstanding,” 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.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Parity Bonds” means 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, so long as any such bonds or obligations remain outstanding and unpaid or until provision is made for the payment and defeasance of such bonds or obligations.

“Parity Ordinances” means the ordinance or ordinances under which any additional Parity Bonds are hereafter issued pursuant to **Section 902** hereof, so long as such Parity Bonds remain outstanding and unpaid or until provision is made for the payment and defeasance of such bonds or obligations.

“Paying Agent” means UMB Bank, N.A., Kansas City, Missouri, in its capacity as paying agent and bond registrar hereunder and any successors and assigns.

“Permitted Investments” means any of the following securities and obligations, if and to the extent the same are at the time legal for investment of the City’s moneys held in the funds and accounts referred to in **Section 501** hereof:

(a) United States Government Obligations;

(b) bonds, notes or other obligations of the State of Missouri, or any political subdivision of the State of Missouri, that at the time of their purchase are rated in

either of the two highest rating categories by a nationally recognized rating service;

- (c) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, or other financial institution organized under the laws of the United States or any state, that are continuously and fully secured by any one or more of the securities described in clause (a), (b) or (d) and have a market value at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account for the benefit of the City;
- (d) obligations of Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks and Farm Service Agency;
- (e) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities or obligations as are described above in Section 30.270 of the Revised Statutes of Missouri, as amended, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit or time deposits; and
- (f) any other securities or investments that are lawful for the investment of 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.

“Purchase Price” means the principal amount of the Bonds plus any accrued interest to the delivery date and plus any premium or less any discount as set forth in the bid of the Original Purchaser.

“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.

“Refunded Bonds” means all of the outstanding Series 2010B Bonds.

“Refunding Law” means Section 108.140(2) and Chapter 250 of the Revised Statutes of Missouri, as amended.

“Replacement Bonds” means Bonds issued to the beneficial owners of the Bonds in accordance with **Section 209(b)** hereof.

“Securities Depository” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

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

“Revenues” means all income and revenues derived from the operation of the System determined in accordance with accounting principles generally accepted in the United States of America, including investment and rental income, net proceeds from business interruption insurance, moneys appropriated on an annual basis for deposit in the Revenue Fund or which are limited solely to the payment of debt service on System Revenue Bonds or Expenses of the System and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on System Revenue Bonds, but excluding (a) 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 or any reappraisal, revaluation or write-down of assets, and any other extraordinary or non-recurring gains or losses, (b) unrealized gains or losses, or (c) insurance (other than business interruption) and condemnation proceeds.

“Series 2010B Bonds” means the City’s Taxable Sewerage System Revenue Bonds (Build America Bonds-Direct Pay), Series 2010B.

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

“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 by the City that either (1) must be used, or (2) have been and are expected to continue to be used, to reduce the interest or principal payments on System Revenue Bonds. Such Subsidy Payments would include but are not limited to (a) payments received by the City through a federal or State of Missouri program, or (b) payments related to an interest rate swap, exchange, hedge or similar agreement.

“Surplus Account” means the account by that name referred to in **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, the Parity 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, and such obligations are held in a custodial or trust account for the benefit of the City.

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 2020,” in a principal amount of \$2,625,000 (the “Bonds”), for the purpose of providing funds to refund the Refunded Bonds and to pay the incidental costs of issuing the Bonds and of refunding the Refunded Bonds.

Section 202. Description of Bonds. The Bonds shall consist of fully registered bonds without coupons, numbered from 1 consecutively upward in order of delivery, in Authorized Denominations. 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 their date of delivery, shall be due and payable on the dates and in the amounts (subject to redemption as provided in **Article III** hereof), and shall bear interest at the rates per annum, as follows:

Serial Bonds

Stated Maturity <u>January 1</u>	Principal <u>Amount</u>	Annual Rate <u>of Interest</u>
2021	\$135,000	___.00%
2022	115,000	___.00
2023	120,000	___.00
2024	130,000	___.00
2025	135,000	___.00
2026	140,000	___.00
2027	155,000	___.00
2028	165,000	___.00
2029	170,000	___.00
2030	175,000	___.00
2031	180,000	___.00
2032	185,000	___.00
2033	195,000	___.00
2034	205,000	___.00
2035	205,000	___.00
2036	215,000	___.00

The Bonds shall bear interest at the above-specified rate (computed based on the basis of a 360-day year of 12 30-day months) from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, such interest being payable semiannually on January 1 and July 1 in each year, beginning on July 1, 2020.

Section 203. Designation of Paying Agent. UMB Bank, N.A. is hereby designated as the City’s 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 successor Paying Agent appointed hereunder shall at all times be a commercial banking association or corporation or trust company qualified to do business in 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, authorized under such laws to exercise trust powers and subject to supervision or examination by federal or state regulatory authority and has a reported capital and surplus of not less than \$25,000,000.

The Paying Agent shall be paid fees and expenses for its services in connection therewith, 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 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 payment office of the Paying Agent.

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 by (a) check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register, or (b) in the case of an interest payment to (i) the Securities Depository, or (ii) any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner given to the Paying Agent by such Registered Owner, not less than 5 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Registered Owner wishes to have such transfer directed.

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 that 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 at least annually, upon the written request of the City, 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.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the payment 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 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, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. In the event 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. Each of 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 Mayor, 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 shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor 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 officer or employee 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 Original Purchaser of the Bonds upon payment of the purchase price thereof 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 or 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 issuing a new Bond.

Upon the issuance of any new Bond under this Section, the City and 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 and applicable record retention laws. The Paying Agent shall execute a certificate describing the Bonds so cancelled and shall file an executed counterpart of such certificate with the City.

Section 209. Book-Entry Bonds; Securities Depository.

(a) The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interest in the Bonds, except in the event the Paying Agent issues Replacement Bonds as provided in subsection (b) hereof. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Paying Agent authenticates and delivers Replacement Bonds to the beneficial owners as described in subsection (b).

(b) (1) If the City determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (C) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Bonds, or (2) if the Paying Agent receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Bonds, then the Paying Agent, in accordance with the operational arrangements of the Securities Depository, shall notify the Bondowners of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Paying Agent shall register in the name of and authenticate and deliver Replacement Bonds to the beneficial owners or their

nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (1)(A) or (1)(B) of this subsection (b), the City, with the consent of the Paying Agent, may select a successor securities depository in accordance with **Section 209(c)** hereof to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository or its nominee is the registered owner of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Paying Agent, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the City, the Paying Agent or Bondowners are unable to locate a qualified successor of the Securities Depository in accordance with **Section 209(c)** hereof, then the Paying Agent shall authenticate and cause delivery of Replacement Bonds to Bondowners, as provided herein. The Paying Agent may rely on information from the Securities Depository and its Participants as to the names of, addresses for and principal amounts held by the beneficial owners of the Bonds. The cost of mailing notices, printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the City.

(c) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the City may appoint a successor Securities Depository provided the Paying Agent receives written evidence satisfactory to the Paying Agent with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository that is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Paying Agent upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 210. Preliminary Official Statement and Final Official Statement. The Preliminary Official Statement, in the form on file with the City and attached hereto as **Exhibit B**, is hereby ratified and approved and the Final Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transactions related to the issuance of the Bonds. The Mayor is hereby authorized to execute the Final Official Statement as so supplemented, amended and completed, and the use and public distribution of the Final Official Statement by the Original Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Final Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

For the purpose of enabling the Original Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the information regarding the City contained in the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the

appropriate officers of the City are hereby authorized, if requested, to provide the Original Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Original Purchaser to comply with the requirement of such rule.

The City agrees to provide to the Original Purchaser within seven business days of the date of the sale of Bonds sufficient copies of the Final Official Statement to enable the Original Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 211. Sale of Bonds. The Bonds shall be sold at public sale to the Original Purchaser at a price of \$ _____ (the principal amount of the Bonds plus net original issue premium of \$ _____ less the underwriter's discount of \$ _____). The Bonds shall be sold to the Original Purchaser at the Purchase Price set forth in the winning bid, as such Purchase Price may be adjusted in connection with issue sizing adjustments made in accordance with the terms of the Notice of Sale. The Mayor is authorized to accept the Original Purchaser's winning bid and to execute a Certificate of Final Terms for and on behalf of and as the act and deed of the City, such officer's signature thereon being conclusive evidence of such official's and the City's approval thereof. Delivery of the Bonds shall be made to the Original Purchaser as soon as practicable after the adoption of this Ordinance and the acceptance of the Original Purchaser's bid, upon payment therefor in accordance with the terms of sale.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Optional Redemption of Bonds. At the option of the City, the Bonds may be called for redemption and payment prior to the Stated Maturity in whole or in part at any time on or after January 1, 2027, at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

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 35 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 more than 90 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 shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in Authorized Denominations. Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in Authorized Denominations by lot or in such other equitable manner as the Paying Agent may determine.

(c) In the case of a partial redemption of Bonds at the time Outstanding in denominations greater than an Authorized Denomination, then for all purposes in connection with such redemption each unit of face value representing an Authorized Denomination may be treated as though it were a separate Bond. If it is determined that one or more, but not all, of such units of face value are selected for redemption, then upon notice of intention to redeem such unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall be deemed to have presented and surrendered such Bond to the Paying Agent (1) for payment of the Redemption Price and interest to the Redemption Date of such 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 unit or units of face value called for redemption (and to that extent only).

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 mail at least 20 days prior to the Redemption Date to the Original Purchaser of the Bonds and 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 of a maturity are to be redeemed, the identification (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, which shall be the principal corporate office of the Paying Agent.

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.

The Paying Agent is also directed to comply with any mandatory standards established by the Securities and Exchange Commission and then in effect for processing redemptions of municipal securities. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Paying Agent, the Securities Depository, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

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, after providing for the costs of operation and maintenance thereof, including operating income, investment income, gifts, bequests, contributions, grants and other moneys made available to the City with respect to the System from sources other than funds raised by taxation. 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 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 AND OTHER MONEYS

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) Sewerage System Revenue Fund (the "Revenue Fund").
- (b) Sewerage System Operation and Maintenance Account (the "Operation and Maintenance Account").
- (c) Debt Service Account for Sewerage System Refunding Revenue Bonds, Series 2020 (the "Debt Service Account").
- (d) Sewerage System Surplus Account (the "Surplus Account").
- (e) Costs of Issuance Account for Sewerage System Refunding Revenue Bonds, Series 2020 (the "Costs of Issuance Account").

The funds and accounts referred to in paragraphs (a) through (e) 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 Parity Ordinances so long as any of the Bonds or the Parity Bonds remain outstanding within the meaning of this Ordinance and said Parity Ordinances, respectively.

In addition to the funds described above, 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.

Section 502. Deposit of Bond Proceeds and Other Moneys. The net proceeds received from the sale of the Bonds and certain other moneys of the City shall be deposited simultaneously with the delivery of the Bonds, as follows:

(a) From proceeds of the Bonds and from other sources available to the City, the amount sufficient to provide for the defeasance and refunding of the Refunded Bonds shall be paid and transferred to the Escrow Agent for deposit in the Escrow Fund, to be applied in accordance with **Section 503** hereof.

(b) The remaining balance from the proceeds of the Bonds shall be deposited in the Costs of Issuance Account and used to pay the costs of issuing the Bonds and the incidental costs associated with the refunding of the Refunded Bonds. Any amount remaining in the Costs of Issuance Account on June 1, 2020, shall be transferred to the Debt Service Account.

Section 503. Redemption of Refunded Bonds. The Refunded Bonds are hereby called for redemption and payment as soon as practical. The Refunded Bonds shall be redeemed at the office of the paying agent for said bonds, on the redemption date by the payment of the principal thereof, together with the redemption premium and accrued interest thereon to the redemption date. In accordance with the requirements of the ordinance authorizing the Refunded Bonds, the City Clerk is hereby directed to cause notice of the call for redemption and payment of the Refunded Bonds to be given in the manner provided in such ordinance. The officers of the City and the paying agent for said bonds are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of the Refunded Bonds as herein provided.

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 and the Parity Ordinances. 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 on the first day of each month administer and allocate all of the moneys then held in the Revenue Fund as follows:

(a) **Operation and Maintenance Account.** There shall first 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 Account.** 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) On April 1, 2020 and continuing on the first day of each month thereafter so long as any of the Bonds shall remain outstanding and unpaid, an amount not less than an equal prorate portion of the amount of interest that will become due on the Bonds on the next succeeding Interest Payment Date; and

(2) On April 1, 2020 and continuing on the first day of each month thereafter, to and including December 1, 2020, an equal pro rata portion of the amount of principal becoming due on the Bonds on January 1, 2021; and thereafter, beginning on January 1, 2021, and continuing on the first day of each month thereafter so long as any of the Bonds shall remain outstanding and unpaid an amount equal to not less than 1/12 of the amount of principal becoming due on the Bonds on the next succeeding Maturity Date.

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.

Any amounts deposited in the Debt Service Account as accrued interest in accordance with **Section 502** hereof shall be credited against the City's payment obligations as set forth in subsection (b)(1) of this Section.

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 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) **Surplus Account.** After all payments and credits required at the time to be made under the provisions of the foregoing paragraphs of this Section and the applicable provisions of the Parity Ordinances (including payments to any debt service reserve accounts and any depreciation or replacement accounts) relating to any outstanding Parity Bonds 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 City 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 any depreciation and replacement accounts, 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 benefiting 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.

(d) **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 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, 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 shall no longer be entitled to enforce payment of their obligations, it shall be the duty of the Paying Agent forthwith to return said funds to the City. 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. In the event any Bond shall not be presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond shall 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 the funds (without liability for interest thereon) 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.

ARTICLE VII

DEPOSIT AND INVESTMENT OF MONEYS

Section 701. Deposit and Investments of Moneys.

(a) 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 qualified to do business in 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) Moneys held in any fund or account 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 least annually 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 Parity Bonds remain outstanding and unpaid, any investments made pursuant to this Section shall be subject to any restrictions in the Parity Ordinances with respect to the funds and accounts created or ratified by and referred to in the 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 will continuously own and will operate the System as a revenue producing System 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 in accordance with and subject to applicable legal requirements 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 net interest or interest-like payments on the Bonds as and when the same become due; and (c) provide reasonable and adequate reserves for the payment of the 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 110% of the Debt Service Requirements for such fiscal year. 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 in any fiscal year 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 the Original Purchaser of the Bonds 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 reasonable 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 or any of its departments 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 shall have 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 if:

(1) The transferee entity or management company 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 and all Parity Ordinances;

(2) If there remains unpaid any System Revenue Bonds 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, or delivery of the management agreement, 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 Bonds to become includable in gross income under the Code;

(3) The City receives a certificate of the Consultant which demonstrates and certifies that immediately upon such sale or conveyance, or the delivery of the management agreement, 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 or any Parity Ordinance;

(4) Such transferee entity or management company 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, conveyance or management agreement, 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, worker's compensation and employee dishonesty insurance), such insurance to be of the character and coverage and in such amounts as would normally be carried by other enterprises 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 City will annually review the insurance it maintains with respect to the System to determine that it is customary and adequate to protect its property and operations. The City may elect to be self-

insured for all or any part of the foregoing requirements if (i) the City annually obtains a written evaluation with respect to such self-insurance program from an Insurance Consultant, (ii) the evaluation is to the effect that the self-insurance program is actuarially sound, and (iii) unless the evaluation states that such reserves are not necessary, the City deposits and maintains adequate reserves for the self-insurance program with a corporate trustee, who may be the Paying Agent. The City shall pay any fees and expenses of such Insurance Consultant in connection therewith. The cost of all insurance obtained pursuant to the requirements of this Section shall be paid as an Expense out of the Revenues of the System.

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 and filed with the City Clerk a budget setting forth the estimated receipts and expenditures of the System for the next succeeding fiscal year. The City Clerk, promptly upon the filing of said budget in the City Clerk's office, will mail a copy of said budget to the Original Purchaser of the Bonds.

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 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, a copy thereof shall be filed in the office of the City Clerk, and a duplicate copy of the audit shall be submitted to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access system. Such audits shall at all times during the usual business hours be open to the examination and inspection by any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such Registered Owner.

As soon as possible after the completion of the annual audit, the governing body of the City shall review such audit, and if any audit shall disclose 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.

Section 810. Right of Inspection. The Original Purchaser of the Bonds or any Registered Owner or Owners of 10% 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 (except customer information that is confidential), and shall be furnished all such information concerning the System and the operation thereof which the Original Purchaser 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 and by the provisions of this Ordinance.

Section 812. 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 comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds, (2) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued, and (3) 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 and agrees that it will pay or provide for the payment from time to time of all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any Treasury Regulations applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds. The City specifically covenants to pay or cause to be paid to the United States, the required amounts of rebatable arbitrage at the times and in the amounts as determined by the Arbitrage Instructions. Notwithstanding anything to the contrary contained herein, the Arbitrage Instructions may be amended or replaced if, in the opinion of counsel nationally recognized on the subject of municipal bonds, such amendment or replacement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(d) The City covenants and agrees that (to the extent within its power or direction) 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."

(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 of all Bonds Outstanding.

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 accounting principles generally accepted in the United States of America, consistently applied, including capital leases as defined by accounting principles generally accepted in the United States of America, 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 ("Parity Bonds") unless the following conditions are met:

(a) The City shall not be in default in the payment of principal of or interest on any Bonds or any System Revenue Bonds at the time outstanding or in making any payment at the time required to be made into the respective funds and accounts created by and referred to in this Ordinance or any Parity Ordinance for Parity Bonds at the time outstanding (unless such additional revenue bonds or obligations are being issued to provide funds to cure such default); and

(b) The City shall obtain any of the following:

(1) A certificate of an authorized official of the City to the effect that the Net Revenues derived by the City from the operation of the System as set forth in the most recent fiscal year preceding the issuance of additional bonds for which an audit is available, shall have been equal to at least 110% of the Average Annual Debt Service required to be paid out of said Net Revenues in succeeding fiscal years on account of both principal (at maturity or upon mandatory redemption) and net interest or interest-like payments becoming due with respect to all System Revenue Bonds of the City, including the additional bonds proposed to be issued. In determining the Net Revenues for the purpose of this subsection, the City may adjust said Net Revenues by adding thereto, in the event the City shall have made any increase in rates for the use and services of the System and such increase shall not have been in effect during all of the fiscal year immediately preceding the issuance of additional bonds, the amount of the additional Net Revenues which would have resulted from the operation of the System during said preceding fiscal year had such rate increase been in effect for the entire period; or

(2) A report of a Consultant to the effect that the estimated Net Revenues derived by the City from the operation of the System for the fiscal

year immediately following the issuance of the additional bonds, or if improvements to the System are being financed by such additional bonds, the fiscal year immediately following the fiscal year in which the improvements to the System, the cost of which is being financed by such additional bonds, are to be in commercial operation, as certified by a Consultant, shall be equal to at least 110% of the Average Annual Debt Service required to be paid out of said Net Revenues in succeeding fiscal year following such commercial operation on account of both principal (at maturity or upon mandatory redemption) and net interest or interest like payments becoming due with respect to all System Revenue Bonds of the City, including the additional bonds proposed to be issued. In determining the amount of estimated Net Revenues for the purpose of this subsection, a Consultant may adjust said estimated Net Revenues by adding thereto any estimated increase in Net Revenues resulting from any increase in rates for the use and services of the System which have been approved by the City.

Additional bonds or obligations 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 or obligations 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 or obligations and the interest thereon out of moneys in the Revenue Fund.

Section 903. Junior Lien Bonds and Other Obligations. Nothing in this Article 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 or any other ordinance relating to System Revenue Bonds (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) or (b) 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 shall have the right, without complying with the provisions of **Section 902** hereof, to refund any of the Bonds or any Parity Bonds under the provisions of any law then available in a manner which provides present value debt service

savings, and the refunding bonds so issued shall enjoy complete equality of pledge with any of the Bonds or the Parity Bonds which are not refunded, if any, upon the revenues of the System.

ARTICLE X

DEFAULT AND REMEDIES

Section 1001. Acceleration of Maturity Upon Default. The City covenants and agrees that (i) if it defaults in the payment of the principal of or interest on any of the Bonds as the same become due on any Bond Payment Date, (ii) if the City or its governing body 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 and such default continues for a period of 30 days after written notice specifying such default has been given to the City by the Paying Agent or the Registered Owner of any Bond then Outstanding, or (iii) any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the City, and if instituted against the City, is consented to by the City or is not dismissed within 60 days, then, at any time thereafter and while such default continues, the Registered Owners of 25% in 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 among 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 qualified to do business in 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 **Article III** 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.

In the event funds are deposited with the Paying Agent or other commercial bank or trust company more than 90 days prior to the maturity or redemption date of the Bonds, the City shall cause to be delivered a verification report of an 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) effect a reduction in the amount which the City is required to pay by way of principal of or interest on any Bond;

(c) 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;

(d) permit preference or priority of any Bonds over any other Bonds; or

(e) 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 governing body of the City 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 the 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 governing body of the City 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, other than the assignment of ownership of a Bond, 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 registered in the name of 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 Mayor 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 in order 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 constructed in accordance with the applicable laws of the State of Missouri.

Section 1206. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the City Council and approval by the Mayor.

Section 1207. Electronic Transaction. The transaction described herein may be conducted and related documents may be received, delivered or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

READ FOR THE FIRST TIME: February 25, 2020

READ FOR THE SECOND TIME AND PASSED:

Mayor Jeff Davis

Approved this ____ day of _____, 2020.

Mayor Jeff Davis

ATTEST:

Andrea Cunningham, City Clerk
of the City of Belton, Missouri

Approved as to form:

E. Sid Douglas III, Bond Counsel

STATE OF MISSOURI)
CITY OF BELTON) ss.
COUNTY OF CASS)

I, Andrea Cunningham, City Clerk, do hereby certify that I have been duly appointed City Clerk of the City of Belton, Missouri, and that the foregoing ordinance was regularly introduced for first reading at a meeting of the City Council held on the ____ day of February, 2020, and thereafter adopted as Ordinance No. 2020-_____ of the City of Belton, Missouri, at a meeting of the City Council held on the ____ day of February, 2020, after the second reading thereof by the following vote, to wit:

AYES: COUNCILMEN:
NOES: COUNCILMEN:
ABSENT: COUNCILMEN:

Andrea Cunningham, City Clerk
of the City of Belton, Missouri

**EXHIBIT A
TO ORDINANCE**

FORM OF BOND

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**Registered
No. _____**

**Registered
\$ _____**

CITY OF BELTON, MISSOURI

**SEWERAGE SYSTEM REFUNDING REVENUE BOND
SERIES 2020**

Interest Rate

Maturity Date

Dated Date

REGISTERED OWNER:

PRINCIPAL AMOUNT:

CITY OF BELTON, MISSOURI, a constitutional charter city and a political subdivision of the State of Missouri (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon, but solely from the source and in the manner herein specified, at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date shown above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on January 1 and July 1 in each year, beginning on July 1, 2020, until said Principal Amount has been paid.

The principal or Redemption Price of this Bond shall be paid at maturity or upon earlier redemption by check or draft to the Person in whose name this Bond is registered on the Bond Register at the Maturity or Redemption Date thereof, upon presentation and surrender of this Bond at the payment office of **UMB Bank, N.A.** (the "Paying Agent"). The interest payable on this Bond on any Interest Payment Date shall be paid to the Person in whose name this Bond is registered on the registration books maintained by the Paying Agent at the close of business on the Record Date for such interest, which shall be the 15th day (whether or not a Business Day) of the calendar month next preceding the Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the

Bond Register or (b) in the case of an interest payment to the Securities Depository or any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Owner, not less than 5 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Registered Owner wishes to have such transfer directed. The principal or Redemption Price of and interest on the Bonds shall be payable by check or draft in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

This Bond is one of a duly authorized series of bonds of the City designated "Sewerage System Refunding Revenue Bonds, Series 2020," in the aggregate principal amount of \$2,625,000 (the "Bonds"), issued by the City for the purpose of refunding the Refunded Bonds and paying the incidental costs of issuing the Bonds and refunding the Refunded Bonds, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly Section 108.140 and Chapter 250, RSMo, and pursuant to an ordinance duly passed by the City Council of the City (herein called the "Ordinance"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Ordinance.

The Bonds are issuable in the form of fully registered Bonds without coupons in the denomination of **\$5,000** or any integral multiple thereof.

At the option of the City, the Bonds may be called for redemption and payment prior to maturity in whole or in part on any date on or after January 1, 2027, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Bonds shall be redeemed only in Authorized Denominations in the manner provided in the Ordinance. Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in Authorized Denominations by lot or in such other equitable manner as the Paying Agent may determine.

Notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by first class mail at least 20 days prior to the Redemption Date, to the original purchaser of the Bonds and to each Registered Owner of each of the Bonds to be redeemed at the address shown on the Bond Register. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City defaults in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One Bond certificate with respect to each date on which the Bonds are stated to mature or with respect to each form of Bonds, registered in the nominee name of the Securities Depository, is being issued. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants,

beneficial ownership of the Bonds in authorized denominations pursuant to the Ordinance being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The City and the Paying Agent will recognize the Securities Depository nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting. Transfer of payments to participants of the Securities Depository, and transfer of payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The City and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments on this Bond shall be made in accordance with existing arrangements among the City, the Paying Agent and the Securities Depository.

EXCEPT AS OTHERWISE PROVIDED IN THE ORDINANCE, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

This Bond may be transferred or exchanged, as provided in the Ordinance, only on the Bond Register kept for that purpose at the payment office of the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance and upon payment of the charges therein prescribed. The City and the Paying Agent may deem and treat the Person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payments due hereon and for all other purposes.

The Bonds are 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 taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest. 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, statutory or charter provision, limitation or restriction. 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 income and revenues derived from the operation 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 income and revenues or otherwise over the Parity Bonds and the Parity Bonds shall not have any priority with respect to the payment of principal or interest from said net income and revenues or otherwise over the Bonds. Under the conditions set forth in the Ordinance, the City has the right to issue additional parity bonds and other obligations payable from and secured by the Net Revenues; provided, however, that such additional bonds may be so issued only in accordance

with and subject to the covenants, conditions and restrictions relating thereto set forth in the Ordinance.

The City hereby covenants and agrees with the Registered Owner of this Bond that it will keep and perform all covenants and agreements contained in the Ordinance, and will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the System as will produce Revenues sufficient to pay the costs of operation and maintenance of the System, pay the principal of and interest on the Bonds as and when the same become due, and provide reasonable and adequate reserve funds. Reference is made to the Ordinance for a description of the covenants and agreements made by the City with respect to the collection, segregation and application of the Revenues of the System, the nature and extent of the security of the Bonds, the rights, duties and obligations of the City with respect thereto, and the rights of the Registered Owners thereof.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon has been executed by the Paying Agent.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law, and that before the issuance of the Bonds, provision has been duly made for the collection and segregation of the Revenues of the System and for the application of the same as provided in the Ordinance.

IN WITNESS WHEREOF, THE CITY OF BELTON, MISSOURI, has executed this Bond by causing it to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk and its official seal to be affixed hereto or imprinted hereon.

CERTIFICATE OF AUTHENTICATION

CITY OF BELTON, MISSOURI

This Bond is one of the Bonds of the issue described in the within-mentioned Ordinance.

By: _____
Mayor

Registration Date: _____

UMB BANK, N.A., (SEAL)
Paying Agent

ATTEST:

By: _____
Authorized Signatory

City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Bond on the Bond Register kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular.

Medallion Signature Guarantee:

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of the Bonds:

GILMORE & BELL, P.C.
Suite 1100
2405 Grand Blvd.
Kansas City, Missouri 64108

(LEGAL OPINION OF BOND COUNSEL)

**EXHIBIT B
TO ORDINANCE**

PRELIMINARY OFFICIAL STATEMENT

**EXHIBIT C
TO ORDINANCE
NOTICE OF SALE**