
ORDINANCE NO. _____

OF

CITY OF LEE'S SUMMIT, MISSOURI

PASSED

JANUARY 19, 2021

AUTHORIZING

**\$5,000,000
GENERAL OBLIGATION BONDS
SERIES 2021**

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Exhibit A – Form of Bonds

BILL NO. _____

ORDINANCE NO. _____

**AN ORDINANCE AUTHORIZING AND DIRECTING THE
ISSUANCE OF \$5,000,000 PRINCIPAL AMOUNT OF GENERAL
OBLIGATION BONDS, SERIES 2021, AND AUTHORIZING
CERTAIN OTHER DOCUMENTS AND ACTIONS BY THE CITY.**

WHEREAS, the City of Lee’s Summit, Missouri (the “City”), is a constitutional charter city and political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri;

WHEREAS, the City is authorized under the General Obligation Bond Law (as defined below), to incur indebtedness and issue and sell general obligation bonds of the City to evidence such indebtedness for lawful purposes, upon obtaining the approval of at least four-sevenths of the qualified electors of the City voting on the question to incur indebtedness at certain municipal, primary or general elections or two-thirds of the qualified electors of the City voting on the question to incur indebtedness at other elections;

WHEREAS, pursuant to the provisions of the laws of the State of Missouri, the voters of the City, on August 6, 2019, approved the issuance of \$19,475,000 of general obligation bonds (the “Voted Authority”) for the purpose of acquiring land, making certain improvements and acquiring equipment for public safety purposes including (a) the acquisition, construction, furnishing and equipping of a new fire station and the purchase of associated apparatus to replace Fire Station No. 4, (b) the acquisition, construction, furnishing and equipping of a new fire station to replace Fire Station No. 5, (c) the acquisition and installation of new police automobile video systems and police body-worn camera systems, (d) renovations and improvements to enhance facility security, public access, customer service and operational efficiency in the Police and Courts Municipal Building and (e) purchasing and installing new infrastructure to renovate, improve and upgrade the City’s wireless and fiber optic communications network among City Hall and other City facilities (the “Improvements”);

WHEREAS, the City previously issued is \$9,055,000 principal amount of General Obligation Bonds Series 2020 from the Voted Authority, and it is hereby found and determined that it is necessary for the City at this time to issue an additional \$5,000,000 of general obligation bonds from the Voted Authority to finance a portion of the costs of the Improvements (leaving a balance of \$5,420,000 of authorized but unissued bonds for the Improvements); and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and of its inhabitants at this time to authorize the issuance and delivery of said bonds pursuant to the General Obligation Bond Law for the purposes aforesaid as herein provided.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEE’S SUMMIT, MISSOURI, AS FOLLOWS:

ARTICLE I

DEFINITIONS

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

“Bond Counsel” means Gilmore & Bell, P.C., Kansas City, Missouri, or other attorneys 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.

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

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

“Bonds” means the General Obligation Bonds, Series 2021 authorized and issued by the City pursuant to this Ordinance.

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

“City” means the City of Lee’s Summit, 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.

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

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

“Defeasance Obligations” means any of the following obligations:

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

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

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

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

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

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

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

(c) cash.

“Determination of Taxability” means the enactment of legislation, the adoption of final regulations, the issuance of a statutory notice of deficiency, a ruling by the Internal Revenue Service (“IRS”), or a final decision of a court of competent jurisdiction, which holds in effect that the interest payable on any Bond is not excludable from the gross income of the Lender or any bondowner for federal income tax purposes for any reason; provided, however, no Determination of Taxability shall occur until the stated effective date of any such IRS regulation, legislation, notice or ruling, or until the expiration or waiver of all periods for appeal; provided further, that if the City attempts to contest such Determination of Taxability in the name of any bondowner, and the bondowner at any time refuses to permit the City to take such action, then no Determination of Taxability will occur within the meaning of this definition.

“Federal Tax Certificate” means the City’s Federal Tax Certificate relating to the Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

“General Obligation Bond Law” means Article VI, Section 26 of the Constitution of Missouri, 1945, as amended and Section 95.115 et seq., of the Revised Statutes of Missouri, as amended.

“Improvements” means the improvements referred to in the recitals to this Ordinance.

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

“Lender” means Clayton Holdings, LLC, the purchaser of the Bonds, and its permitted successors and assigns.

“Maturity” means, when used with respect to any Bond, 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 call for redemption or otherwise.

“Ordinance” means this Ordinance adopted by the governing body of the City, authorizing the issuance of the Bonds, as amended from time to time.

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

(a) Bonds theretofore canceled 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 701** hereof; and

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

“Paying Agent” means UMB Bank, N.A., Kansas City, Missouri, and any successors or assigns.

“Permitted Investments” means any of the following securities, if and to the extent the same are at the time legal for investment of the City’s funds:

- (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 as are described above in clauses (a) through (d) above, inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit or time deposits;
- (f) money market mutual funds (1) that invest in United States Government Obligations, and (2) that are rated in either of the two highest categories by a nationally recognized rating service; and
- (g) 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, limited liability company, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

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

“Purchase Price” means the amount equal to the principal amount of the Bonds.

“**Record Date**” for the interest payable on the Bonds 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**” means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of this Ordinance.

“**Redemption Price**” means, when used with respect to any Bond to be redeemed, 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.

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

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

“**Taxable Rate**” means 1.05%.

“**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 that represent an undivided interest in such obligations, which 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 shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds, Series 2021 of the City in a principal amount of \$5,000,000 (the “Bonds”), for the purpose of financing a portion of the costs of the Improvements and paying costs related to the issuance of the Bonds.

Section 202. Description of Bonds. The Bonds shall consist of fully registered bonds without coupons, numbered from R-1 upward in order of issuance, and shall be issued in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof or, if the Outstanding principal amount of the Bonds is less than \$100,000, an amount equal to the Outstanding principal amount of the Bonds. The Bonds 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. All of the Bonds shall be dated their date of delivery, shall become due as set forth below, shall be subject to redemption and payment prior to their Stated Maturities as provided in **Article III** and shall bear interest at the rates per annum, as follows:

TERM BONDS

Stated Maturity <u>April 1</u>	Principal <u>Amount</u>	Annual Rate <u>of Interest</u>
2023	\$5,000,000	0.83%

Following a Determination of Taxability, and notwithstanding any other provision of hereof to the contrary, the interest rate on the Bonds shall bear interest at the Taxable Rate.

The Bonds shall bear interest at the above-specified rates (computed on the basis of a 360-day year of twelve 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, payable semiannually on April 1 and October 1 in each year, beginning on April 1, 2021.

Section 203. Designation of Paying Agent. UMB Bank, N.A., Kansas City, Missouri, is hereby designated as the City’s paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds (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 Registered Owners 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 acceptable to the City has been appointed and has accepted the duties of Paying Agent.

Every Paying Agent appointed hereunder shall at all times be a commercial banking association or corporation or trust company authorized to do business in the State of Missouri, organized 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.

Section 204. Method and Place of Payment of Bonds. The principal of or Redemption Price 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; provided, however, no presentment and surrender of any Bond shall be required for the payment of mandatory sinking fund redemptions under **Section 301(b)** provided that all of the Bonds then Outstanding are then held by a single Registered Owner. The principal or Redemption Price of and interest on the Bonds shall be paid other than at Maturity to the Person in whose name the Bonds are registered on the Bond Register on the Record Date thereof by check or draft or electronic transfer as described herein for the payment of interest. Upon payment other than at Maturity without presentation of the Bond, the Paying Agent shall record the amount of such principal payment on the registration books for the Bonds maintained by the Paying Agent on behalf of the City. If any Bond is presented to the Paying Agent for such payment, the Paying Agent shall also record the amount of such principal payment on the registration books for the Bonds maintained by the Paying Agent on behalf of the City. Notwithstanding the foregoing, the registration books maintained by the Paying Agent shall be the

official record of the principal amount on the Bonds at any time, and the Bondowner is not required to present the Bonds for action by the Paying Agent with each payment of principal on the Bond other than for payments at Maturity. The records of the Paying Agent related to the principal amount Outstanding from time to time shall be conclusive, absent manifest error.

The principal of and interest on each Bond payable on any Bond 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 by check or draft mailed by the Paying Agent to such Registered Owner at the address shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by any Registered Owner of Bonds, or by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner given to the Paying Agent not less than 5 days prior to the Record Date, and containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number, address and account name and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee is payable.

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 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 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. The registered owner of the Bonds shall have the right at any time to assign, transfer or convey Bonds or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the City unless and until such registered owner

has delivered to the City and the Paying Agent written notice thereof that discloses the name and address of the assignee and such assignment, transfer or conveyance shall be made only to (i) an affiliate of the registered owner, (ii) a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933 or (iii) an “accredited investor” under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933. Nothing herein shall limit the right of the registered owner or its assignees to sell or assign the Bonds to one or more entities listed in (i), (ii) or (iii).

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 and expenses 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 that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of 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 on 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, 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 effective 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, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and shall have the official seal of the City affixed or imprinted thereon. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

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

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

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

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

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

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

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

Section 209. Sale of Bonds. The sale of the Bonds to the Lender is hereby authorized at the Purchase Price. Delivery of the Bonds shall be made to the Lender as soon as practicable after the adoption of this Ordinance, upon payment therefor at the Purchase Price.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) *Optional Redemption by City.* The Bonds shall not be subject to optional redemption and prepayment prior to Stated Maturity.

(b) *Mandatory Redemption.* The Bonds will be subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements set forth below at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The City shall redeem on April 1 in each year, the following principal amounts of such Bonds:

<u>April 1</u>	<u>Principal Amount</u>
2022	\$1,725,000
2023	3,275,000*

*Final Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any Bonds subject to mandatory redemption on said mandatory Redemption Date that, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection (b)) and canceled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection (b). Each Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Bonds of the same Stated Maturity in chronological order, and the principal amount of Bonds of the same Stated Maturity to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with respect to such mandatory redemption payment and any Bonds to be credited pursuant to (3) above.

Section 302. Selection of Bonds to Be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 45 days prior to the Redemption Date of written instructions of the City specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. If the 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 or 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** hereof are met. The foregoing provisions of this paragraph shall not apply to the mandatory redemption of Bonds hereunder, and the 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 moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof; provided, however, that the Bonds shall remain Outstanding in authorized denominations. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in the inverse order of maturity, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 of principal amount by lot or in such other equitable manner as the Paying Agent may determine; provided, however, in all cases Bonds shall be redeemed in amounts such that the Bonds remaining Outstanding are in authorized denominations as provided in this Ordinance.

(c) In the case of a partial redemption of Bonds when Bonds of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the Redemption Price and interest to the Redemption Date of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond; provided, however, that the Bonds shall remain Outstanding in authorized denominations. If the Registered Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only). Notwithstanding anything contained herein to the contrary, this Section 302(c) shall not apply to a mandatory redemption of the Bonds, and the Bonds shall only need to be presented for payment upon final Maturity or redemption in full.

Section 303. Notice and Effect of Call for Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 30 days prior to the Redemption Date to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

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

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification of the Bonds to be redeemed (such identification to include interest rates, maturities, and such additional information as the Paying Agent may reasonably determine);
- (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 payment office of the Paying Agent.

The failure of any Registered Owner to receive notice given as heretofore provided or a 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 series and Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be canceled and destroyed by the Paying Agent as provided herein and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Paying Agent on behalf of the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the date of issue of the Bonds as originally issued; (2) the rate of interest borne by each Bond being redeemed; (3) the maturity date of each Bond being redeemed; and (4) any other descriptive information needed to identify accurately the Bonds being redeemed.

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

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. Security for the Bonds. The Bonds shall be general obligations of the City payable from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the Bonds as the same become due.

Section 402. Levy and Collection of Annual Tax. For the purpose of providing for the payment of the Bonds as the same become due, there is hereby levied upon all of the taxable tangible property within the City a direct annual tax sufficient to produce the amounts necessary for the payment of the Bonds as the same become due and payable in each year.

The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the City are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the City and shall be used for the payment of the Bonds as and when the same become due and the fees and expenses of the Paying Agent.

If at any time said taxes are not collected in time to pay the Bonds when due, the Finance Director is hereby authorized and directed to pay said Bonds out of the general funds of the City and to reimburse said general funds for money so expended when said taxes are collected.

ARTICLE V

ESTABLISHMENT OF FUNDS; DEPOSIT AND APPLICATION OF MONEYS

Section 501. Establishment of Funds. There have been or shall be established in the treasury of the City and shall be held and administered by the Finance Director of the City the following separate funds:

- (a) Project Fund.
- (b) Debt Service Fund.

Section 502. Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds in the Project Fund.

Section 503. Application of Moneys in Debt Service Fund. All amounts paid and credited to the Debt Service Fund shall be expended and used by the City for the purpose of paying the Bonds as and when the same become due and the usual and customary fees and expenses of the Paying Agent. The Finance Director is authorized and directed to withdraw from the Debt Service Fund sums sufficient to pay the Bonds and the fees and expenses of the Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner that ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Registered Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall 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 and shall be held in trust by the Paying Agent for the benefit of the Registered Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Fund after the retirement of the indebtedness for which the Bonds were issued and all other indebtedness of the City shall be transferred and paid into the general fund of the City or as otherwise required by law.

Section 504. Deposits and Investment of Moneys. Moneys in each of the funds created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions authorized to do business 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 financial institutions holding such deposits as provided by the laws of the State of Missouri. All moneys held in the funds created by this Ordinance shall be kept separate and apart from all other funds of the City so that there shall be no commingling of such funds with any other funds of the City.

Moneys held in any fund referred to in this Ordinance may be invested by the Finance Director at the direction of the City Council, in accordance with this Ordinance and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any fund shall accrue to and become a part of such fund.

Section 505. Nonpresentment of Bonds. If any Bond is not presented for payment when due, if funds sufficient to pay such Bond have been made available to the Paying Agent, all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be

restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the City without liability for interest thereon the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City or the Paying Agent shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 506. 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 507. Application of Moneys in the Project Fund. Moneys in the Project Fund shall be used by the City solely for the purpose of paying the costs of the Improvements for which the Bonds have been voted and authorized, in accordance with the plans and specifications therefor prepared by the City's architects or engineers heretofore approved by the City Council and on file in the office of the City Clerk, including any alterations in or amendments to said plans and specifications deemed advisable and approved by the City, and paying the costs and expenses of issuing the Bonds.

The Finance Director shall make withdrawals from the Project Fund only upon duly authorized and executed order of the City Council therefor for a purpose within the scope of this Ordinance. Upon completion of the purpose for which the Bonds have been issued, any surplus remaining in the Project Fund shall be transferred to and deposited in the Debt Service Fund.

ARTICLE VI

REMEDIES

Section 601. Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Registered Owners of the Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

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

Section 602. Limitation on Rights of Bondowners. 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 the 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 Bonds, or

otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in this Ordinance. 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 603. 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 has 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.

ARTICLE VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Ordinance and the pledge of the City's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled 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 authorized to do business 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 that, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the Bonds to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City has 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 give such notice of redemption in compliance with **Section 303** hereof. Any money 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, 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 the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money 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 of this Ordinance.

In the event of an advance refunding, the City shall cause to be delivered a verification report of an independent recognized public accountant verifying the sufficiency of the amounts on deposit with the Paying Agent or other escrow agent to provide for payment in full of the Bonds as provided herein.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801. Tax Covenants.

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, and (2) all provisions and requirements of the Federal Tax Certificate. The Mayor is hereby authorized to execute and deliver the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the City. The City will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from gross income for federal income tax purposes, to the extent any such actions can be taken by the City.

(b) The covenants contained in this Section and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article VII** hereof or any other provision of this Ordinance until such time as is set forth in the Federal Tax Certificate.

Section 802. Annual Audit. Annually, promptly after the end of the fiscal year, the City will cause an audit to be made of its funds and accounts for the preceding fiscal year by an independent certified public accountant or firm of independent certified public accountants.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk. Upon the written request of the Lender, the City shall deliver a copy of each such audit to the Lender within 180 days after the end of each fiscal year.

As soon as possible after the completion of the annual audit, the governing body of the City shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Ordinance, the City shall promptly cure such deficiency.

Section 803. 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 or redemption date of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount that the City is required to pay by way of principal or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond; or

(d) 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 legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Bondowners, the City may amend or supplement this Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein that is not materially adverse to the security 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 adopted 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. A certified copy of every such amendatory or supplemental ordinance, if any, and a certified copy of this Ordinance shall always be kept on file in the office of the City Clerk and 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 ordinance or of this Ordinance will be sent by the City Clerk to any such Bondowner or prospective Bondowner.

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 hereinabove 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.

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

Section 804. Notices, Consents and Other Instruments by Bondowners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, (except for the assignment of ownership of a Bond as provided for in the form of the Bond set forth in **Exhibit A** attached hereto), if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

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

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

In determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Ordinance, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this Ordinance, except that, in determining whether the Bondowners shall be protected in relying upon any such

request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Bondowners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned that 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 805. Further Authority. The officers of the City, including the Mayor and City Clerk, are hereby 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 806. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 807. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 808. 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 809. 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.

Section 810. Loan. The City hereby acknowledges that the Lender is purchasing the Bonds as evidence of a privately negotiated loan. Therefore, the City will not take any affirmative action to cause the Bonds to be (a) assigned a separate rating by any municipal securities rating agency, (b) registered with The Depository Trust Company or any other securities depository, (c) issued pursuant to any type of offering document or official statement or (d) assigned a CUSIP number by Standard & Poor's CUSIP Service.

Section 811. Role of Lender. The City hereby acknowledges that the Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to any information, materials or communications provided by the Lender, the City acknowledges that: (a) the Lender and its representatives are not recommending any action to the City; (b) the Lender and its representatives are not acting as an advisor to the City and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the City with respect to any information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the City has been informed that it should discuss any such information, materials or communications with any and all internal and external advisors and experts that the City deems appropriate before acting on any such information, materials or communications.

PASSED by the City Council of the City of Lee's Summit, Missouri, this ____ day of January, 2021.

[SEAL]

Mayor *William A. Baird*

ATTEST:

City Clerk *Trisha Fowler Arcuri*

APPROVED by the Mayor of the City of Lee's Summit, Missouri, this ____ day of January, 2021.

[SEAL]

Mayor *William A. Baird*

ATTEST:

City Clerk *Trisha Fowler Arcuri*

APPROVED AS TO FORM:

City Attorney *Brian Head*

**EXHIBIT A
TO ORDINANCE**

(FORM OF BONDS)

THIS BOND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE RESTRICTIONS APPLICABLE TO TRANSFERS OF THE BOND PROVIDED IN THE ORDINANCE AND THIS BOND.

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**Registered
No. R-1**

**Registered
\$5,000,000**

**CITY OF LEE'S SUMMIT, MISSOURI
GENERAL OBLIGATION BOND
SERIES 2021**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
0.83%, subject to adjustment as provided in the Ordinance	April 1, 2023	January 26, 2021

REGISTERED OWNER: CLAYTON HOLDING, LLC

PRINCIPAL AMOUNT: FIVE MILLION DOLLARS

THE CITY OF LEE'S SUMMIT, MISSOURI, a constitutional charter city and political subdivision of the State of Missouri (the "City"), for value received, hereby acknowledges itself to be indebted and promises to pay to the registered owner shown above, or registered assigns, 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 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 April 1 and October 1 in each year, beginning on April 1, 2021, 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.**, Kansas City, Missouri (the "Paying Agent"). The principal or Redemption Price of the Bonds shall be paid other than at Maturity to the Person in whose name the Bonds are registered on the Bond Register on the Record Date thereof by check or draft or electronic transfer as described herein for the payment of interest. Upon payment other than at Maturity without presentation of this Bond, the Paying Agent shall record the amount of such principal payment on the registration books for the Bonds maintained by the Paying Agent on behalf of the City. If this Bond is presented to the Paying Agent for such payment, the Paying Agent shall also record the amount of such principal payment on the registration books for the Bonds maintained by the

Paying Agent on behalf of the City. The registration books maintained by the Paying Agent shall be the official record of the principal amount on this Bond at any time, and the Bondowner is not required to present this Bond for action by the Paying Agent with each payment of principal on the Bond other than for payments at Maturity. The records of the Paying Agent related to the principal amount Outstanding from time to time shall be conclusive, absent manifest error. Notwithstanding anything contained herein this Bond shall only need to be presented for payment upon final maturity or redemption in full.

The principal of and interest on this Bond payable on any Bond Payment Date shall be paid to the person in whose name this Bond is registered on the Bond Register at the close of business on the Record Date by check or draft mailed by the Paying Agent to such registered owner at the address shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such registered owner or by electronic transfer to such registered owner upon written notice given to the Paying Agent signed by such registered owner not less than 5 days prior to the Record Date, and containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number, address and account name and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee is payable.

This Bond is one of an authorized series of bonds of the City designated “General Obligation Bonds, Series 2021,” aggregating the principal amount of \$5,000,000 (the “Bonds”), issued by the City for the purpose of financing the costs of the Improvements, under the authority of and in full compliance with the constitution and laws of the State of Missouri, and pursuant to an ordinance duly passed (the “Ordinance”) and proceedings duly and legally had by the governing body of the City. Capitalized terms not defined herein shall have the meanings set forth in the Ordinance.

The Bonds will be subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements set forth below at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The City shall redeem on April 1 in each year, the following principal amounts of such Bonds:

<u>April 1</u>	<u>Principal Amount</u>
2022	\$1,725,000
2023	3,275,000

Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof; provided, however, that the Bonds shall remain Outstanding in authorized denominations. When less than all of the Outstanding Bonds are to be redeemed, such Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine; provided, however, in all cases Bonds shall be redeemed in amounts such that the Bonds remaining Outstanding are in authorized denominations as provided in this Ordinance.

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 30 days prior to the redemption date to the owner of the Bonds and each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register maintained by the Paying Agent. 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 constitute general obligations of the City payable from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the

territorial limits of the City. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the Bonds as the same become due.

The Bonds are issuable in the form of fully registered Bonds without coupons in the denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof or, if the Outstanding principal amount of the Bonds is less than \$100,000, an amount equal to the Outstanding principal amount of the Bonds.

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 payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. No assignment, transfer or conveyance shall be effective as against the City unless and until such Registered Owner has delivered to the City and the Paying Agent written notice thereof that discloses the name and address of the assignee. Each holder of this Bond agrees that it will only sell, pledge, transfer or exchange the Bonds it purchases (1) in accordance with an available exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended, (2) in accordance with any applicable state securities laws, (3) to an institution that is an "accredited investor" as defined in Regulation D under the Securities Act of 1933 and/or a "qualified institutional buyer" under Rule 144A promulgated under the Securities Act of 1933, and (4) in accordance with the provisions of the Ordinance.

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 DECLARED AND CERTIFIED that all acts, conditions and things required to be done and to exist precedent to and in the issuance of the Bonds have been done and performed and do exist in due and regular form and manner as required by the constitution and laws of the State of Missouri; that a direct annual tax upon all taxable tangible property situated in the City has been levied for the purpose of paying the Bonds when due; and that the total indebtedness of the City, including this Bond and the series of which it is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the **CITY OF LEE'S SUMMIT, MISSOURI**, has caused this Bond to be executed 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 or imprinted hereon.

[Remainder of page intentionally left blank]

CERTIFICATE OF AUTHENTICATION

CITY OF LEE'S SUMMIT, 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.,
Paying Agent

(Seal)

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 books 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
A Professional Corporation
2405 Grand Boulevard
Suite 1100
Kansas City, Missouri 64108

(LEGAL OPINION OF BOND COUNSEL)
