

AN ORDINANCE AUTHORIZING AND DIRECTING THE ISSUANCE OF NEGOTIABLE, INTEREST-BEARING SEWERAGE SYSTEM REFUNDING REVENUE BONDS OF THE CITY OF PORTAGE DES SIOUX, ST. CHARLES COUNTY, MISSOURI, IN THE PRINCIPAL AMOUNT OF TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$225,000); PRESCRIBING THE FORM AND INCIDENTS OF SAID BONDS; PROVIDING FOR THE COLLECTION, SEGREGATION, AND DISTRIBUTION OF THE REVENUE TO BE DERIVED FROM THE OPERATION OF THE SEWERAGE SYSTEM OF SAID CITY IN AMOUNTS SUFFICIENT TO PAY THE COST OF OPERATION AND MAINTENANCE THEREOF AND THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AND MAKING PROVISION FOR OTHER FUNDS IN CONNECTION THEREWITH.

WHEREAS, by action of the Board of Aldermen of the City of Portage Des Sioux, St. Charles County, Missouri, duly approved and adopted on February 20, 1988, and with the approval of in excess of four-sevenths (4/7) of the qualified electors of said City at a special bond election duly and regularly held on August 4, 1987, the City of Portage Des Sioux did issue and sell negotiable sewerage system revenue bonds (the "1988 Bonds") in the amount of Three Hundred Thousand Dollars (\$300,000) for the purpose of paying part of the cost of improving and extending the sewerage system of said City; and

WHEREAS, as of the date hereof there is outstanding Two Hundred Twenty-Five Thousand Dollars (\$225,000) aggregate principal amount of 1988 Bonds; and

WHEREAS, the City is authorized by Section 108.140.2, Missouri Revised Statutes (1994), as amended, to refund, extend, and unify the whole or part of its valid outstanding revenue bonds, and for such purpose may issue, negotiate, sell and deliver refunding revenue bonds and with the proceeds therefrom pay off, redeem and cancel the obligations to be refunded in advance of their maturity or redemption; and

WHEREAS, the City deems it advisable and in the best interests of the City and its residents that the outstanding 1988 Bonds be refunded and cancelled; and

WHEREAS, this Board of Aldermen does hereby find and determine that the amount of \$225,000 will be necessary to pay the principal of the outstanding 1988 Bonds, together with the interest accrued thereon to the date of such refunding, and for the payment of costs and expenses related to issuing the refunding bonds.

WHEREAS, there not being sufficient monies on hand to pay such principal, interest, costs and expenses, the Board of Aldermen of the said City of Portage Des Sioux now does find and determine that it is necessary and advisable and in the public interest that Sewerage System Refunding Revenue Bonds of said City in the principal amount of Two Hundred Twenty-Five Thousand Dollars (\$225,000) be issued forthwith;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF PORTAGE DES SIOUX, ST. CHARLES COUNTY, MISSOURI, AS FOLLOWS:

SECTION 1. That the findings contained in the preamble, are found and declared hereby to be true and correct and that, in order to provide the sum of Two Hundred Twenty-Five Thousand Dollars (\$225,000) for the purpose of refunding all of the presently outstanding Sewerage System Revenue Bonds of the City of Portage Des Sioux originally in the principal amount of Three Hundred Thousand Dollars (\$300,000), which Refunding Bonds shall be payable, both as to principal and interest, solely from the revenues to be derived by said City of Portage Des Sioux from the operation of the sewerage system owned exclusively by said City, all in accordance with and as authorized by the Constitution and Statutes of the State of Missouri, including Section 108.140.2 et seq., Missouri Revised Statutes.

SECTION 2. That the aforesaid bonds shall be of the denomination of Two Hundred Twenty-Five Thousand Dollars (\$225,000). The Bond shall bear date of June 1, 1996, and shall bear interest from the date thereof at the rate of 4% per annum, payable October 1, 1996, and semi-annually thereafter on June 1 and June 1 in each year until the principal thereof, shall have been fully paid. Interest to accrue on said bonds on and prior to the maturity date thereof shall be payable by check or draft drawn by the Treasurer of the City and made payable to each registered owner of bonds of this issue listed as an owner of record on the fifteenth (15th) day prior to each of the aforesaid dates upon which interest will be due and payable. Both principal of and interest on said Bonds shall be payable in lawful money of the United States of America to the registered holder of such Bonds. The Bond shall be subject to mandatory redemption in the amounts and at the times following, to-wit:

<u>June 1 of the Year</u>	<u>Amount</u>	<u>June 1 of the Year</u>	<u>Amount</u>
1997	\$ 7,556.00	2007	\$11,184.73
1998	7,858.24	2008	11,632.11
1999	8,172.57	2009	12,097.40
2000	8,499.47	2010	12,581.30
2001	8,839.45	2011	13,084.55
2002	9,193.03	2012	13,607.93
2003	9,560.75	2013	14,152.25
2004	9,943.18	2014	14,718.34
2005	10,340.91	2015	15,307.07
2006	10,754.54	2016*	15,916.19

* final maturity

The Bond may be called in, paid, and redeemed in whole or in part on any interest payment date by lot in multiples of Five Thousand Dollars (\$5,000) in principal amount if less than all of the bonds are being called, at par and accrued interest, without premium. If any of the said bonds or parts thereof be so called for redemption prior to maturity as herein provided, the City of Portage Des Sioux, Missouri, shall cause written notice of its intention to call in, pay, and

redeem any such bond or part thereof to be given to each Registered Owner of each bond being so called in whole or in part, and such written notice shall be mailed by prepaid United States Mail to each Registered Owner of each bond being so called not less than thirty (30) days in advance of the date set for the redemption of any such bond, but neither the failure to mail such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of any such bond or part thereof. Interest shall cease on any bond or part thereof so called for redemption from and after the date fixed for the payment thereof; provided that funds shall be available for such payment on such date.

If less than the entire principal amount of any bond be called for redemption as hereinabove provided, upon surrender of the bond to the Bond Registrar hereinafter designated, the Bond Registrar shall issue to the Registered Owner of the bond, without charge, a new bond or bonds in the appropriate remaining aggregate principal amount.

SECTION 3. That the said bonds shall be executed for and on behalf of the City by the manual signature of the Mayor of said City, attested by the manual signature of the City Clerk under the seal of said City imprinted thereon; that each of said bonds shall be authenticated by the manual signature of the Treasurer of the City acting as the Bond Registrar of said bonds (the "Bond Registrar"); and that the said bonds shall be in substantially the following form, to-wit:

UNITED STATES OF AMERICA

STATE OF MISSOURI

COUNTY OF ST. CHARLES

CITY OF PORTAGE DES SIOUX

SEWERAGE SYSTEM REFUNDING REVENUE BOND

SERIES 1996

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>
Four Percent (4%)	June 1, 2016	June 1, 1996

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Portage Des Sioux, St. Charles County, Missouri, acknowledges itself to owe and, for value received, promises to pay to the Registered Owner hereof, identified hereinabove, or registered assigns, as hereinafter provided, the Principal Amount set forth hereinabove on the Maturity Date likewise set forth hereinabove and to pay to said Registered owner interest on the aforesaid Principal Amount from the date hereof or from the then latest interest payment date to which interest shall have been paid at the Interest Rate set forth hereinabove, payable December 1, 1996, and semi-annually thereafter on June 1 and December 1 in each year until the Principal Amount of this Bond shall have been fully paid. No interest shall accrue on this Bond after the aforesaid Maturity Date unless this Bond shall have been presented for payment at maturity and shall not have been paid.

Both the Principal Amount of and the interest on this Bond are payable in lawful money of the United States of America by check or draft upon the City of Portage Des Sioux, St. Charles County, State of Missouri (drawn by the Treasurer of said City acting as the Paying Agent for this Bond), mailed by prepaid United States Mail to the aforesaid Registered Owner if listed of record at least fifteen (15) days prior to each interest payment date at the address of such Registered Owner as the same appears on the books and records of the aforesaid Paying Agent kept in his capacity as Bond Registrar; provided, however, that the principal amount hereof shall be payable only upon presentation and surrender of this Bond at the principal office of said Paying Agent.

The right is reserved unto said City to call in, pay, and redeem any Bonds of the issue of which this Bond is one, on any interest payment date by lot in multiples of Five Thousand Dollars (\$5,000) in principal amount of said Bonds or parts of Bonds so called, without premium. The Bonds are subject to mandatory redemption solely at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on the dates and in principal amounts set forth in the following table:

<u>June 1 of the Year</u>	<u>Amount</u>	<u>June 1 of the Year</u>	<u>Amount</u>
1997	\$ 7,556.00	2007	\$11,184.73
1998	7,858.24	2008	11,632.11
1999	8,172.57	2009	12,097.40
2000	8,499.47	2010	12,581.30
2001	8,839.45	2011	13,084.55
2002	9,193.03	2012	13,607.93
2003	9,560.75	2013	14,152.25
2004	9,943.18	2014	14,718.34
2005	10,340.91	2015	15,307.07
2006	10,754.54	2016*	15,916.19

* final maturity

The City of Portage Des Sioux, Missouri, shall cause written notice of its intention to call in, pay, and redeem Bonds or part thereof to be given to each Registered Owner of each Bond being so called in whole or in part, and such written notice shall be mailed by prepaid United States Mail to each Registered owner of each Bond being so called not less than thirty (30) days in advance of the date set for the redemption of any such Bond, but neither the failure to mail such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of any such Bond or part thereof. Interest shall cease on any Bond or part thereof so called for redemption from and after the date fixed for the payment thereof; provided that funds shall be available for such payment on such date.

If less than the entire principal amount of this Bond be called for redemption as hereinabove provided, upon surrender of this Bond to the Bond Registrar, the Bond Registrar shall issue to

the Registered Owner hereof, without charge, a new Bond or Bonds in the appropriate remaining aggregate principal amount.

This Bond is one of a duly authorized issue of Sewerage System Refunding Revenue Bonds, Series 1996 of the aforesaid City, all of like date, tenor, and effect, except as to number, of the denomination of Five Thousand Dollars (\$5,000) or some whole multiple thereof, aggregating the principal sum of Two Hundred Twenty-Five Thousand Dollars (\$225,000), issued by said City to provide funds for the purpose of refunding the City's Sewerage System Revenue Bonds dated February 1, 1988, and is issued pursuant to the Constitution and Laws of the State of Missouri, including, among others, Section 108.140.2 et seq., Missouri Revised Statutes, and pursuant to Ordinance No. 227 of said City authorizing and directing the issuance of the Bonds of the issue of which this Bond is one duly adopted on the 1st day of April, 1996 (the "Bond Ordinance"), by the Board of Aldermen of said City. This Bond does not constitute an indebtedness of said City within the meaning of any constitutional or statutory limitation or provision, and the taxing power of said City is not pledged to the payment hereof, either as to principal or interest.

This Bond is and shall be a negotiable instrument in accordance with the laws of the State of Missouri and shall be transferable only by delivery to the aforesaid Bond Registrar, serving in its capacity as Bond Transfer Agent for this Bond and the issue of which it is one, of a written instrument of transfer executed by the Registered Owner or by that Owner's attorney thereunto duly authorized and upon surrender of this Bond to said Bond Registrar for cancellation. Upon such transfer, a new registered Bond or Bonds of the issue of which this Bond is one and of the same maturity and of the denomination of Five Thousand Dollars (\$5,000) or any whole multiple thereof (unless the outstanding principal sum to be represented by such new Bond is less than Five Thousand Dollars (\$5,000), in which case the denomination shall be an amount equal to such principal sum) aggregating the same principal amount will be issued by said Bond Transfer Agent to the transferee in exchange therefor; provided, that no such transfer shall take place of record within fifteen (15) days next preceding any interest payment date. The Board of Aldermen of said City of Portage Des Sioux, St. Charles County, Missouri, and the said Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of the Principal Amount of this Bond and the interest due hereon and for all other purposes, and neither the Board of Aldermen nor the Paying Agent shall be affected by any notice to the contrary.

The City of Portage Des Sioux covenants and agrees that it will apply the proceeds of the issue of which this Bond is one to the purpose above set forth and that, as long as this Bond or any Bond of the issue of which it is one or any of the interest thereon is unpaid, it will operate and maintain its sewerage system; that, as long as any of said Bonds or the interest thereon is unpaid, it will fix and maintain rates and make and collect charges for the service and facilities of said system, sufficient to provide for the payment of the principal of and the interest on said Bonds as the same shall mature and accrue and for the operation and maintenance of said sewerage system in good repair and working order and to provide other funds in connection therewith, all as set forth in the Ordinance pursuant to which the said Bonds are issued; and that such an amount of the revenues of said system as will maintain an interest and sinking fund

sufficient to pay the principal of and the interest on this Bond and the issue of which it is one, as the same shall mature and accrue, is hereby irrevocably pledged to said purpose.

This Bond and the issue of which it forms a part are payable, both as to principal and interest, solely from the revenues to be derived by said City from the operation of its sewerage system.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond and of the series of which it is one, in order to make the same legal and binding obligations of said City according to the terms thereof, do exist, have happened, and have been performed in due and regular time, form, and manner, as required by law; that this Bond and the issue of which it is one, together with all indebtedness of said City of Portage Des Sioux, Missouri, do not exceed any limit of indebtedness prescribed by law; and that, for the performance in due time and manner of all covenants herein, for the prompt payment of the principal of and the interest on this Bond, and for the performance in due time and manner of each and every official act necessary therefor, the full faith of the City of Portage Des Sioux is hereby irrevocably pledged.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security, source of payment, or benefit under the Bond Ordinance until the certificate of authentication hereon shall have been signed manually by the Paying Agent acting as the Bond Registrar.

IN TESTIMONY WHEREOF, the City of Portage Des Sioux, St. Charles County, Missouri, has executed this Bond by causing it to be signed with the facsimile signature of the Mayor of said City, under the corporate seal of said City imprinted hereon in facsimile, attested by the facsimile signature of the City Clerk, and this Bond to be dated the first day of June, 1996.

CITY OF PORTAGE DES SIOUX, MISSOURI

By: _____
Mayor

Attest:

City Clerk

(Facsimile of Seal)

(Not less than the first two paragraphs and the last two paragraphs of the text of the Bond shall be printed on the face of each Bond. If any portion of the text of the Bonds shall be printed on the reverse of the Bonds, the following statement shall appear set out in contrasting print in the text on the face of each Bond: **REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF WHICH, FOR ALL PURPOSES, SHALL HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE ON THE FACT OF THIS BOND.**)

AUTHENTICATION DATE: _____

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the issue of Sewerage System Refunding Revenue Bonds, Series 1996, of the City of Portage Des Sioux, St. Charles County, Missouri, authorized by the within-mentioned Ordinance passed by the Board of Aldermen and approved by the Mayor of the said City.

City Clerk
of Portage Des Sioux
as Paying Agent

(The following shall appear on the reverse of each Bond.)

ASSIGNMENT

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

(Name and Address of Assignee)
the within Sewerage System Revenue Bond and does hereby irrevocably constitute and appoint _____

to transfer the said Sewerage System Revenue Bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

Notice: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration, enlargement, or any change whatever.

SECTION 4. That interest on the aggregate \$225,000 principal amount of Bonds shall be payable in the following amounts:

<u>Payment Date</u>	<u>Amount</u>	<u>Payment Date</u>	<u>Amount</u>
December 1, 1996	\$4,500.00	June 1, 2007	\$2,685.64
June 1, 1997	4,500.00	December 1, 2007	2,461.94
December 1, 1997	4,348.88	June 1, 2008	2,461.94
June 1, 1998	4,348.88	December 1, 2008	2,229.30
December 1, 1998	4,191.72	June 1, 2009	2,229.30
June 1, 1999	4,191.72	December 1, 2009	1,987.35
December 1, 1999	4,028.26	June 1, 2010	1,987.35
June 1, 2000	4,028.26	December 1, 2010	1,735.73
December 1, 2000	3,858.27	June 1, 2011	1,735.73
June 1, 2001	3,858.27	December 1, 2011	1,474.04
December 1, 2001	3,681.49	June 1, 2012	1,474.04
June 1, 2002	3,681.49	December 1, 2012	1,201.88
December 1, 2002	3,497.62	June 1, 2013	1,201.88
June 1, 2003	3,497.62	December 1, 2013	918.83
December 1, 2003	3,306.41	June 1, 2014	918.83
June 1, 2004	3,306.41	December 1, 2014	624.47
December 1, 2004	3,107.55	June 1, 2015	624.47
June 1, 2005	3,107.55	December 1, 2015	318.32
December 1, 2005	2,900.73	June 1, 2016	318.32
June 1, 2006	2,900.73		
December 1, 2006	2,685.64		

SECTION 5. That the Bonds herein authorized and directed to be issued shall be payable, both as to principal and interest, solely from the revenues derived by the aforesaid City of Portage Des Sioux from the operation of the aforesaid sewerage system; that no Bond issued hereunder shall constitute an indebtedness of said City within the meaning of an constitutional or statutory restriction, limitation, or provision; and that the taxing power of said City is not pledged to the payment of any of the Bonds authorized hereby, either as to principal or interest.

SECTION 6. That the said sewerage system shall continue to be operated on a fiscal year basis, beginning on the first day of January and ending on the last day of December in each year. All revenue derived from the operation of the sewerage system of the City of Portage Des Sioux shall be set aside as collected and shall be deposited in a fund hereby created and designated the "SEWERAGE SYSTEM REFUNDING REVENUE FUND" of the aforesaid City of Portage Des Sioux.

SECTION 7. That sums in the Sewerage System Revenue Fund shall be set aside for, allocated to, and deposited in the following accounts, which are created hereby, by the City Treasurer of the aforesaid City of Portage Des Sioux, without further direction of or action by the Board of Aldermen or other authority of said City, which allocations and deposits shall be

made on the first business day of each and every month in each year as long as any of the Bonds authorized hereby or interest thereon shall remain outstanding and unpaid:

(1) Into an account designated the "SEWERAGE SYSTEM OPERATION AND MAINTENANCE ACCOUNT" there shall be deposited a sum sufficient to pay the estimated cost of operating and maintaining the sewerage system in good repair and working order during such ensuing month.

(2) Beginning June 1, 1996, into an account designated the "SEWERAGE SYSTEM REFUNDING REVENUE Bond ACCOUNT" thereto shall be deposited a sum at least equal to one-sixth (1/6) of the amount of interest that will become due on all Bonds then outstanding on the then next interest payment date; also, beginning June 1, 1996, a sum at least equal to one-twelfth (1/12) of the amount of principal that will become due on the Bonds issued hereunder on the then next mandatory redemption date or at maturity shall be deposited into the said Revenue Bond Account. Sums in said Account shall be used only for the payment of the principal of and the interest on the Bonds authorized hereby as the same shall become due.

(3) Into an account designated the "SEWERAGE SYSTEM DEPRECIATION ACCOUNT" there shall be deposited the sum of Fifty Dollars (\$50). Sums in said Account shall be expended for any repairs or replacements to the sewerage system which may be necessary from time to time for the continued effective and efficient operation of the said system.

(4) Into an account designated the "SEWERAGE SYSTEM REFUNDING REVENUE BOND DEBT RESERVE ACCOUNT" the sum of Twelve Thousand Five Hundred Dollars (\$12,500) shall be deposited out of funds on hand and available for that purpose. Thereafter, the sum of One Hundred Twenty-Five Dollars (\$125) shall be deposited into said Account until the sum of Nineteen Thousand Five Hundred Dollars (\$19,500) shall have accumulated in said Account. When and as long as said amount shall be on deposit in said Account, no further deposits need be made therein. If said Account shall be depleted to any extent for any cause, including payments therefrom made in accordance with this Ordinance, then such monthly deposits shall be resumed until said Account shall be restored. Sums in said Account shall be expended only to pay Bonds on the next mandatory redemption date or at maturity or interest thereon as it accrues when and to the extent that other funds are not available for that purpose.

(5) Into an account designated the "SEWERAGE SYSTEM CONTINGENT ACCOUNT" there shall be deposited the sum of Twenty-Five Dollars (\$25.00). Sums in said Account shall be expended only for unforeseen contingencies and to meet emergencies arising from the operation and maintenance of the aforesaid sewerage system.

(6) Any surplus remaining in the Sewerage System Revenue Fund on the first business day of each month after making the deposits required under paragraphs (1), (2), (3), (4), and (5) above shall be deposited into an account designated the "SEWERAGE SYSTEM SURPLUS ACCOUNT" and may be allocated by order of the Board of Aldermen, from time to time, either for the construction of improvements and extensions to the aforesaid sewerage system or for the redemption of Sewerage System Revenue Bonds prior to their respective maturities, according to the terms thereof.

Provided that, if at any time the balances standing to the credit of the Accounts created in paragraphs (2) and (4) above should be insufficient to pay principal when due or accruing interest, or both, then and in that event any balance then standing to the credit of the Accounts created in paragraphs (3), (5), or (6) above shall be used to pay such principal or interest, or both, and the said Accounts shall be restored subsequently out of future revenues of said sewerage system.

SECTION 8. That, if the revenues derived from the operation of the sewerage system should be insufficient at any time to make the payments or deposits required by Section 7 of this Ordinance, the deficiency shall be made good by additional payments to be made out of the first available revenues of said system received during any succeeding month or months. Whenever and as long as sums actually on deposit in the Sewerage System Refunding Revenue Bond Account, the Sewerage System Refunding Revenue Bond Reserve Account, and the Sewerage System Surplus Account, together, shall equal the principal amount of all outstanding Bonds, plus the amount of all interest due thereon until the respective maturity dates of all such Bonds, then no further deposits need be made into said Accounts. Except as herein otherwise expressly provided, all sums in the Fund and Accounts mentioned in Sections 6 and 7 hereof shall be kept on deposit in a bank which is a member or in banks which are members of the Federal Deposit Insurance Corporation and at all times shall be secured as provided by the Laws of the State of Missouri for other funds of the aforesaid City; or, in the discretion of the Board of Aldermen, may be invested in Bonds or other obligations of the United States of America maturing or being redeemable at or prior to the time when such sums may be required for use under the terms of this Section.

SECTION 9. That the aforesaid City of Portage Des Sioux covenants and agrees with the holder or holders of the Bonds herein authorized to be issued that it will perform all duties with respect to the operation and maintenance of said sewerage system; with respect to the fixing, maintaining, and collecting of the rates, fees, and charges for the service and facilities thereof; with respect to the establishment of the Fund and Accounts herein created; and with respect to all other matters and things required by law and by this Ordinance and that it will do or cause to be done, in apt time and season, each and every official act necessary for the payment of the principal of and the interest on the Bonds herein authorized to be issued, as the same shall mature and accrue.

Said City further covenants with the holders of said Bonds as follows:

(a) That, as long as any of the Bonds authorized by this Ordinance are or any interest due thereon is outstanding and unpaid, it will operate and maintain the said sewerage system.

(b) That, as long as any of said Bonds or any interest due thereon remain outstanding and unpaid, the said City will fix and maintain rates and make and collect charges for the use and service of the said sewerage system, sufficient to pay the cost of maintenance and operation of the said system, to pay the principal of and the interest on all revenue Bonds or other obligations issued by said City chargeable to the revenues of said system, and to provide ample funds to meet all requirements of this Ordinance.

(c) That, as long as any of said Bonds or any interest due thereon shall remain outstanding and unpaid, the said City shall carry and maintain insurance upon all the properties forming a part of said sewerage system which may be of an insurable nature; such insurance to be of the type and kind and for such amount or amounts as carried and maintained by utility companies privately owned and operated rendering services of a similar character in similar communities. The proceeds of all such insurance shall be used only for the maintenance and restoration of said system, for the payment of the principal of and the interest on the Bonds authorized to be issued by this Ordinance, or as herein permitted.

(d) That said City shall maintain a proper system of accounts showing the amount of revenue received from the sewerage system and the application of such revenue. Such accounts shall be separate and distinct from the other accounts of said City and, at least once a year, shall be audited properly by certified public accountants. The report of such audit shall be open to the public and to all Bondholders. Each such report shall include:

(1) A classified statement of gross revenues received, of the operating expenditures, of the net operating revenue, and of the amount of any capital expenditures in connection with the said system for the fiscal year;

(2) A balance sheet as of the end of each fiscal year, including a statement of the amount on hand at the end of the fiscal year in each of the Accounts created in Section 7 of this Ordinance;

(3) A statement of the number of customers served by the said system at the beginning and the ending of the fiscal year;

(4) A statement of the amount and character of insurance carried on the properties of the said system and of the names of the insurers and of the expiration dates of the several policies; and

(5) Such comments regarding the method of operation and accounting practices as the auditor may deem desirable.

(e) That any holder or holders or any purchaser of not less than twenty-five per centum (25%) in principal amount of said Bonds then outstanding shall be permitted, at all reasonable times, to inspect said sewerage system and all records, accounts, and data relating thereto.

(f) That any holder or holders or any purchaser of not less than twenty-five per centum (25%) in principal amount of said Bonds then outstanding shall be furnished all data and information relating to said sewerage system which reasonably may be requested.

(g) That, as long as any of the said Bonds or any interest thereon shall remain outstanding and unpaid, the said City shall not sell, lease, loan, mortgage, pledge, or otherwise encumber or in any manner dispose of said sewerage system or any revenue-producing part thereof, unless the Bonds authorized hereby shall have been paid in full, both as to principal and interest, or unless adequate provision shall have been made which shall assure the full payment of said Bonds and the interest thereon to maturity in full, according to their terms.

SECTION 10. That, from and after the issuance of the Bonds authorized hereby, no additional Bonds shall be issued or obligations incurred by said City which, in whole or in part, are payable from or chargeable to the revenues derived or to be derived from the operation of said sewerage system (except obligations incurred in the operation and maintenance thereof), unless such additional Bonds or obligations, in all respects, are junior and subordinate to the Bonds authorized hereby; provided, however, in the event that the sum at the time required to be on deposit in the Bond Debt Service Reserve Account hereinabove in Section 7 created be then on deposit and that the average annual revenue derived from the operation of said system for the then next-preceding fiscal year shall be equal to or exceed the sum of the following:

(a) An amount equal to the expenses of operation and maintenance of said system incurred during the said then next-preceding fiscal year;

(b) The amount, if any, required during the then next-preceding fiscal year to maintain the Account created in Section 7, paragraph (4) of this Ordinance; and

(c) One hundred twenty-five per centum (125%) of the highest amount which thereafter shall become due in any fiscal year as principal of and interest on all Bonds issued under this Ordinance then outstanding and unpaid and on all Bonds or other obligations then to be issued.

then, and in that event, additional Bonds or other obligations may be issued on a parity with the Bonds authorized by and issued under this Ordinance.

The restrictions upon the issuance of additional Bonds or other obligations set out in this Section shall not apply in the following circumstances and in such circumstances only:

(1) That the sewerage system of said City of Portage Des Sioux hereafter should be destroyed or damaged by disaster to such an extent that it cannot be operated;

(2) That all funds received from insurance or otherwise available shall be insufficient to pay the cost of the restoration of said system to such a condition that it again can be operated, such cost of such restoration to be determined by the estimate of a reputable and competent, disinterested engineer or engineering firm or corporation selected by the City, with the approval of the holders of seventy-five per centum (75%) of the outstanding Bonds, who shall not in any way be interested in the reconstruction of said system, which estimate shall be based upon plans and specifications for the restoration of the system prepared for that purpose; and

(3) That the holders of at least seventy-five per centum (75%) of the principal amount of the Bonds authorized by this Ordinance then outstanding shall give written consent to the issuance of additional Bonds on a parity with the Bonds authorized hereby and shall file such written consents with the City Clerk of said City of Portage Des Sioux such consents being acknowledged before a notary public and stating the precise amount of additional Bonds which may be issued.

Upon the occurrence of all the circumstances above set out, additional Bonds may be issued solely for the purpose of paying the cost of restoring the sewerage system to reasonable working order in an amount not greater than the amount stated in the consents filed by the holders of the outstanding Bonds.

SECTION 11. That, prior to the commencement of each fiscal year, the City Clerk shall cause to be prepared a budget, setting out the estimated receipts and expenditures of the sewerage system of said City for the then-ensuing fiscal year, which budget shall contain:

(a) An estimate of the receipts expected to be derived from the operation of the system during the next-ensuing year;

(b) A statement of the estimated cost of operating such system during the next-ensuing fiscal year;

(c) A statement of any unusual and extraordinary expenses of operation or maintenance which reasonably might be anticipated during such year and an estimate of the cost thereof;

(d) A statement of what replacements to the system may be anticipated during such year and the estimated cost thereof;

(e) A statement of the amount of interest to become due during the ensuing fiscal year on the Bonds authorized hereby then outstanding;

(f) A statement of the principal of such Bonds which will become due absolutely by their terms during the next-ensuing fiscal year;

(g) A statement of the total amount anticipated to be payable from the revenue of the system during the next-ensuing fiscal year; and

(h) A statement of the amount on deposit in each of the Accounts created in Section 7 of this Ordinance.

SECTION 12. That the provisions of this Ordinance shall constitute a contract between the City of Portage Des Sioux and the holders from time to time of the Bonds herein authorized to be issued, and, after the issuance of any of said Bonds, no changes, additions, or alterations of any kind shall be made hereto in any manner except upon consent of the holder or holders of seventy-five per centum (75%) in principal amount of all of said Bonds then outstanding. Such consent shall be evidenced by an instrument or instruments of such holder or holders and duly acknowledged in the manner of a deed for the conveyance of real estate in the State of Missouri, and such instrument or instruments shall contain or be accompanied by proof of ownership of the Bond or Bonds concerning which such consent is given, shall be filed in the office of the City Clerk of said City of Portage Des Sioux, and shall be a public record; provided, however, that no such modification or alteration shall extend the maturity of, reduce the interest rate on, or otherwise alter or impair the obligation to pay the principal of or the interest on any Bond at the time and place, at the rate, and in the currency as provided therein, without the express consent of the holder of such Bond; nor reduce the percentage of Bonds required for the affirmative vote or written consent to a modification or alteration; nor alter or impair the covenants set forth in Section 9 of this Ordinance. Any and all modifications or alterations made in the manner hereinabove provided shall not become effective until there shall have been filed with the said City Clerk proof of the consent to such modification or alteration by the holder or holders of seventy-five per centum (75%) in principal amount of all Bonds then outstanding.

SECTION 13. That the holder of any Bond authorized hereby, by a civil action either at law or in equity, by mandamus, injunction, or otherwise, may compel the City of Portage Des Sioux or the officials thereof or any successors thereto to perform all duties imposed upon said City by the provisions of this Ordinance or otherwise imposed by law, including the continued operation of the sewerage system, the fixing and collecting of sufficient rates and charges for the service thereof, the segregation, allocation, and disposition of the revenue derived from said system, the payment of any Bonds chargeable to the revenue of said system or the interest thereon, and the performance of any covenant set out in this Ordinance.

Such suit or action at law or in equity shall lie, regardless of whether or not any Bond or the interest thereon shall be in default at the time of the filing of such suit, in the event that said City of Portage Des Sioux or any official thereof shall have neglected or failed to perform any material duty imposed by law or any covenant set out in this Ordinance.

SECTION 14. That all Bonds issued hereunder shall be payable equally and ratably, without regard to the date when said Bonds actually shall be delivered, and shall enjoy parity of lien, one with the other.

SECTION 15. That the principal proceeds derived from the sale of said Bonds hereby authorized shall be applied solely and only to the making of the deposit hereinbefore required to be made into the Sewerage System Refunding Revenue Bond Reserve Account created in

Section 7 hereof and to the payment within and for the City of Portage Des Sioux, Missouri, in accordance with the plans and specifications hereinbefore referred to. The said proceeds shall be disbursed only upon proper warrant issued pursuant to certification by the consulting engineer or consulting engineers for the City of Portage Des Sioux, stating: (a) that the purpose for which the payment is to be made is within the scope of the improvements contemplated by this Ordinance; (b) that the work done is or the materials furnished are in accordance with the contract therefor (if such work is done or such materials are furnished under a contract) or that such work is or that such materials are suitable for the purpose (if such payments are not covered by an express contract); and (c) that the amount of such payment is in accordance with the contract therefor or is reasonable. Nothing herein shall be construed to prohibit the payment without such a certificate of the expenses necessarily incident to the issuance and sale of the Bonds herein authorized. The words "principal proceeds derived from the sale of Bonds" as used in this Section shall not include any sum representing accrued interest received upon delivery of said Bonds. Any sum so received as accrued interest shall be deposited in the "Sewerage System Refunding Revenue Bond Account" created in paragraph (2) of Section 7 of this Ordinance.

SECTION 16. That, when the Bonds herein authorized shall have been prepared as aforesaid, they shall be delivered to the Mark Twain Bank, in the City of Ladue, St. Louis County, State of Missouri, as Bond Registrar, so that said Bonds may be registered, transferred, and authenticated on behalf of the City, and it shall be the responsibility of said Bond Registrar to maintain the registration records for the Bonds of this issue, to transfer ownership of any of the Bonds of this issue on such registration records upon receipt of proper authorization from the Registered Owner of each such Bond, to authenticate initially the Bonds of the issue, and to authenticate for issuance and again register Bonds of the issue as ownership thereof subsequently may be transferred from time to time in the manner herein stated. The said Bond Registrar, upon receipt of the Bonds, shall authenticate the Bonds of the issue by causing to be affixed to each such Bond the manual signature of its authorized officer or employee, and, acting as Bond Registrar, thereupon shall register each such Bond in the name of the Registered Owner for whose account such Bond is purchased and then shall deliver each Bond to the purchaser thereof upon payment of the purchase price in accordance with the contract for the sale of said Bonds. The Bond Registrar shall be paid its customary charges for its services as aforesaid when performed according to the schedule in effect at the time the services are performed, and said charges shall be deemed to be expenses of operation and shall be charged to and payable from the Operation and Maintenance Account created in paragraph (1) of Section 7 of this Ordinance. No Bond shall be authenticated as in this Section provided which represents a Principal Amount due in more than one (1) maturity.

SECTION 17. That, at least five (5) days prior to June 1 and December 1 of each year, the City Treasurer shall remit to the Bond Registrar designated herein the sums then due as principal or interest or both principal of and interest on the Bonds herein authorized to be issued.

SECTION 18. That, when the Bonds authorized hereby shall have been prepared and executed, the City Treasurer shall deliver them to the purchaser thereof upon payment of the purchase price in accordance with the contract of sale of said Bonds to The Boatmen's National

Bank of St. Louis, St. Louis, Missouri, which said contract of sale hereby is ratified and confirmed.

SECTION 19. That the Board of Aldermen of the City of Portage Des Sioux, St. Charles County, Missouri, in view of the provisions of the Internal Revenue Code of 1986, hereby covenants specially with the holders of the Bonds herein authorized that, within the lawful powers of said Board of Aldermen and said City, said Board, on behalf of said City, will not do and will not refrain from doing anything in the course of issuing said Bonds or in the use or expenditure of the proceeds thereof which would result in the interest income derived or to be derived from said Bonds becoming taxable for Federal income tax purposes.

SECTION 20. That it is hereby found and declared as follows:

(a) The Bonds issued hereunder are not "private activity Bonds",

(b) The Bonds issued hereunder are hereby designated by this Board, acting for and on behalf of the aforesaid City, as "qualified tax-exempt obligations";

(c) This Board anticipates that the amount of qualified tax-exempt obligations which have been and will be issued by the aforesaid City during the calendar year 1996 will not exceed Ten Million Dollars (\$10,000,000);

(d) No other obligations issued by the aforesaid City have been designated during the calendar year 1996 by the aforesaid Board on behalf of said City as "qualified tax-exempt obligations"; and

(e) No subordinate entities to the aforesaid City have issued any obligations during the calendar year 1996, and no such entities anticipate issuing any obligations during the calendar year 1996.

The foregoing findings and declarations have been made herein pursuant to the requirements of Section 265(b)(3) of the Internal Revenue Code of 1986.

SECTION 21. That, if any section, paragraph, clause, or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any other provision of this Ordinance.

SECTION 22. That all ordinances or resolutions, or parts thereof, in conflict with this Ordinance shall be in force and take effect from and after its passage and approval.

SECTION 23. Due to the emergency nature of this ordinance, to preserve public peace, health, safety and welfare, this ordinance shall be in full force and effect from and after its passage and approval.

READ FIRST, SECOND AND THIRD TIMES AND PASSED BY THE BOARD OF
ALDERMEN OF THE CITY OF PORTAGE DES SIOUX, MISSOURI, THIS 1st DAY OF
April, 1996.

George R. Combs
Mayor and Ex-Officio President of the
Board of Aldermen

Attest:

Suzie A. Cisell
City Clerk

Approved this 1st day of April, 1996.

Attest:

Suzie A. Cisell
City Clerk

STATE OF MISSOURI }
COUNTY OF ST. CHARLES } SS.

I, Suzie Cissell, City Clerk within and for the City of Portage Des Sioux, St. Charles County, Missouri, do hereby certify that the foregoing pages constitute a full, true, and complete copy of Ordinance No. 227 of said City, as passed by the Board of Aldermen on the 1st day of April, 1996, and approved by the Mayor on the 1st day of April, 1996, as fully as the same appears in Book of Ordinances No. _____ of said City, at pages _____ to _____, inclusive.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the City of Portage Des Sioux, Missouri, this 1st day of April, 1996.

Suzie A. Cissell
City Clerk

(SEAL)