

AN ORDINANCE AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF \$11,000,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 1995, OF THE CITY OF CHESTERFIELD, MISSOURI; PRESCRIBING THE FORM AND DETAILS OF SAID BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

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WHEREAS, the City of Chesterfield, Missouri (the "City"), is a city of the third class and political subdivision duly organized and existing under the laws of the State of Missouri; and

WHEREAS, the City is authorized under the provisions of Article VI, Section 26 of the Constitution of Missouri, 1945, as amended, and Section 95.115 et seq. of the Revised Statutes of Missouri, 1986, as amended, 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 a primary election; and

WHEREAS, pursuant to such authority, an election was duly held in the City at the primary election on Tuesday, November 8, 1994, on the following proposition:

PROPOSITION "P"

Shall the City of Chesterfield, Missouri, issue its general obligation bonds in the amount of \$11,000,000 for the purpose of acquiring land and constructing and equipping city parks and recreational facilities thereon?

WHEREAS, the votes cast at said election were duly canvassed as provided by law, and it was found and declared that more than four-sevenths of the qualified voters of the City voting at said election on the question voted in favor of the issuance of the bonds, the vote on the question having been 12,144 votes for the issuance of the bonds and 5,798 votes against the issuance of the bonds; and

WHEREAS, the City has not issued any of the bonds authorized at said election and desires to issue all of the bonds so authorized at said election; and

WHEREAS, \$11,000,000 principal amount of the bonds so authorized have been duly sold at competitive public sale, and it is necessary at this time to authorize the issuance and delivery of said bonds for the purposes aforesaid;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHESTERFIELD, 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:

"Arbitrage Instructions" means the Arbitrage Instructions attached hereto as Exhibit B, as the same may be amended or supplemented in accordance with the provisions thereof.

"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" when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

"Bonds" means the General Obligation Bonds, Series 1995, 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 is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

"City" means the City of Chesterfield, 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.

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

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

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

"Defeasance Obligations" means any of the following obligations:

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

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

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling

and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

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

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

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

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

(6) the obligations are rated in the highest rating category by Moody's Investors Service, Inc. (presently "Aaa") or Standard & Poor's Ratings Group (presently "AAA").

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

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

"Ordinance" means this Ordinance adopted by the governing body of the City, authorizing the issuance of the Bonds.

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

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

(b) Bonds deemed to be paid in accordance with the provisions of Section 701 hereof; and

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

"Paying Agent" means Mark Twain Bank, St. Louis, 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, bankholding 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) or (b) above and that have a market value, exclusive of accrued interest, 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 the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation; and

(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 (c), inclusive, which shall have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such certificates of deposit or time deposits.

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

"Purchaser" means The Boatmen's National Bank of St. Louis, St. Louis, Missouri, as representative of the original purchasers of the Bonds.

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

"Record Date" for the interest payable on any Interest Payment Date means the first day (whether or not a Business Day) of the calendar month containing such Interest Payment Date.

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

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

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

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

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial 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 1995, of the City in the principal amount of \$11,000,000 (the "Bonds"), for the purposes set forth above.

Section 202. Description of Bonds. The Bonds shall consist of fully registered bonds without coupons, numbered from 1 upward in order of issuance, in denominations of \$5,000 or any integral multiple thereof. 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 February 15, 1995, shall become due serially in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in Article III hereof, and shall bear interest at the rates per annum, as follows:

<u>Stated Maturity</u> <u>February 15</u>	<u>Principal</u> <u>Amount</u>	<u>Annual Rate</u> <u>of Interest</u>
1996	\$265,000	8.25%
1997	285,000	8.25
1998	310,000	8.00
1999	335,000	8.00
2000	365,000	7.45
2001	390,000	5.45
2002	420,000	5.50
2003	445,000	5.55
2004	475,000	5.60
2005	505,000	5.70
2006	535,000	5.80
2007	565,000	5.90
2008	605,000	6.00
2009	640,000	6.10
2010	685,000	6.20
2011	730,000	6.25
2012	780,000	6.30
2013	830,000	6.30
2014	885,000	6.30
2015	950,000	6.30

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 February 15 and August 15 in each year, beginning on August 15, 1995.

Each of the Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be in substantially the form set forth in Exhibit A attached hereto.

Section 203. Designation of Paying Agent. Mark Twain Bank, St. Louis, 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 to be given to each Bondowner.

Every Paying Agent appointed hereunder shall at all times be a commercial banking association or corporation or trust company located 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 principal corporate trust office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or (b) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner not less than 15 days prior to the Record Date for such interest, containing the wire transfer address (which shall be in the continental United States) to which such Registered Owner wishes to have such wire directed.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Registered Owner of such Bond on the relevant Record Date and shall be payable to the Registered Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent

for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Registered Owner of a Bond entitled to such notice at the address of such Registered Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and at least annually shall 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 principal corporate trust office of the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The City shall pay the reasonable fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Ordinance and the reasonable cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds.

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, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and 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 (or a designated representative thereof) of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Registered Owners to be 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 Bonds ceases to be such officer before the delivery of such Bonds, 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 to cause the Bonds to be registered in the office of the State Auditor of Missouri as provided by law, 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 officer or employee of the Paying Agent, but it shall not be necessary that the same officer or employee 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 the Purchaser upon payment of the purchase price of the Bonds plus accrued interest thereon to the date of their delivery.

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 Paying Agent such security or indemnity as may be required by the Paying Agent, then, in the absence of notice to the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon the City's request, 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 City, in its discretion, may pay such Bond instead of issuing a new Bond.

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



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

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

Section 209. Preliminary and Final Official Statement. The Preliminary Official Statement, in the form attached hereto as Exhibit C, is hereby ratified and approved, and the final Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor is hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the information regarding the City contained in the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of such Rule.

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

Section 210. Sale of Bonds. The sale of the Bonds to the Purchaser at a purchase price of \$11,000,000 plus accrued interest, if any, to the date of delivery, is hereby ratified and confirmed. Delivery of the Bonds shall be made to the Purchaser as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of sale.

### ARTICLE III

#### REDEMPTION OF BONDS

Section 301. Optional Redemption. At the option of the City, Bonds or portions thereof maturing on February 15, 2006, and thereafter may be called for redemption and payment prior to their Stated Maturity on February 15, 2005, and thereafter as a whole at any time or in part on any Interest Payment Date in such order of maturity as shall be determined by the City and by lot in multiples of \$5,000

within a maturity at the redemption price of 100% of the principal amount of Bonds being redeemed, together with accrued interest thereon to the date of redemption.

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. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in Section 303 are met.

(b) Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in inverse order of their Stated Maturities as shall be determined by the City, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount in such equitable manner as the Paying Agent may determine.

(c) In the case of a partial redemption of Bonds by lot 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. 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).

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 but not more than 60 days prior to the Redemption Date to the State Auditor of Missouri, the Purchaser of the Bonds and 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 (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;

(d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and

(e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal corporate trust office of the Paying Agent.

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

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled 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.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Bonds being redeemed; (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least one day before the mailing of notice to Bondowners by first class, registered or certified mail or overnight delivery, as determined by the Paying Agent, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each check or other transfer of funds issued for the payment of the Redemption Price of Bonds being redeemed shall bear the CUSIP number of the Bonds being redeemed with the proceeds of such check or other transfer.

The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities 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 as to both principal and interest from ad valorem taxes which 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 principal of and interest on 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 principal of and interest on 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 such principal and interest as the same becomes 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 solely for the payment of the principal of and interest on 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 principal of or interest on the Bonds when due, the Finance Director is hereby authorized and directed to pay said principal or interest 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) Construction Fund.
- (b) Debt Service Fund.
- (c) Rebate 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 as follows:

- (a) The sum of \$340,000 plus the accrued interest and premium, if any, received from the sale of the Bonds shall be deposited in the Debt Service Fund and applied in accordance with Section 504 hereof.

(b) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Construction Fund and shall be applied in accordance with Section 503 hereof.

Section 503. Application of Moneys in the Construction Fund. Moneys in the Construction Fund shall be used by the City solely for the purpose of (a) paying the costs of the project for which the Bonds have been voted and authorized, as hereinbefore provided, in accordance with the plans and specifications therefor prepared by the City's architects and/or engineers and on file in the office of the City Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the City's architects and/or engineers and approved by the City Council, and (b) paying the costs and expenses of issuing the Bonds.

The Finance Director shall make withdrawals from the Construction Fund only upon approval by the City Council accompanied by a certificate executed by the City's engineers that such payment is being made for a purpose within the scope of this Ordinance and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Nothing hereinbefore contained shall prevent the payment out of the Construction Fund of all costs and expenses incident to the issuance of the Bonds without a certificate from the City's architects and/or engineers.

Upon completion of the purpose for which the Bonds have been issued, any surplus remaining in the Construction Fund shall be transferred to and deposited in the Debt Service Fund.

Section 504. 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 sole purpose of paying the principal or Redemption Price of and interest on 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 both principal or Redemption Price of and interest on the Bonds and the reasonable 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 which 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 revenue fund of the City.

Section 505. Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Arbitrage Instructions. All money at any time deposited in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Arbitrage Instructions), for payment to the United States of America, and neither the City nor the Registered Owner

of any Bond shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Arbitrage Instructions.

(b) The City shall periodically determine the rebatable arbitrage under Section 148(f) of the Code in accordance with the Arbitrage Instructions, and the City shall make payments to the United States Government at the times and in the amounts determined under the Arbitrage Instructions. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and the interest thereon and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be released to the City.

(c) Notwithstanding any other provision of this Ordinance, including in particular Article VII hereof, the obligation to pay rebatable arbitrage to the United States and to comply with all other requirements of this Section and the Arbitrage Instructions shall survive the defeasance or payment in full of the Bonds.

Section 506. 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 located in the State of Missouri that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the banks 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 in accordance with this Ordinance and the Arbitrage Instructions, 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.

## 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 which 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 principal of and the interest on 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 located in the State of Missouri and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of said Bonds and/or interest accrued 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 has been given, or the City has 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 302 of this Ordinance. Any moneys and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds, 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 moneys and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Ordinance.

## 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, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds and (2) it will not use or permit the use of any proceeds of Bonds or any other funds of the City nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds. The City will also adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The City covenants and agrees that (1) it will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds, (2) it will use the proceeds of the Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Bonds are issued, and (3) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the City in any manner, or take or omit to take any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

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

(d) The City covenants and agrees that it will not use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, (1) in a manner that would cause any Bond to be a "private activity bond" (other than a qualified §501(c)(3) bond) within the meaning of Section 141(a) of the Code, or (2) to make or finance a loan to any Person who is not an organization described in Section 501(c)(3) of the Code. For purposes of the preceding sentence, a loan



to an organization described in Section 501(c)(3) of the Code for use with respect to an unrelated trade or business, determined according to Section 513(a) of the Code, constitutes a loan to a person who is not an organization described in Section 501(c)(3) of the Code.

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

Section 802. 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 803. 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.

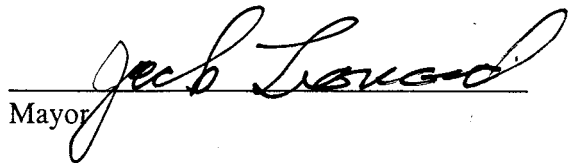
Section 804. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 805. 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.

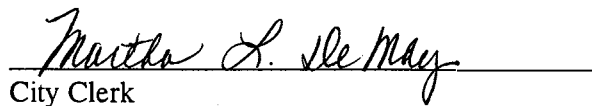
PASSED by the City Council of the City of Chesterfield, Missouri, this 10th day of January, 1995.

[SEAL]

Mayor

A handwritten signature in cursive script, reading "Jacob Lawrence", is written over a horizontal line. The signature is positioned to the right of the word "Mayor".

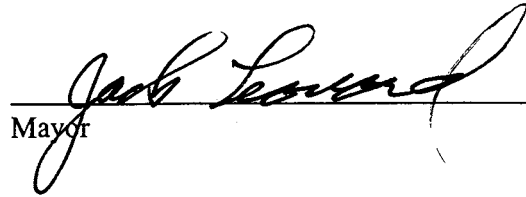
ATTEST:

  
City Clerk

A handwritten signature in cursive script, reading "Martha L. DeMay", is written over a horizontal line. The signature is positioned to the left of the text "City Clerk".

APPROVED by the Mayor this 10th day of January, 1995.

(Seal)

  
\_\_\_\_\_  
Mayor

ATTEST:

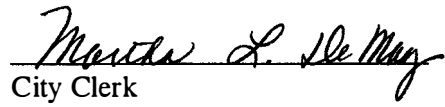
  
\_\_\_\_\_  
City Clerk

EXHIBIT A  
TO ORDINANCE

(FORM OF BONDS)

UNITED STATES OF AMERICA  
STATE OF MISSOURI

Registered  
No. \_

Registered  
\$ \_\_\_\_\_

CITY OF CHESTERFIELD, MISSOURI

GENERAL OBLIGATION BOND  
SERIES 1995

Interest Rate

Maturity Date

Dated Date

CUSIP Number

February 15, 1995

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The CITY OF CHESTERFIELD, MISSOURI, in the County of St. Louis, a third class city and a 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, 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 February 15 and August 15 in each year, beginning on August 15, 1995, 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 at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the principal corporate trust office of Mark Twain Bank, St. Louis, Missouri (the "Paying Agent"). The interest payable on this Bond on any interest payment date shall be paid to the person in whose name this Bond is registered on the registration books maintained by the Paying Agent at the close of business on the record date for such interest, which shall be the first day (whether or not a business day) of the calendar month containing such interest payment date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner or (b) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner not less than 15 days prior to the Record Date for such interest, containing the wire transfer address (which shall be in the continental United States) to which such Registered Owner wishes to have such wire directed. The principal or redemption price of and

interest on the Bonds shall be payable by check or draft in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE SIDE HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

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 principal of and interest on 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 CHESTERFIELD, 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.

CERTIFICATE OF AUTHENTICATION

CITY OF CHESTERFIELD, MISSOURI

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

By: \_\_\_\_\_  
Mayor

Registration Date: \_\_\_\_\_

MARK TWAIN BANK,  
Paying Agent

(Seal)

ATTEST:

By \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
City Clerk

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(FORM OF REVERSE SIDE OF BOND)

ADDITIONAL PROVISIONS

This Bond is one of an authorized series of bonds of the City designated "General Obligation Bonds, Series 1995," aggregating the principal amount of \$11,000,000 (the "Bonds"), issued by the City for the purpose of acquiring land and constructing and equipping city parks and recreational facilities thereon, all under the authority of and in full compliance with the constitution and laws of the State of Missouri, and pursuant to an election duly held in the City and an Ordinance duly passed (the "Ordinance") and proceedings duly and legally had by the governing body of the City.

At the option of the City, Bonds or portions thereof maturing on February 15, 2006, and thereafter may be redeemed and paid prior to maturity on February 15, 2005, and thereafter as a whole at any time or in part on any interest payment date in such order of maturity as shall be determined by the City and by lot in multiples of \$5,000 within a maturity at the redemption price of 100% of the principal amount of Bonds being redeemed, together with accrued interest thereon to the date of redemption.

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 but not more than 60 days prior to the redemption date to the State Auditor of Missouri, the original purchaser 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 as to both principal and interest from ad valorem taxes which 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 principal of and interest on the Bonds as the same become due.

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

This Bond may be transferred or exchanged, as provided in the Ordinance, only on the Bond Register kept for that purpose at the principal corporate trust 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.

The proceedings relating to the issuance of the Bonds have been presented to and filed with the State Auditor of Missouri, who has examined the same and has issued a certificate that such proceedings comply with the laws of the State of Missouri and that the conditions of the contract under which the Bonds were ordered to be issued have been complied with.

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ASSIGNMENT

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

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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.

Signature Guaranteed By:

\_\_\_\_\_  
(Name of Eligible Guarantor Institution)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

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LEGAL OPINION

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

GILMORE & BELL, P.C.  
One Metropolitan Square, Suite 2350  
211 North Broadway  
St. Louis, Missouri 63102

(LEGAL OPINION OF BOND COUNSEL)

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EXHIBIT B  
TO ORDINANCE

ARBITRAGE INSTRUCTIONS

\$11,000,000  
City of Chesterfield, Missouri  
General Obligation Bonds  
Series 1995

These Arbitrage Instructions provide procedures for complying with § 148 of the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exclusion from federal gross income of the interest on the above-referenced Bonds (the "Bonds") authorized by this Ordinance.

1. Definitions. Unless the context otherwise requires, in addition to the terms defined in this Ordinance and in the Regulations, the following capitalized terms have the following meanings:

"Available Construction Proceeds" means an amount equal to the aggregate issue price of the Bonds, increased by investment earnings on the issue price and earnings on such earnings, and reduced by the amount of Bond proceeds used to pay issuance costs of the Bonds (including the underwriting spread or discount). Available Construction Proceeds do not include accrued interest on the Bonds or earnings thereon. If the City elects, pursuant to Code § 148(f)(4)(C)(v), to treat a portion of the Bonds as a construction issue, then the references above to "the Bonds" shall refer only to the construction portion of the Bonds.

"Bond Counsel" means Gilmore & Bell, P.C. or other firm of nationally recognized bond counsel.

"Bond Year" means each one-year period (or shorter period from the Issue Date) that ends at the close of business on February 15 of each year. The first Bond Year ends at the close of business on February 15, 1996.

"Final Computation Date" means the date the last Bond is discharged.

"Gross Proceeds" means (i) sale proceeds, *i.e.*, all amounts actually or constructively received by the City from the sale of the Bonds; (ii) investment proceeds derived from the investment of sale proceeds; (iii) amounts held in a sinking fund for the Bonds; (iv) amounts held in a pledged fund or reserve fund for the Bonds; and (v) any transferred proceeds. Specifically, Gross Proceeds include all amounts held in the following funds:

- (1) Construction Fund.
- (2) Debt Service Fund.
- (3) Rebate Fund.

"Guaranteed Investment Contract" is any Investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate. The term also includes any agreement to supply Investments on two or more future dates (*e.g.*, a forward supply contract).

"Installment Computation Date" means every fifth anniversary of the Issue Date.

"Investment" means any security, obligation, annuity contract or other investment-type property which is purchased directly with, or otherwise allocated to, Gross Proceeds. Such term does not include obligations the interest on which is excludable from federal gross income, except for "specified private activity bonds" as such term is defined in Code § 57(a)(5)(C).

"Issue Date" means the date the Bonds are issued and delivered to the Purchaser.

"Minor Portion" means an amount of the sale proceeds of the Bonds equal to the lesser of \$100,000 or 5% of the sale proceeds.

"Reasonable Retainage" means Gross Proceeds retained by the City for reasonable business purposes, such as to ensure or promote compliance with a construction contract; provided that such amount may not exceed (a) for purposes of the 18-month expenditure test, 5% of net sale proceeds of the Bonds on the date 18 months after the Issue Date; or (b) for purposes of the two-year expenditure test, 5% of the Available Construction Proceeds as of the end of the two-year spending period.

"Rebate Amount" means the amount of rebatable arbitrage earned from investing the Gross Proceeds of the Bonds, computed in accordance with this Exhibit and the Regulations.

"Rebate Analyst" means Bond Counsel, an independent certified public accountant, or such other person or firm selected by the City to compute rebatable arbitrage.

"Regulations" means Treasury Regulations §§ 1.148-0 through 1.148-11, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2, as the same may hereafter be amended, and any other temporary, proposed or final regulations promulgated by the Internal Revenue Service to implement the requirements of § 148(f) of the Code and applicable to the Bonds.

Section 2. Investments. The sale proceeds of the Bonds and other amounts deposited in the funds and accounts established under the Ordinance must be invested in accordance with this Section.

(a) *Temporary Periods/Yield Restriction.*

(1) Construction Fund. Proceeds of the Bonds deposited in the Construction Fund and investment earnings thereon may be invested without yield restriction for a period of 3 years after the date of issue of the Bonds (the "Issue Date"). If any unspent proceeds remain in the Construction Fund after three years, such amounts may continue to be invested without yield restriction so long as the City computes and pays to the IRS all yield reduction payments in accordance with Treas. Reg. § 1.148-5(c). These payments are required whether or not the Bonds are exempt from the arbitrage rebate requirements of Code § 148.

(2) Debt Service Fund. Money in the Debt Service Fund may be invested without yield restriction for a period of 13 months after the date of deposit. Earnings on such amounts may be invested without yield restriction for a period not exceeding 1 year after the date of receipt of such earnings.

(3) Rebate Fund. Money in the Rebate Fund may be invested without yield restriction.

(4) Amounts Subject to Rebate. Any amounts held in the Construction Fund or the Debt Service Fund which are subject to arbitrage rebate pursuant to these Arbitrage Instructions may be invested without regard to yield restriction regardless of the dates specified above.

Any amounts not invested as described above shall be invested at a yield not greater than the yield on the Bonds.

(b) *Fair Market Value*.

(1) General. No Investment may be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment, or sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment. The fair market value of any Investment is the price a willing buyer would pay to a willing seller to acquire the Investment, in a bona fide, arm's-length transaction. Fair market value shall be determined in accordance with § 1.148-5 of the Regulations. Where there is no established securities market for an Investment, use the applicable paragraphs below.

(2) Certificates of Deposit. The purchase price of a certificate of deposit (a "CD") is treated as its fair market value on the purchase date if (i) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal; (ii) the yield on the CD is not less than the yield on reasonably comparable direct obligations of the United States; and (iii) the yield is not less than the highest yield published or posted by the CD issuer to be currently available on reasonably comparable CDs offered to the public.

(3) Guaranteed Investment Contracts. The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if—

(A) The City makes a bona fide solicitation for a specified Guaranteed Investment Contract and receives at least three bona fide bids from providers that have no material financial interest in the Bonds (*e.g.*, as underwriters or brokers);

(B) The City purchases the highest yielding Guaranteed Investment Contract for which a qualifying bid was made (determined net of broker fees);

(C) The yield on the Guaranteed Investment Contract (net of broker fees) is not less than the yield then available from the provider on reasonably comparable Guaranteed Investment Contracts, if any, offered to other persons from a source of funds other than gross proceeds of tax-exempt bonds;

(D) A significant factor in determining the terms of the Guaranteed Investment Contract is the City's expected draw-down schedule for the amounts to be invested, excluding amounts to be deposited in the Debt Service Fund;

(E) The terms of the Guaranteed Investment Contract, including collateral requirements, are reasonable; and

(F) The provider certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the Guaranteed Investment Contract.

Section 3. Spending Exceptions.

(a) *Six-Month Exception.* The obligation to pay rebatable arbitrage to the United States will be treated as satisfied if—

- (1) the Gross Proceeds (as modified below) are allocated to expenditures for the governmental purpose of the Bonds within six months after the Issue Date; and
- (2) rebatable arbitrage is paid in accordance with Section 148 of the Code on all other Gross Proceeds.

For purposes of paragraph (1) above, Gross Proceeds do not include amounts in the Debt Service Fund or amounts that become Gross Proceeds after the end of the six-month spending period, but were not expected to be Gross Proceeds as of the Issue Date (*e.g.*, Gross Proceeds arising from a sale of facilities financed or refinanced with the Bonds). The Bonds meet the six-month expenditure test even if, at the end of the six-month period, Gross Proceeds not exceeding the Minor Portion remain unspent, so long as such Gross Proceeds are spent within one year after the Issue Date. The use of Gross Proceeds to pay principal of any Bond which is part of this issue of Bonds will not be treated as an expenditure of Gross Proceeds.

(b) *Eighteen-Month Exception.* The obligation to pay rebatable arbitrage to the United States will be treated as satisfied if—

- (1) the Gross Proceeds (as modified below) are allocated to expenditures for the governmental purpose of the Bonds in accordance with the following schedule:

<u>Time Period after the Issue Date</u>	<u>Minimum Percentage of Gross Proceeds Spent</u>
6 months	15
12 months	60
18 months	100

and;

- (2) rebatable arbitrage is paid in accordance with Section 148 of the Code on all other Gross Proceeds.

For purposes of paragraph (1) above, Gross Proceeds do not include amounts in the Debt Service Fund or amounts that become Gross Proceeds after the end of the 18-month spending period, but were not expected to be Gross Proceeds as of the Issue Date (*e.g.*, Gross Proceeds arising from a sale of facilities financed or refinanced with the Bonds). The Bonds meet the 18-month expenditure test even if, at the end of the 18-month period, Gross Proceeds not exceeding a Reasonable Retainage remain unspent, so long as such proceeds are spent within 30 months after the Issue Date. In addition, the failure to satisfy the final spending requirement at the end of the 18-month period is disregarded if the City uses due diligence to complete the Project, and the amount of Gross Proceeds unspent does not exceed the lesser of 3% of the aggregate issue price of the Bonds or \$250,000. However, the use of Gross Proceeds to pay principal of any Bond which is part of this issue of Bonds will not be treated as an expenditure of such Gross Proceeds.

(c) *Two-year Exception for Construction Issue.*

(1) Expenditure Test. The obligation to pay rebatable arbitrage to the United States will be treated as satisfied with respect to the Available Construction Proceeds of the Bonds if all of such Available Construction Proceeds are allocated to expenditures for the governmental purpose of the Bonds within two years after the Issue Date, in accordance with the following schedule—

<u>Time Period after the Issue Date</u>	<u>Minimum Percentage of Available Construction Proceeds Spent</u>
6 months	10
12 months	45
18 months	75
24 months	100

The Bonds meet the two-year expenditure test even if, at the end of the two-year period, Available Construction Proceeds not exceeding a Reasonable Retainage remain unspent, so long as such Reasonable Retainage is spent within three years after the Issue Date. In addition, the failure to satisfy the final spending requirement at the end of the two-year period is disregarded if the City uses due diligence to complete the Project, and the amount of Gross Proceeds unspent does not exceed the lesser of 3% of the aggregate issue price of the Bonds or \$250,000. However, the use of Available Construction Proceeds to pay principal of any Bond which is part of this issue of Bonds shall not be treated as an expenditure of such Gross Proceeds.

If the expenditure test is not met, then rebatable arbitrage must be computed and paid as described in this Section for all Available Construction Proceeds.

(2) Payment of Rebatable Arbitrage on Other Gross Proceeds. Compliance with this subsection does not relieve the City of the obligation to pay rebatable arbitrage with respect to Gross Proceeds which are not Available Construction Proceeds.

Section 4. Computation and Payment of Rebatable Arbitrage.

(a) *Rebate Fund.* A special fund designated the "Rebate Fund" has been established under the Ordinance. The City shall keep the Rebate Fund separate from all other funds and shall administer the Rebate Fund pursuant to these Arbitrage Instructions. Any investment earnings or gain derived from the Rebate Fund shall be credited to the Rebate Fund, and any investment loss shall be charged to such Fund.

(b) *Computation of Rebatable Arbitrage.* Except as provided above, the City shall engage a Rebate Analyst to compute rebatable arbitrage within 45 days after each Installment Computation Date, and within 45 days after the Final Computation Date, in accordance with the Regulations. If the amount in the Rebate Fund is less than the rebatable arbitrage due, the City shall make up such deficiency using money in the Construction Fund or other lawfully available funds. If the amount in the Rebate Fund exceeds the rebatable arbitrage due, the City may transfer such surplus to the Construction Fund or the Debt Service Fund. After all Bonds are paid and all rebatable arbitrage, if any, has been paid to the United States, the City may use amounts remaining in the Rebate Fund for any purpose not prohibited by law.

(c) *Exception for Debt Service Fund.* Investment earnings in the Debt Service Fund shall not be taken into account in computing rebatable arbitrage if (1) the weighted average maturity of the Bonds is at least five years and all of the Bonds bear interest at fixed rates; or (2) the gross earnings on the Debt Service Fund for a given Bond Year are less than \$100,000. If the average annual debt service on the Bonds does not exceed \$2,500,000, the \$100,000 earnings test may be treated as satisfied.

(d) *Rebate Payments.* Within 60 days after each Installment Computation Date, and within 60 days after the Final Computation Date, the City shall pay to the United States the amount of rebatable arbitrage then payable to the United States, determined in accordance with the Regulations.

Each payment of rebatable arbitrage shall be mailed or delivered to:

Internal Revenue Service Center  
Philadelphia, Pennsylvania 19255

and shall be accompanied by IRS Form 8038-T and such other forms, documents or certificates as may be required by the Regulations.

Section 5. Records. The City shall retain detailed records with respect to each computation of the Rebate Amount and each Investment attributable to Gross Proceeds of the Bonds, including: (i) purchase date, (ii) purchase price, (iii) information establishing the fair market value on the date such investment was allocated to the Bonds, (iv) any accrued interest paid, (v) face amount, (vi) coupon rate, (vii) frequency of interest payments, (viii) disposition price, (ix) any accrued interest received, and (x) disposition date. The City shall retain all such records until 6 years after the Final Computation Date.

Section 6. Filing Requirements. The City shall file or cause to be filed with the Internal Revenue Service such reports or other documents as are required by the Code in accordance with an opinion of Bond Counsel.

Section 7. Survival after Defeasance. Notwithstanding anything in the Ordinance to the contrary, the obligation to pay the Rebate Amount to the United States and to comply with all other requirements contained in this Exhibit and in the Regulations shall survive the payment or defeasance of the Bonds.

Section 8. Opinion of Bond Counsel. The requirements of this Exhibit may be modified or amended in whole or in part upon receipt of an opinion of Bond Counsel to the effect that such modifications and amendments will not adversely affect the exclusion from gross income of the interest on the Bonds.

\* \* \*

EXHIBIT C  
TO ORDINANCE

PRELIMINARY OFFICIAL STATEMENT

CERTIFICATE

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the Ordinance of the City of Chesterfield, Missouri, adopted by the City Council on January 10, 1995, authorizing the issuance of \$11,000,000 principal amount of General Obligation Bonds, Series 1995, as the same appears of record in my office, and that said Ordinance has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: February 15, 1995.

(Seal)

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City Clerk of the City of Chesterfield, Missouri