
ORDINANCE NO. _____

CITY OF COLUMBIA, MISSOURI

PASSED _____, 2012

AUTHORIZING

\$1,505,000*
SPECIAL OBLIGATION REFUNDING BONDS
(SEWER SYSTEM PROJECT - ANNUAL APPROPRIATION OBLIGATION)
SERIES 2012B

\$2,705,000*
SPECIAL OBLIGATION REFUNDING BONDS
(SOLID WASTE SYSTEM PROJECT - ANNUAL APPROPRIATION OBLIGATION)
SERIES 2012C

And

\$26,545,000*
SPECIAL OBLIGATION REFUNDING BONDS
(ELECTRIC UTILITY PROJECT - ANNUAL APPROPRIATION OBLIGATION)
SERIES 2012D

* Preliminary, subject to change.

INDEX

	<u>PAGE</u>
ARTICLE I DEFINITIONS	3
<i>Section 101.</i> Definitions of Words and Terms.....	3
ARTICLE II AUTHORIZATION OF BONDS	10
<i>Section 201.</i> Authorization of Bonds.....	10
<i>Section 202.</i> Description of Bonds	10
<i>Section 203.</i> Designation of Paying Agent.....	12
<i>Section 204.</i> Method and Place of Payment of Bonds.....	12
<i>Section 205.</i> Registration, Transfer and Exchange of Bonds	13
<i>Section 206.</i> Execution, Authentication and Delivery of Bonds	14
<i>Section 207.</i> Mutilated, Destroyed, Lost and Stolen Bonds	15
<i>Section 208.</i> Cancellation and Destruction of Bonds Upon Payment.....	15
<i>Section 209.</i> Securities Depository	15
ARTICLE III REDEMPTION OF BONDS	17
<i>Section 301.</i> Optional Redemption.....	17
<i>Section 302.</i> Mandatory Sinking Fund Redemption.....	17
<i>Section 303.</i> Notice of Redemption.....	25
<i>Section 304.</i> Selection of Bonds to Be Redeemed.....	26
<i>Section 305.</i> Effect of Call for Redemption.....	27
ARTICLE IV FUNDS AND ACCOUNTS.....	27
<i>Section 401.</i> Establishment of Funds and Accounts.....	27
<i>Section 402.</i> Administration of Funds and Accounts	28
ARTICLE V APPLICATION OF BOND PROCEEDS.....	28
<i>Section 501.</i> Deposit of Bond Proceeds.....	28
<i>Section 502.</i> Application of Moneys in the Escrow Account.....	29
<i>Section 503.</i> Application of Moneys in the Series 2001A Debt Service Account and the Series 2001B Debt Service Account.....	29
<i>Section 504.</i> Verification of Certified Public Accountant; Discharge of Series 2008A Bonds.....	29
<i>Section 505.</i> Redemption of Refunded Bonds.....	29
ARTICLE VI SECURITY FOR THE BONDS.....	30
<i>Section 601.</i> Security for Bonds	30
<i>Section 602.</i> Covenant to Request Appropriations	31
<i>Section 603.</i> Covenant with Respect to Sewer System Net Revenues.	31
<i>Section 604.</i> Covenants with respect to Electric Utility Pledged Revenues Securing the Series 2012D Bonds.	31
<i>Section 605.</i> Application of Moneys in Funds and Accounts.....	32
<i>Section 606.</i> Transfer of Funds to Paying Agent.....	34

<i>Section 607.</i>	Payments Due on Saturdays, Sundays and Holidays	35
<i>Section 608.</i>	Nonpresentment of Bonds	35
<i>Section 609.</i>	Application of Moneys in the Rebate Fund.	35
ARTICLE VII DEPOSIT AND INVESTMENT OF MONEYS		35
<i>Section 701.</i>	Investment of Moneys	35
ARTICLE VIII GENERAL COVENANTS AND PROVISIONS.....		36
<i>Section 801.</i>	Annual Budget	36
<i>Section 802.</i>	Annual Audit.....	36
<i>Section 803.</i>	Tax Covenant.....	36
<i>Section 801.</i>	Tax Compliance Agreement and Continuing Disclosure Agreement.....	37
ARTICLE IX DEFAULT AND REMEDIES		37
<i>Section 901.</i>	Remedies.....	37
<i>Section 902.</i>	Limitation on Rights of Bondowners.....	37
<i>Section 903.</i>	Remedies Cumulative	37
<i>Section 904.</i>	No Acceleration	37
<i>Section 905.</i>	No Obligation to Levy Taxes.....	38
ARTICLE X DEFEASANCE		38
<i>Section 1001.</i>	Satisfaction and Discharge of this Ordinance	38
<i>Section 1002.</i>	Bonds Deemed to Be Paid.	38
ARTICLE XI AMENDMENTS.....		39
<i>Section 1101.</i>	Amendments	39
ARTICLE XII PAYING AGENT		40
<i>Section 1201.</i>	Successor Paying Agent.....	40
ARTICLE XIII MISCELLANEOUS PROVISIONS.....		41
<i>Section 1301.</i>	Notices, Consents and Other Instruments by Bondowners	41
<i>Section 1302.</i>	Severability	42
<i>Section 1303.</i>	Governing Law	42
<i>Section 1304.</i>	Official Statement	42
<i>Section 1305.</i>	Continuing Disclosure	42
<i>Section 1306.</i>	Further Authorization	42
<i>Section 1307.</i>	Effective Date	43
EXHIBIT A		Form of Fully Registered Bond
EXHIBIT B		Preliminary Official Statement

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 99-12

AN ORDINANCE

authorizing the issuance of Special Obligation Refunding Bonds (Annual Appropriation), Series 2012B, Series 2012C and Series 2012D of the City of Columbia, Missouri; prescribing the form and details of said bonds and the covenants and agreements to provide for the payment and security thereof; authorizing certain actions and documents and prescribing other matters relating thereto; and fixing the time when this ordinance shall become effective.

Recitals

WHEREAS, the City of Columbia, Missouri (the “**City**”), is a municipal corporation duly created, organized and existing under and by virtue of the laws of the State of Missouri and its home rule charter (the “**City**”); and

WHEREAS, the City owns and operates a revenue producing sanitary sewer utility (the “**Sewer System**”) which is operated as an enterprise fund of the City; and

WHEREAS, the City, proceeding under the authority of applicable law, held a special election on November 4, 1997, for the purpose of submitting to the qualified electors of said City a proposition to issue the sanitary sewer system revenue bonds of the City in the principal amount of \$18,901,000 for the purpose of providing funds for the purpose of constructing, improving and extending the City-owned sanitary sewer utility, the cost of operation and maintenance of said sanitary sewer system and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the City from the operation of its sanitary sewer system; and

WHEREAS, it was found and determined that more than a majority of the qualified voters of the City voting on the proposition voted in favor of the issuance of said bonds; and

WHEREAS, pursuant to the authority of applicable law and its charter the City has issued its Special Obligation Capital Improvement Bonds, Series 2001A (the “**Series 2001A Bonds**”) for the purpose of constructing, improving and extending the City-owned Sewer System and such Series 2001A Bonds are outstanding in the principal amount of \$1,525,000; and

WHEREAS, the City is desirous of issuing bonds to currently refund the Series 2001A Bonds in order to realize debt service savings and to restructure the obligations of the City to provide for the more efficient and economical management thereof; and

WHEREAS, the City owns and operates a revenue producing solid waste utility which is operated as an enterprise fund of the City; and

WHEREAS, pursuant to the authority of applicable law and its charter the City has issued its Special Obligation Capital Improvement Bonds, Series 2001B (the “**Series 2001B Bonds**”) for the purpose of constructing, improving and extending the City’s solid waste utility and such Series 2001B Bonds are outstanding in the principal amount of \$2,630,000; and

WHEREAS, the City is desirous of issuing bonds to currently refund the Series 2001B Bonds in order to realize debt service savings and to restructure the obligations of the City to provide for the more efficient and economical management thereof; and

WHEREAS, the City owns and operates a revenue producing municipal water and electric system consisting of a water utility and electric utility (the “**Electric Utility**”) serving the City and its inhabitants; and

WHEREAS, the water and electric system is operated as one plant and under one management, and the revenues produced by the water utility and the revenues produced by the Electric Utility are deposited in segregated accounts of a common revenue fund; and

WHEREAS, the City is fully authorized by its Charter and the Constitution and laws of the State of Missouri, including particularly Section 27 of Article VI of the Constitution of Missouri to issue revenue bonds payable from the Electric Utility; and

WHEREAS, the City, proceeding under the authority of applicable law, held a special election on August 8, 2006 for the purpose of submitting to the qualified electors of said City a proposition to issue its Electric System Revenue Bonds in the amount of Sixty Million Dollars (\$60,000,000) for the purpose of extending, expanding, improving, repairing, replacing and equipping the City-owned electric system; and

WHEREAS, it was found and determined that more than a majority of the qualified voters of the City voting on the proposition voted in favor of the issuance of said bonds; and

WHEREAS, pursuant to the authority of said election, applicable law and its charter the City has issued its \$38,535,000 Special Obligation Electric Utility Improvement Bonds (Annual Appropriation), Series 2006C (the “**Series 2006C Bonds**”) and its \$21,465,000 Special Obligation Electric Utility Improvement Bonds (Annual Appropriation Obligation), Series 2008A (the “**Series 2008A Bonds**”) to provide funds to extend, expand, improve, repair, replace and equip the City-owned Electric Utility and such Series 2008A Bonds are outstanding in the principal amount of \$21,465,000; and

WHEREAS, the City is desirous of issuing bonds to refund prior to maturity the Series 2008A Bonds in order to realize debt service savings and to restructure the obligations of the City to provide for the more efficient and economical management thereof; and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and of its inhabitants that the City issue its (i) Special Obligation Refunding Bonds (Sewer System Project - Annual Appropriation Obligation), Series 2012B (the “**Series 2012B Bonds**”) to currently refund the City’s outstanding Series 2001A Bonds, (ii) Special Obligation Refunding Bonds (Solid Waste System Project - Annual Appropriation Obligations), Series 2012C (the “**Series 2012C Bonds**”) to currently refund the City’s outstanding Series 2001B Bonds, and (iii) Special Obligation Refunding Bonds (Electric Utility Project - Annual Appropriation Obligation), Series 2012D (the “**Series 2012D Bonds**”) to provide funds to refund prior to maturity the City’s outstanding Series 2008A Bonds;

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

ARTICLE I DEFINITIONS

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

“Act” means the City’s Charter and the Constitution and laws of the State of Missouri.

“Beneficial Owner” means any person for which a Participant acquires an interest in any Bond.

“Bond Counsel” means Thompson Coburn LLP, St. Louis, Missouri, or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable at the Maturity thereof or on any Interest Payment Date.

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

“Bond Year” means with respect to the Series 2012B Bonds and the Series 2012D Bonds a one year period beginning October 1 of each year and ending on September 30 of the next succeeding year and with respect to the Series 2012C Bonds a one year period beginning February 1 of each year and ending on January 31 of the next succeeding year.

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

“Bonds” means the Series 2012B Bonds, the Series 2012C Bonds and the Series 2012D Bonds, authorized and issued pursuant to this Ordinance.

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

“Calculation Date” means the Business Day immediately preceding October 1 of each year.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

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

“City Council” means the City Council of the City.

“Code” means the Internal Revenue Code of 1986, as amended, or any corresponding applicable provisions of succeeding law, and the applicable temporary, proposed and final regulations relating thereto.

“Continuing Disclosure Agreement” means that certain Continuing Disclosure Agreement executed by the City and dated as of ____, 2012, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance Account” means the account by that name created by Section 401 hereof.

“Debt Service Requirements” means the aggregate principal payments and interest payments on the Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with a trustee, paying agent or another Person approved by the City.

“Debt Service Reserve Requirement” means (i) with respect to the Series 2012B Bonds an amount equal to the lesser of (a) maximum annual debt service on the Outstanding Series 2012B Bonds on the date of calculation, (b) 125% of average annual debt service on the Outstanding Series 2012B Bonds on the date of calculation, or (c) 10% of the proceeds of the Series 2012B Bonds, and (ii) with respect to the Series 2012D Bonds an amount equal to the lesser of (a) maximum annual debt service on the Outstanding Series 2012D Bonds on the date of calculation, (b) 125% of average annual debt service on the Outstanding Series 2012D Bonds on the date of calculation, or (c) 10% of the proceeds of the Series 2012D Bonds.

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

“Defeasance Obligations” means any of the following obligations:

- (a) Cash;
- (b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – “SLGs”);
- (c) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (d) Resolution Funding Corp. (REFCORP). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form are acceptable;
- (e) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P. If however, the issue is only rated by S&P (*i.e.*, there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA-rated pre-refunded municipals to satisfy this condition;
- (f) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:
 - (1) U.S. Export-Import Bank (Eximbank): Direct obligations or fully guaranteed certificates of beneficial ownership
 - (2) Farmers Home Administration (FmHA): Certificates of beneficial ownership

- (3) Federal Financing Bank
- (4) General Services Administration: Participation certificates
- (5) U.S. Maritime Administration: Guaranteed Title XI financing
- (6) U.S. Department of Housing and Urban Development (HUD):

Project Notes
Local Authority Bond
New Communities Debentures – U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds

“Dissemination Agent” means UMB Bank, N.A. and any successor or assigns.

“DTC” means The Depository Trust Company of New York, New York.

“Electric Utility Pledged Revenue Account” means the account by that name created by Section 401 hereof.

“Escrow Account” means the Escrow Account in the custody of the Escrow Agent created pursuant to the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated the date of issuance and delivery of the Bonds, entered into by and between the City and the Escrow Agent, and all amendments and supplements thereto.

“Escrow Agent” means UMB Bank, N.A., St. Louis, Missouri, as Escrow Agent under the Escrow Agreement, and its successors and assigns.

“Electric Utility Pledged Revenues” means moneys from time to time on deposit in the Electric Utility Account of the Surplus Fund created pursuant to the Water and Electric System Bond Ordinance.

“Financial Advisor” means Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri and Columbia Capital Management, LLC, Overland Park, Kansas.

“Fiscal Year” means the fiscal year of the City, currently the twelve-month period beginning October 1 and ending September 30.

“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, whether at stated maturity or by call for redemption or otherwise, as therein and herein provided.

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

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

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

(b) Bonds deemed to be paid in accordance with the provisions of Section 1001 hereof; and

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

“Participant” means any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

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

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

(a) Defeasance Obligation,

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

(1) Federal Home Loan Bank System: Senior debt obligations

(2) Federal Home Loan Mortgage Corporation (“FHLMC” or “Freddie Mae”):

Participation Certificates
Senior debt obligations

(3) Federal National Mortgage Association (“FNMA” or “Fannie Mae”):

Mortgage-backed securities and senior debt obligations

(4) Student Loan Marketing Association (“SLMA” or “Sallie Mae”):

Senior debt obligations

(5) Resolution Funding Corporation (“REFCORP”): obligations

(6) Farm Credit System: Consolidated systemwide bonds and notes

(c) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor’s of AAAm-G; AAAm; or Aam and if rated by Moody’s, rated Aaa, Aa1 or Aa2.

(d) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or

mutual savings banks. The collateral must be held by a third party and the Trustee must have a perfected first security interest in the collateral.

(e) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

(f) Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements.

(g) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by Standard & Poor's.

(h) Bonds or notes issued by any state or municipality which are rated by Moody's and Standard & Poor's in one of the two highest rating categories assigned by such agencies.

(i) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by Standard & Poor's.

(j) Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specific date. Repurchase Agreements for 30 days which satisfy follow the following criteria:

(1) Repos must be between the municipal entity and a dealer bank or securities firm

- Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's Corporation and Moody's Investor Services, or
- Banks rated "A" or above by Standard & Poor's Corporation and Moody's Investor Services.

(2) The written repo contract must include the following:

- Securities which are acceptable for transfer are: (i) Direct U.S. governments, or (ii) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)
- The term of the repo may be up to 30 days
- The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities)

- Valuation of Collateral: The securities must be valued weekly, marked-to-market at current market price plus accrued interest. The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.
- Legal opinion which must be delivered to the municipal entity: Repo meets guidelines under state law for legal investment of public funds.

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

“Purchaser” means, the original purchaser of each series of the Bonds as set forth in Section 206 hereof.

“Rebate Fund” means the fund by that name created in Section 401 hereof.

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

“Representation Letter” means any applicable Representation Letter from the City or the Paying Agent to DTC with respect to the Bonds.

“Series 2001A Bond Debt Service Account” means the account as described in Section 401 hereof.

“Series 2001B Bond Debt Service Account” means the account by that name as described in Section 401 hereof.

“Series 2001A Bonds” means the City’s Special Obligation Capital Improvement Bonds, Series 2001A currently outstanding in the principal amount of \$1,525,000 and that are being currently refunded from the proceeds of the Series 2012B Bonds pursuant to the provisions of this Ordinance.

“Series 2001B Bonds” means the City’s Special Obligation Capital Improvement Bonds, Series 2001B currently outstanding in the principal amount of \$2,630,000 and that are being currently refunded from the proceeds of the Series 2012C Bonds pursuant to the provisions of this Ordinance.

“Series 2006C Bonds” means the City’s Special Obligation Electric Utility Improvement Bonds (Annual Appropriation), Series 2006C currently outstanding in the principal amount of \$38,535,000 and any bonds hereafter issued by the City to refund the Series 2006C Bonds and that are payable from the Electric Utility Pledged Revenues on a parity lien basis with the Series 2012D Bonds.

“Series 2008A Bonds” means the City’s Special Obligation Electric Utility Improvement Bonds, Series 2008A currently outstanding in the principal amount of \$21,465,000 and that are being refunded

prior to maturity from the proceeds of the Series 2012D Bonds pursuant to the provisions of this Ordinance.

“Series 2012B Bonds” means the Special Obligation Refunding Bonds (Sewer System Project - Annual Appropriation Obligation), Series 2012B, of the City, in the aggregate principal amount of \$1,505,000*, authorized and issued pursuant to this Ordinance.

“Series 2012B Debt Service Account” means the account by that name created by Section 401 hereof.

“Series 2012B Debt Service Reserve Account” means the account by that name created by Section 401 hereof.

“Series 2012C Bonds” means the Special Obligation Refunding Bonds (Solid Waste System Project - Annual Appropriation Obligation), Series 2012C, of the City, in the aggregate principal amount of \$2,705,000*, authorized and issued pursuant to this Ordinance.

“Series 2012C Debt Service Account” means the account by that name created by Section 401 hereof.

“Series 2012D Bonds” means the Special Obligation Refunding Bonds (Electric Utility Project - Annual Appropriation Obligation), Series 2012D, of the City, in the aggregate principal amount of \$26,545,000*, authorized and issued pursuant to this Ordinance.

“Series 2012D Debt Service Account” means the account by that name created by Section 401 hereof.

“Series 2012D Debt Service Reserve Account” means the account by that name created by Section 401 hereof.

“Sewer System Net Revenues” means “Net Revenues Available for Debt Service” as defined in Ordinance No. 21268 of the City.

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

“State” means the State of Missouri.

“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.

“Tax Compliance Agreement” means the Tax Compliance Agreement dated as of the date of issuance of the Bonds, between the City and the Paying Agent, as amended and supplemented in accordance with the provisions thereof.

* Preliminary, subject to change.

“United States Government Obligations” means direct obligations of, or obligations the timely payment of the principal and interest of which are fully and unconditionally guaranteed 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, or securities which represent an undivided interest in such obligations or securities to the extent that the Treasury of the United States of America is ultimately responsible for payment thereof, such as stripped interest components of obligations of the Resolution Funding Corporation (established by Section 511 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, P.L. 101.73), its successors and assigns, which were stripped by the Federal Reserve Bank.

“Water and Electric System Bond Ordinance” means Ordinance No. 018028 of the City as amended and supplemented from time to time including Ordinance No. 018501.

ARTICLE II AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds. There are hereby authorized and directed to be issued three series of bonds of the City as follows: (i) “Special Obligation Refunding Bonds, Series 2012B,” in the principal amount of \$1,505,000* (the “**Series 2012B Bonds**”) to provide funds to currently refund the Series 2001A Bonds, make a deposit to the Series 2012B Debt Service Reserve Account, and pay costs and expenses incident to issuance of the Bonds, (ii) “Special Obligation Refunding Bonds, Series 2012C,” in the principal amount of \$2,705,000* (the “**Series 2012C Bonds**”) to provide funds to currently refund the Series 2001B Bonds and pay costs and expenses incident to issuance of the Bonds, and (iii) “Special Obligation Refunding Bonds, Series 2012D,” in the principal amount of \$26,545,000* (the “**Series 2012D Bonds**”) to provide funds to refund prior to maturity the Series 2008A Bonds, make a deposit to the Series 2012D Debt Service Reserve Account, and pay costs and expenses incident to issuance of the Bonds.

Section 202. Description of Bonds. The Bonds shall consist of fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof, numbered from R-1 consecutively upward. 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. The Bonds shall be dated their date of issuance and delivery, shall become due on the following Stated Maturity dates and shall bear interest at the rates per annum, as follows:

SERIES 2012B BONDS

SERIAL BONDS

Stated Maturity	Principal Amount	Annual Rate of Interest
<u>October 1</u>		

* Preliminary, subject to change.

TERM BONDS

Stated Maturity

Principal Amount

Annual Rate of Interest

October 1

SERIES 2012C BONDS

SERIAL BONDS

Stated Maturity

Principal Amount

Annual Rate of Interest

February 1

TERM BONDS

Stated Maturity

Principal Amount

Annual Rate of Interest

February 1

SERIES 2012D BONDS

SERIAL BONDS

Stated Maturity

Principal Amount

Annual Rate of Interest

October 1

TERM BONDS

Stated Maturity

Principal Amount

Annual Rate of Interest

October 1

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. Interest on the Series 2012B Bonds is payable semiannually on October 1 and April 1 in each year, beginning on October 1, 2012. Interest on the Series 2012C Bonds is payable semiannually on February 1 and August 1 in each year, beginning on August 1, 2012. Interest on the Series 2012D Bonds is payable semiannually on October 1 and April 1 in each year, beginning on October 1, 2012.

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. UMB Bank, N.A. in the City of 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 (herein called the "**Paying Agent**").

The City will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent to perform the duties of paying agent and bond registrar by (1) filing with the bank or trust company then performing such function a certified copy of the proceedings giving notice of the termination of such bank or trust company and appointing a successor, and (2) causing notice to be given to each Bondowner. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of the Paying Agent.

Every Paying Agent appointed hereunder shall at all times be 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.

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

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

The principal of each Bond shall be paid at Maturity 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 payment office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Person in whose name such Bond is registered 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 such Registered Owner at the address shown on the Bond Register or (b) at such other address as is furnished to the Paying Agent in writing by such Registered Owner or (c) in the case of an interest payment to any Owner of \$100,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent, not less than 15 days prior to the Record Date for such interest, containing the 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 Owner of such Bond on the relevant Record Date and shall be payable to the 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 Owner of a Bond entitled to such notice at the address of such 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 of and interest on all Bonds and shall at least annually forward a copy or summary of such records to the City.

Section 205. Registration, Transfer and Exchange of Bonds. The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Paying Agent for the registration, transfer and exchange of Bonds as herein provided. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register kept by the Paying Agent.

Bonds may be transferred and exchanged only on the Bond Register maintained by the Paying Agent as provided in this Section. Upon surrender of any Bond at the principal payment office of the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form 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. All Bonds presented for transfer or exchange shall be surrendered to the Paying Agent for cancellation.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The City shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Ordinance and the cost of printing a reasonable supply of registered bond blanks.

Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. In the event any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

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

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

Section 206. Execution, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitution for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk, and countersigned by the manual or facsimile signature of the Director of Finance of the City, and shall have the official seal of the City affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bonds shall cease 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 shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor, City Clerk and Director of Finance are hereby authorized and directed to prepare and execute the Bonds as herein specified, and when duly executed, to deliver the Bonds to the Paying Agent for authentication and delivery to the Purchaser of such Series in exchange for the purchase price thereof as follows:

Series 2012B Bonds: Purchaser _____. Purchase price is an amount equal to _____, which is the principal amount of the Series 2012B Bonds plus premium of _____, less discount of _____, and less Purchaser discount of _____.

Series 2012C Bonds: Purchaser _____. Purchase price is an amount equal to _____, which is the principal amount of the Series 2012C Bonds plus premium of _____, less discount of _____, and less Purchaser discount of _____.

Series 2012D Bonds: Purchaser _____. Purchase price is an amount equal to _____, which is the principal amount of the Series 2012D Bonds plus premium of _____, less discount of _____, and less Purchaser discount of _____.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A attached hereto, which shall be manually executed by an authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose unless and until such certificate of authentication shall have 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 of the Bonds, upon payment of the purchase price thereof.

Section 207. Mutilated, Destroyed, Lost and Stolen Bonds. If (a) any mutilated Bond is surrendered to the Paying Agent, or the City and the Paying Agent receive evidence to their satisfaction of the mutilation, destruction, loss or theft of any Bond, and (b) there is delivered to the City and the Paying Agent such security or indemnity as may be required by the Paying Agent to save each of them harmless, then, in the absence of notice to the City and the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and, 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.

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

Upon the issuance of any new Bond under this Section, the City 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 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. Securities Depository. The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Paying Agent and the City may treat DTC (or its nominee) as the sole and exclusive Owner of the Bonds registered in its name for the purposes of payment of the principal of, premium, if any, or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Bonds under this Ordinance, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Paying Agent nor the City shall have any responsibility or obligation to any Participant, any person

claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being an Owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of, premium, if any, or interest on the Bonds, with respect to any notice which is permitted or required to be given to Owners of Bonds under this Ordinance, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as the Owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Paying Agent shall pay all principal of, premium, if any, and interest on such Bonds, and shall give all notices with respect to such Bonds, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC, or the Paying Agent on behalf of DTC, shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (d) hereof.

(a) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the City may notify DTC and the Paying Agent, whereupon DTC shall notify the Participants of the availability through DTC of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (d) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. In such event, the Bonds will be transferable in accordance with paragraph (d) hereof. The City and the Paying Agent shall be entitled to rely conclusively on the information provided to each of them by DTC and its Participants as to the names of the beneficial owners of the Bonds.

(b) The execution and delivery of the Representation Letter to DTC by the City Manager, Director of Finance, City Clerk or other authorized officer of the City, in the form presented to the City Council of the City herewith, with such changes, omissions, insertions and revisions as the officers of the City signing such Representation Letter shall deem advisable, is hereby authorized, and execution of the Representation Letter by such officers of the City shall be conclusive evidence of such approval. The Representation Letter shall set forth certain matters with respect to, among other things, notices, consents and approvals by Owners of the Bonds and Beneficial Owners and payments on the Bonds. The Paying Agent shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Ordinance.

(c) In the event that any transfer or exchange of Bonds is permitted under paragraph (a) or (b) hereof, such transfer or exchange shall be accomplished upon receipt by the Paying Agent of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this Ordinance. In the event Bond certificates are issued to holders other than Cede & Co., or its successor as nominee for DTC as holder of all of the Bonds, the provisions of this Ordinance shall also apply to all matters relating thereto, including, without limitation, the printing of such certificates and the method of payment of principal of and interest on such certificates.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Optional Redemption.

(a) Series 2012B Bonds: At the option of the City, the Series 2012B Bonds are subject to optional redemption and payment prior to their Stated Maturity, on October 1, 2018, and thereafter, in whole at any time or in part on any Interest Payment Date in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at a redemption price of 100% of the principal amount being redeemed, without premium, together with accrued interest thereon to the date of redemption.

(b) Series 2012C Bonds: At the option of the City, the Series 2012C Bonds are subject to optional redemption and payment prior to their Stated Maturity, on February 1, 2018, and thereafter, in whole at any time or in part on any Interest Payment Date in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at a redemption price of 100% of the principal amount being redeemed, without premium, together with accrued interest thereon to the date of redemption.

(c) Series 2012D Bonds: At the option of the City, the Series 2012D Bonds are subject to optional redemption and payment prior to their Stated Maturity, on October 1, 2020, and thereafter, in whole at any time or in part on any Interest Payment Date in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at a redemption price of 100% of the principal amount being redeemed, without premium, together with accrued interest thereon to the date of redemption.

Section 302. Mandatory Sinking Fund Redemption.

(a) Series 2012B Term Bonds: The Series 2012B Bonds maturing October 1, 20__, October 1, 20__, October 1, 20__ and October 1, 20__ (collectively, the “**Series 2012B Term Bonds**”), shall be subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section 302, at the principal amount thereof plus accrued interest to the redemption date, without premium. The City shall redeem, on October 1 in each of the following years, the following principal amounts of such Series 2012B Term Bonds:

Series 2012B Term Bonds maturing October 1, 20__

<u>Year</u>	Principal <u>Amount</u>
20__	\$
20__ *	

* Maturity

Series 2012B Term Bonds maturing October 1, 20__

<u>Year</u>	Principal <u>Amount</u>
20__	\$
20__ *	

* Maturity

Series 2012B Term Bonds maturing October 1, 20__

<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__*	

* Maturity

Series 2012B Term Bonds maturing October 1, 20__

<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__*	

* Maturity

(b) Series 2012C Term Bonds: The Series 2012C Bonds maturing February 1, 20__, February 1, 20__, February 1, 20__, February 1, 20__ and February 1, 20__ (collectively, the “**Series 2012C Term Bonds**”), shall be subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section 302, at the principal amount thereof plus accrued interest to the redemption date, without premium. The City shall redeem, on February 1 in each of the following years, the following principal amounts of such Series 2012C Term Bonds:

Series 2012C Term Bonds maturing February 1, 20__

<u>Year</u>	Principal <u>Amount</u>
20__	\$
20__ *	

* Maturity

Series 2012C Term Bonds maturing February 1, 20__

<u>Year</u>	Principal <u>Amount</u>
20__	\$
20__ *	

* Maturity

Series 2012C Term Bonds maturing February 1, 20__

<u>Year</u>	Principal <u>Amount</u>
20__	\$
20__ *	

* Maturity

Series 2012C Term Bonds maturing February 1, 20__

<u>Year</u>	Principal <u>Amount</u>
20__	\$
20__ *	

* Maturity

(c) Series 2012D Term Bonds: The Series 2012D Bonds maturing October 1, 20__, October 1, 20__, October 1, 20__, October 1, 20__ and October 1, 20__ (collectively, the “**Series 2012D Term Bonds**” and together with the Series 2012B Term Bonds and the Series 2012C Term Bonds, the “**Term Bonds**”), shall be subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section 302, at the principal amount thereof plus accrued interest to the redemption date, without premium. The City shall redeem, on October 1 in each of the following years, the following principal amounts of such Series 2012D Term Bonds:

Series 2012D Term Bonds maturing October 1, 20__

<u>Year</u>	Principal <u>Amount</u>
20__	\$
20__ *	

* Maturity

Series 2012D Term Bonds maturing October 1, 20__

<u>Year</u>	Principal <u>Amount</u>
20__	\$
20__ *	

* Maturity

Series 2012D Term Bonds maturing October 1, 20__

<u>Year</u>	Principal <u>Amount</u>
20__	\$
20__*	

* Maturity

Series 2012D Term Bonds maturing October 1, 20__

<u>Year</u>	Principal <u>Amount</u>
20__	\$
20__*	

* Maturity

(d) The Paying Agent shall, in each year in which Term Bonds are to be redeemed pursuant to the terms of this Section 302, make timely selection of such Term Bonds or portions thereof to be so redeemed and shall give notice thereof as provided in Section 303 of this Article without further instructions from the City.

(e) The Paying Agent may, upon instructions from the City, use moneys on hand in the Series 2012B Debt Service Account for the Series 2012B Bonds at any time to purchase Series 2012B Term Bonds in the open market at a price not in excess of their principal amount

plus accrued interest, and each Series 2012B Term Bond so purchased shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Series 2012B Term Bonds of the same maturity on the next mandatory redemption date applicable to such Series 2012B Term Bonds, and the principal amount of Series 2012B Term Bonds of such maturity to be redeemed by operation of this Section 302 shall be reduced accordingly. At its option, to be exercised on or before the 60th day next preceding October 1 in the years in which Series 2012B Term Bonds are required by the terms of this Section 302 to be redeemed, the City may: (i) deliver to the Paying Agent for cancellation Series 2012B Term Bonds in the aggregate principal amount desired; or (ii) furnish to the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any of said Series 2012B Term Bonds from any Owner thereof whereupon the Paying Agent shall expend such funds for such purposes to such extent as may be practical; or (iii) receive a credit in respect to the mandatory redemption obligation of the City under this Section 302 for any Series 2012B Term Bonds of the same maturity which prior to such date have been redeemed (other than through the operation of the requirements of this Section 302) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this Section 302. Each Series 2012B Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Series 2012B Term Bonds of the same maturity on such redemption date, and any excess of such amount shall be credited on future mandatory redemption obligations for Series 2012B Term Bonds of the same maturity in chronological order and the principal amount of Series 2012B Term Bonds of the same maturity to be redeemed by operation of the requirements of this Section 302 shall be accordingly reduced. If the City intends to exercise the option granted by the provisions of clauses (i), (ii) or (iii) of this paragraph, the City will, on or before the 60th day next preceding each October 1 in the years in which Series 2012B Term Bonds are required by the terms of this Section 302 to be redeemed, furnish the Paying Agent a certificate signed by a representative of the City indicating to what extent the provisions of said clauses (i), (ii) and (iii) are to be complied with in respect to such mandatory redemption payment.

(f) The Paying Agent may, upon instructions from the City, use moneys on hand in the Series 2012C Debt Service Account for the Series 2012C Bonds at any time to purchase Series 2012C Term Bonds in the open market at a price not in excess of their principal amount plus accrued interest, and each Series 2012C Term Bond so purchased shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Series 2012C Term Bonds of the same maturity on the next mandatory redemption date applicable to such Series 2012C Term Bonds, and the principal amount of Series 2012C Term Bonds of such maturity to be redeemed by operation of this Section 302 shall be reduced accordingly. At its option, to be exercised on or before the 60th day next preceding February 1 in the years in which Series 2012C Term Bonds are required by the terms of this Section 302 to be redeemed, the City may: (i) deliver to the Paying Agent for cancellation Series 2012C Term Bonds in the aggregate principal amount desired; or (ii) furnish to the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any of said Series 2012C Term Bonds from any Owner thereof whereupon the Paying Agent shall expend such funds for such purposes to such extent as may be practical; or (iii) receive a credit in respect to the mandatory redemption obligation of the City under this Section 302 for any Series 2012C Term Bonds of the same maturity which prior to such date have been redeemed (other than through the operation of the requirements of this Section 302) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this Section 302. Each Series 2012C Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Series 2012C Term Bonds of the same maturity on such redemption date, and any excess of such amount shall be credited on future mandatory

redemption obligations for Series 2012C Term Bonds of the same maturity in chronological order and the principal amount of Series 2012C Term Bonds of the same maturity to be redeemed by operation of the requirements of this Section 302 shall be accordingly reduced. If the City intends to exercise the option granted by the provisions of clauses (i), (ii) or (iii) of this paragraph, the City will, on or before the 60th day next preceding each February 1 in the years in which Series 2012C Term Bonds are required by the terms of this Section 302 to be redeemed, furnish the Paying Agent a certificate signed by a representative of the City indicating to what extent the provisions of said clauses (i), (ii) and (iii) are to be complied with in respect to such mandatory redemption payment.

(g) The Paying Agent may, upon instructions from the City, use moneys on hand in the Series 2012D Debt Service Account for the Series 2012D Bonds at any time to purchase Series 2012D Term Bonds in the open market at a price not in excess of their principal amount plus accrued interest, and each Series 2012D Term Bond so purchased shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Series 2012D Term Bonds of the same maturity on the next mandatory redemption date applicable to such Series 2012D Term Bonds, and the principal amount of Series 2012D Term Bonds of such maturity to be redeemed by operation of this Section 302 shall be reduced accordingly. At its option, to be exercised on or before the 60th day next preceding October 1 in the years in which Series 2012D Term Bonds are required by the terms of this Section 302 to be redeemed, the City may: (i) deliver to the Paying Agent for cancellation Series 2012D Term Bonds in the aggregate principal amount desired; or (ii) furnish to the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any of said Series 2012D Term Bonds from any Owner thereof whereupon the Paying Agent shall expend such funds for such purposes to such extent as may be practical; or (iii) receive a credit in respect to the mandatory redemption obligation of the City under this Section 302 for any Series 2012D Term Bonds of the same maturity which prior to such date have been redeemed (other than through the operation of the requirements of this Section 302) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this Section 302. Each Series 2012D Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Series 2012D Term Bonds of the same maturity on such redemption date, and any excess of such amount shall be credited on future mandatory redemption obligations for Series 2012D Term Bonds of the same maturity in chronological order and the principal amount of Series 2012D Term Bonds of the same maturity to be redeemed by operation of the requirements of this Section 302 shall be accordingly reduced. If the City intends to exercise the option granted by the provisions of clauses (i), (ii) or (iii) of this paragraph, the City will, on or before the 60th day next preceding each October 1 in the years in which Series 2012D Term Bonds are required by the terms of this Section 302 to be redeemed, furnish the Paying Agent a certificate signed by a representative of the City indicating to what extent the provisions of said clauses (i), (ii) and (iii) are to be complied with in respect to such mandatory redemption payment.

Section 303. Notice of Redemption. Notice of the City's intent to redeem Bonds (including, when only a portion of the Bonds are to be redeemed, the maturities of such Bonds and the principal amounts thereof) shall be given by or on behalf of the City by United States registered or certified mail, postage prepaid, to the Paying Agent, said notice to be mailed not less than forty-five (45) days prior to the date fixed for redemption. Notice of the selection or call for redemption identifying the Bonds or portions thereof to be redeemed, shall be given by the Paying Agent on behalf of the City by mailing a copy of the redemption notice at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption by registered or certified mail to the Purchaser, as the underwriter of the Bonds, and by first class, registered or certified mail to the Owner of each Bond to be redeemed in whole or in part at

the address shown on the Bond Register; and a second notice of redemption shall be sent by certified mail, return receipt requested, at such address to the Owner of any Bond who has not submitted his Bond to the Paying Agent for payment on or before the date sixty (60) days following the date fixed for redemption; provided, however, that neither any defect in giving such notice by mailing as aforesaid nor any defect in any notice so mailed shall affect the validity of any proceeding for the redemption of any Bond. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

Each notice of redemption shall state (i) the complete official caption, including the Bond series, of the Bonds; (ii) the date of mailing of the notice of redemption, (iii) the date fixed for redemption; (iv) the redemption price or prices; (v) the CUSIP numbers of all Bonds being redeemed; (vi) in the case of a partial redemption of Bonds, the principal amount of each Bond being redeemed; (vii) the date of issue of the Bonds as originally issued; (viii) the rate or rates of interest borne by each Bond being redeemed; (ix) the maturity date of each Bond being redeemed; (x) the place or places where amounts due upon such redemption will be payable; (xi) the notice shall be void and of no effect in the event the Paying Agent does not have sufficient money to pay the redemption price of the Bonds on the redemption date; and (xii) the address and telephone number of the contact person at the office of the Paying Agent with respect to such redemption. The notice shall require that such Bonds be surrendered at the principal payment office of the Paying Agent for redemption at the redemption price and shall state that further interest on such Bonds will not accrue from and after the redemption date, provided the Paying Agent has on deposit sufficient funds to redeem the Bonds on such date.

Notice of such redemption shall also be sent by certified mail, return receipt requested, overnight delivery service or other secure means (including telecopier transmission), postage prepaid, to certain municipal registered securities depositories which are known to the Paying Agent to be holding Bonds and at least two of the national information services that disseminate securities redemption notices, when possible, at least two days prior to the mailing of notice required by the first paragraph above, but in any event at least thirty (30) days prior to the redemption date; provided that neither the failure to send such notice as aforesaid nor any defect in such notice shall affect the validity or sufficiency of the proceedings for the redemption of such Bonds.

Section 304. Selection of Bonds to Be Redeemed. Bonds shall be selected for redemption as follows:

(a) 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 of any maturity are to be redeemed and paid prior to maturity, such Bonds shall be selected by the Paying Agent in \$5,000 units of face value in such equitable manner as the Paying Agent may determine.

(b) In the case of a partial redemption of Bonds when Bonds of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond is selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Owner of such Bond or his attorney or legal representative shall forthwith present and surrender such Bond to the Paying Agent (1) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the 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 Owner of any such Bond of a

denomination greater than \$5,000 shall fail 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 305. Effect of Call for Redemption. Whenever any Bond is called for redemption and payment as provided in this Article, all interest on such Bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 401. Establishment of Funds and Accounts. There are hereby created and ordered to be established (provided that the Electric Utility Account of the Surplus Fund is ratified and confirmed) and maintained the following separate funds and accounts to be known respectively as the:

(a) Debt Service Account Series A created in the treasury of the City pursuant to the provisions of Ordinance No. 17089 (the “**Series 2001A Bond Debt Service Account**”).

(b) Debt Service Account Series B created in the treasury of the City pursuant to the provisions of Ordinance No. 17089 (the “**Series 2001B Bond Debt Service Account**”).

(c) Escrow Account for Special Obligation Refunding Bonds, Series 2012D (the “**Escrow Account**”) in the custody of the Escrow Agent pursuant to the Escrow Agreement.

(d) Project Account for Special Obligation Refunding Bonds, Series 2012B (the “**Solid Waste Project Account**”) in the treasury of the City.

(e) Debt Service Account for Special Obligation Refunding Bonds, Series 2012B (the “**Series 2012B Debt Service Account**”) in the treasury of the City.

(f) Debt Service Account for Special Obligation Refunding Bonds, Series 2012C (the “**Series 2012C Debt Service Account**”) in the treasury of the City.

(g) Debt Service Account for Special Obligation Refunding Bonds, Series 2012D (the “**Series 2012D Debt Service Account**”) in the treasury of the City.

(h) Debt Service Reserve Account for Special Obligation Refunding Bonds, Series 2012B (the “**Series 2012B Debt Service Reserve Account**”) in the treasury of the City.

(i) Debt Service Reserve Account for Special Obligation Refunding Bonds, Series 2012D (the “**Series 2012D Debt Service Reserve Account**”) in the treasury of the City.

(j) Costs of Issuance Account for Special Obligation Refunding Bonds, Series 2012B, Series 2012C and Series 2012D (the “**Costs of Issuance Account**”) in the treasury of the City.

(k) Rebate Fund for Special Obligation Refunding Bonds, Series 2012B, Series 2012C and Series 2012D (the “**Rebate Fund**”) in the treasury of the City.

(l) Electric Utility Account of the Surplus Fund (the “**Electric Utility Pledged Revenue Account**”) for Water and Electric System Revenue Bonds created by the Water and Electric System Bond Ordinance in the treasury of the City.

Section 402. Administration of Funds and Accounts. The funds and accounts referred to in paragraphs (a), (b) and (d) through (l) of Section 401 hereof shall be maintained and administered by the City solely for the purposes and in the manner as provided in this Ordinance (and with respect to the Electric Utility Pledged Revenue Account, the Water and Electric System Bond Ordinance and with respect to the Series 2001A Bond Debt Service Account and the Series 2001B Bond Debt Service Account, Ordinance No. 17089), so long as any of the Bonds remain Outstanding within the meaning of this Ordinance. The Director of Finance of the City may allocate such funds and accounts on the books and records of the City as deemed necessary or desirable to reflect the sources of revenues and projects to be funded from the Bonds.

ARTICLE V

APPLICATION OF BOND PROCEEDS

Section 501. Deposit of Bond Proceeds and Other Funds of the City.

(a) Series 2012B Bonds: The net proceeds received from the sale of the Series 2012B Bonds after payment of the Purchaser’s discount in the amount of \$_____, including any premium or accrued interest thereon, and other available moneys of the City shall be deposited simultaneously with the delivery of the Series 2012B Bonds, as follows:

(1) There shall be deposited in the Series 2012B Debt Service Account any amount received on account of accrued interest on the Series 2012B Bonds.

(2) There shall be deposited in the Series 2012B Debt Service Reserve Account the sum of \$_____.

(3) There shall be deposited in the Costs of Issuance Account the sum of \$_____.

(4) There shall be deposited in the Series 2001A Debt Service Account the sum of \$_____ to be applied by the Paying Agent to redeem the Series 2001A Bonds on _____, 2012.

(b) Series 2012C Bonds: The net proceeds received from the sale of the Series 2012C Bonds after payment of the Purchaser’s discount in the amount of \$_____, including any premium or accrued interest thereon, and other available moneys of the City shall be deposited simultaneously with the delivery of the Series 2012C Bonds, as follows:

(1) There shall be deposited in the Series 2012C Debt Service Account any amount received on account of accrued interest on the Series 2012C Bonds.

(2) There shall be deposited in the Costs of Issuance Account the sum of \$_____.

(3) There shall be deposited in the Series 2001B Debt Service Account the sum of \$_____ to be applied by the Paying Agent to redeem the Series 2001B Bonds on _____, 2012.

(c) Series 2012D Bonds: The net proceeds received from the sale of the Series 2012D Bonds after payment of the Purchaser's discount in the amount of \$_____, including any premium or accrued interest thereon, and other available moneys of the City shall be deposited simultaneously with the delivery of the Series 2012D Bonds, as follows:

(1) There shall be deposited in the Series 2012D Debt Service Account any amount received on account of accrued interest on the Series 2012D Bonds.

(2) There shall be deposited in the Series 2012D Debt Service Reserve Account the sum of \$_____.

(3) There shall be deposited in the Costs of Issuance Account the sum of \$_____.

(4) There shall be deposited in the Escrow Account in the custody of the Escrow Agent the sum of \$_____.

(d) Solid Waste Project Account: Funds on deposit in the debt service reserve fund securing the Series 2001B Bonds shall be transferred by the City to the Solid Waste Project Account and shall be applied to fund the capital cost of constructing, improving and extending the City's solid waste utility.

Section 502. Application of Moneys in the Escrow Account. The Escrow Agent will apply moneys in the Escrow Account to purchase the escrowed securities as described therein and to establish an initial cash balance in accordance with the Escrow Agreement. The cash and escrowed securities held in the Escrow Account will be applied by the Escrow Agent solely to the payment of the principal of, redemption premium, if any, and interest on the Series 2008A Bonds. All money deposited with the Escrow Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Escrow Agreement.

Section 503. Application of Moneys in the Series 2001A Debt Service Account and the Series 2001B Debt Service Account. The Paying Agent will apply moneys in the Series 2001A Debt Service Account to redemption of the Series 2001A Bonds on the redemption date and such moneys shall be deemed to be deposited in accordance with and subject to the provisions of Ordinance No. 17089. The Paying Agent will apply moneys in the Series 2001B Debt Service Account to redemption of the Series 2001B Bonds on the redemption date and such moneys shall be deemed to be deposited in accordance with and subject to the provisions of Ordinance No. 17089.

Section 504. Verification of Certified Public Accountant; Discharge of Series 2008A Bonds. Prior to or concurrently with the issuance and delivery of the Series 2012D Bonds, the City shall obtain the certification of an independent certified public accountant that such accountant has verified the accuracy of the calculations that demonstrate that the moneys and obligations required to be deposited with the Escrow Agent pursuant to this Ordinance and the Escrow Agreement, together with the earnings to accrue thereon, will be sufficient for the timely payment of the principal of, redemption premium, if any, and interest on the Series 2008A Bonds as and when the same become due.

Section 505. Redemption of Refunded Bonds.

(a) Series 2001A Bonds: The outstanding Series 2001A Bonds, becoming due on February 1 in the years 2013 through 2021, aggregating the principal amount of \$1,525,000 are hereby called for redemption and payment prior to maturity on _____, 2012. Said bonds shall be redeemed at the office of UMB Bank, N.A., in the St. Louis, Missouri, the bond registrar and paying agent for said bonds, on said redemption date by the payment of the principal thereof, together with the redemption premium and accrued interest thereon to the redemption date. The officers of the City and the paying agent for said Series 2001A Bonds are hereby authorized and directed to take such action as may be necessary in order to effect the redemption and payment of said bonds as herein provided.

(b) Series 2001B Bonds: The outstanding Series 2001B Bonds, becoming due on February 1 in the years 2013 through 2021, aggregating the principal amount of \$2,630,000 are hereby called for redemption and payment prior to maturity on _____, 2012. Said bonds shall be redeemed at the office of UMB Bank, N.A., in the St. Louis, Missouri, the bond registrar and paying agent for said bonds, on said redemption date by the payment of the principal thereof, together with the redemption premium and accrued interest thereon to the redemption date. The officers of the City and the paying agent for said Series 2001B Bonds are hereby authorized and directed to take such action as may be necessary in order to effect the redemption and payment of said bonds as herein provided.

(c) Series 2008A Bonds: The outstanding Series 2008A Bonds, becoming due on October 1 in the years 2018 through 2034, aggregating the principal amount of \$21,465,000 are hereby called for redemption and payment prior to maturity on October 1, 2017. Said bonds shall be redeemed at the office of UMB Bank, N.A., in the St. Louis, Missouri, the bond registrar and paying agent for said bonds, on said redemption date by the payment of the principal thereof, together with the redemption premium and accrued interest thereon to the redemption date. The officers of the City and the paying agent for said Series 2008A Bonds are hereby authorized and directed to take such action as may be necessary in order to effect the redemption and payment of said bonds as herein provided.

ARTICLE VI

SECURITY FOR THE BONDS

Section 601. Security for Bonds

(a) Series 2012B Bonds: The Series 2012B Bonds shall be special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose and are secured by the Series 2012B Debt Service Reserve Account.

(b) Series 2012C Bonds: The Series 2012C Bonds shall be special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The Series 2012C Bonds are not secured by a debt service reserve account.

(c) Series 2012D Bonds: The Series 2012D Bonds shall be special obligations of the City payable solely from (i) the annual appropriation of funds by the City for that purpose, and (ii) the Electric Utility Pledged Revenues on a parity lien basis with the Series 2006C Bonds, and are secured by the Series 2012D Debt Service Reserve Account.

(d) The obligation of the City to make payments into the Debt Service Accounts, the Debt Service Reserve Accounts and any other obligations of the City to make payments under

this Ordinance do not constitute a general obligation or indebtedness of the City for which the City is obligated to levy or pledge any form of taxation, or for which the City has levied or pledged any form of taxation and shall not be construed to be a debt of the City in contravention of any applicable constitutional, statutory or charter limitation or requirement. Subject to the preceding sentence, the obligations of the City to make payments hereunder and to perform and observe any other covenant and agreement contained herein shall be absolute and unconditional. The City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys of the City to pay the principal and interest on the Bonds.

Section 602. Covenant to Request Appropriations. The City Council hereby directs that from and after delivery of the Bonds and so long as any of the Bonds remain Outstanding, subject to Section 601 hereof, the City's City Manager or any other officer of the City at any time charged with the responsibility of formulating budget proposals (i) to include in each annual budget prepared and filed as provided in Section 801 hereof an appropriation of the amount necessary (after taking into account any moneys legally available for such purpose) to pay debt service on the Bonds in the next succeeding Fiscal Year, and (ii) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure the availability of moneys appropriated to pay such debt service on the Bonds in the next succeeding Fiscal Year.

Section 603. Covenant with Respect to Sewer System Net Revenues.

(a) The City is authorized to appropriate and apply moneys constituting Sewer System Net Revenues to make payments into the Series 2012B Debt Service Account and the Series 2012B Debt Service Reserve Account on a parity with the outstanding sewer system revenue bonds of the City, and the Series 2012B Bonds shall be treated as a sewer system revenue bond issued under the authority of the City's November 4, 1997 sewer system revenue bond election.

(b) The City will fix, establish, maintain and collect such rates, fees and charges for the use of and services furnished by or through its Sewer System, as will produce revenues sufficient to (i) pay the cost of operation and maintenance of the Sewer System; (ii) pay the principal of and interest on any sewer system revenue bonds of the City and the Series 2012B Bonds, as and when the same become due; and (iii) provide reasonable and adequate reserves for the payment of any sanitary sewer system revenue bonds of the City and the Series 2012B Bonds and the interest thereon and for the protection and benefit of the Sewer System. The City will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the revenues of the Sewer System will be sufficient to cover the obligations of the City under this Section and otherwise under the provisions of this Ordinance; provided however that any failure of the City to revise such rates in accordance with this paragraph shall not constitute a default under this Ordinance. Notwithstanding the foregoing, the payment of the Series 2012B Bonds is not limited to the revenues of the Sewer System.

Section 604. Covenants with respect to Electric Utility Pledged Revenues Securing the Series 2012D Bonds.

(a) The City has created the Electric Utility Pledged Revenue Account pursuant to the provisions of the Water and Electric System Bond Ordinance which provides for the deposit into such account of surplus revenues of the Electric Utility after payment of operating expenses of the Water and Electric System, paying debt service on Water and Electric System Revenue Bonds which may be issued and outstanding from time to time, and making deposits to debt

service reserves and renewal and replacement accounts and making such other payments and deposits as may be required pursuant to such ordinance from time to time. No provision of this Ordinance shall limit or restrict in any way the ability of the City to issue bonds, notes or other obligations payable from the revenues of the Water and Electric System, including the Electric Utility, on a senior lien basis to the Series 2012D Bonds.

(b) The City shall charge and collect rates, fees and other charges for the sale of electric power and energy and other services, facilities and commodities of the Electric Utility component of the Water and Electric System as shall be required to provide revenues and income (including investment income) at least sufficient in each Fiscal Year to satisfy the requirements of the Water and Electric System Bond Ordinance and for deposit into the Electric Utility Account of the Surplus Fund of an amount at least equal to 110% of the debt service requirement on the Series 2006C Bonds and Series 2012D Bonds then Outstanding for the year of computation and will enable the City to make all required payments, if any, into the funds and accounts held pursuant to this Ordinance. The Bonds shall be treated as utility revenue bonds of the Electric Utility pursuant to the provisions of the 2006 Election for purposes of this covenant.

Section 605. Application of Moneys in Funds and Accounts. The City covenants and agrees that from and after the delivery of the Bonds and continuing so long as any of the Bonds shall remain Outstanding, it will administer and allocate all of the moneys then held and appropriated for payment of the Bonds as follows:

(a) Series 2012B Debt Service Account. Not later than the Business Day prior to the first day of April and October there shall be paid and credited semiannually to the Series 2012B Debt Service Account, such an amount as is necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Series 2012B Bonds. All amounts paid and credited to the Series 2012B Debt Service Account shall be expended and used by the City for the sole purpose of paying the interest on and principal of the respective series of Series 2012B Bonds to which such account relates, as and when the same become due at Maturity and on each Interest Payment Date.

(b) Series 2012C Debt Service Account. Not later than the Business Day prior to the first day of February and August there shall be paid and credited semiannually to the Series 2012C Debt Service Account, such an amount as is necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Series 2012C Bonds. All amounts paid and credited to the Series 2012C Debt Service Account shall be expended and used by the City for the sole purpose of paying the interest on and principal of the respective series of Series 2012C Bonds to which such account relates, as and when the same become due at Maturity and on each Interest Payment Date.

(c) Series 2012D Debt Service Account. Not later than the Business Day prior to the first day of April and October there shall be paid and credited semiannually to the Series 2012D Debt Service Account, such an amount as is necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Series 2012D Bonds. All amounts paid and credited to the Series 2012D Debt Service Account shall be expended and used by the City for the sole purpose of paying the interest on and principal of the respective series of Series 2012D Bonds to which such account relates, as and when the same become due at Maturity and on each Interest Payment Date.

(d) Series 2012B Debt Service Reserve Account. The City shall deposit to the Series 2012B Debt Service Reserve Account from funds available to the City the amount required so

that such Account shall aggregate the Debt Service Reserve Requirement with respect to such account provided. Except as hereinafter provided in this section, all amounts paid and credited to the Series 2012B Debt Service Reserve Account shall be expended and used by the City solely to prevent any default in the payment of interest on or principal of the Series 2012B Bonds on any Maturity date or Interest Payment Date if the moneys in the Series 2012B Debt Service Account are insufficient to pay the interest on or principal of said Series 2012B Bonds as they become due. So long as a Series 2012B Debt Service Reserve Account aggregates the Debt Service Reserve Requirement with respect to such account, no further payments into said account shall be required, but if the City shall ever be required to expend and use a part of the moneys in said account for the purpose herein authorized and such expenditure shall reduce the amount of said account below the Debt Service Reserve Requirement with respect to such account, the City shall immediately make payments into said account until said account shall again aggregate the Debt Service Reserve Requirement with respect to such account, from moneys available as provided in Section 601 hereof.

The City may provide, in lieu of any amounts required to be on deposit in the Series 2012B Debt Service Reserve Account, a bond insurance policy in favor of the Paying Agent issued by an insurance company with a credit rating at the time of issuance in one of the two highest rating categories of Standard & Poor's Rating Service or Moody's Investors Service and sufficient, to provide to the Bondowners the amounts which would otherwise have been on deposit in such Series 2012B Debt Service Reserve Account at the times the Bondowners would have otherwise received such amounts.

Moneys in the Series 2012B Debt Service Reserve Account shall be used to pay and retire the last Outstanding Series 2012B Bonds unless such Series 2012B Bonds and all interest thereon are otherwise paid. Any amounts in the Series 2012B Debt Service Reserve Account in excess of the Debt Service Reserve Requirement with respect to such account on any Calculation Date shall be transferred to the Series 2012B Debt Service Account and applied to payment of principal of and interest on the Series 2012B Bonds due and payable on the next Bond Payment Date.

(e) Series 2012D Debt Service Reserve Account. The City shall deposit to the Series 2012D Debt Service Reserve Account from funds available to the City the amount required so that such Account shall aggregate the Debt Service Reserve Requirement with respect to such account provided. Except as hereinafter provided in this section, all amounts paid and credited to the Series 2012D Debt Service Reserve Account shall be expended and used by the City solely to prevent any default in the payment of interest on or principal of the Series 2012D Bonds on any Maturity date or Interest Payment Date if the moneys in the Series 2012D Debt Service Account are insufficient to pay the interest on or principal of said Series 2012D Bonds as they become due. So long as a Series 2012D Debt Service Reserve Account aggregates the Debt Service Reserve Requirement with respect to such account, no further payments into said account shall be required, but if the City shall ever be required to expend and use a part of the moneys in said account for the purpose herein authorized and such expenditure shall reduce the amount of said account below the Debt Service Reserve Requirement with respect to such account, the City shall immediately make payments into said account until said account shall again aggregate the Debt Service Reserve Requirement with respect to such account, from moneys available as provided in Section 601 hereof.

The City may provide, in lieu of any amounts required to be on deposit in the Series 2012D Debt Service Reserve Account, a bond insurance policy in favor of the Paying Agent issued by an insurance company with a credit rating at the time of issuance in one of the two

highest rating categories of Standard & Poor's Rating Service or Moody's Investors Service and sufficient, to provide to the Bondowners the amounts which would otherwise have been on deposit in such Series 2012D Debt Service Reserve Account at the times the Bondowners would have otherwise received such amounts.

Moneys in the Series 2012D Debt Service Reserve Account shall be used to pay and retire the last Outstanding Series 2012D Bonds unless such Series 2012D Bonds and all interest thereon are otherwise paid. Any amounts in the Series 2012D Debt Service Reserve Account in excess of the Debt Service Reserve Requirement with respect to such account on any Calculation Date shall be transferred to the Series 2012D Debt Service Account and applied to payment of principal of and interest on the Series 2012D Bonds due and payable on the next Bond Payment Date.

(f) Costs of Issuance Account. The Director of Finance of the City is hereby authorized and directed to withdraw from the Costs of Issuance Account funds to be applied to payment of the costs of issuance of the Bonds. Excess moneys in the Costs of Issuance Account shall be applied at the time and as provided in the Tax Compliance Agreement.

Section 606. Transfer of Funds to Paying Agent.

(a) Series 2012B Bonds: The Director of Finance of the City is hereby authorized and directed to withdraw from the Series 2012B Debt Service Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Series 2012B Bonds, from the Series 2012B Debt Service Reserve Account, as provided in Section 605 hereof, sums sufficient to pay the principal of and interest on the Series 2012B Bonds as and when the same become due at Maturity or on any Interest Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding the dates when such principal and interest will become due.

(b) Series 2012C Bonds: The Director of Finance of the City is hereby authorized and directed to withdraw from the Series 2012C Debt Service Account sums sufficient to pay the principal of and interest on the Series 2012C Bonds as and when the same become due at Maturity or on any Interest Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding the dates when such principal and interest will become due.

(c) Series 2012D Bonds: The Director of Finance of the City is hereby authorized and directed to withdraw from the Series 2012D Debt Service Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Series 2012D Bonds, from the Series 2012D Debt Service Reserve Account, as provided in Section 605 hereof, sums sufficient to pay the principal of and interest on the Series 2012D Bonds as and when the same become due at Maturity or on any Interest Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding the dates when such principal and interest will become due.

(d) If, through lapse of time, or otherwise, the Owners of Bonds shall no longer be entitled to enforce payment of their obligations, it shall be the duty of the Paying Agent forthwith to return said funds to the City. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance.

Section 607. Payments Due on Saturdays, Sundays and Holidays. In any case where an Interest Payment Date or Maturity Date is not a Business Day, then payment of principal or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on an Interest Payment Date or Maturity Date, and no interest shall accrue for the period after such date.

Section 608. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bond shall have been made available to the Paying Agent all liability of the City to the Owner thereof for the payment of such Bond, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part under this Ordinance or on, or with respect to, said Bond. If any Bond shall not be presented for payment within four years following the date when such Bond becomes due, whether by maturity or otherwise, the Paying Agent shall repay to the City without liability for interest thereon the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 609. 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 Tax Compliance Agreement. 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 Tax Compliance Agreement), 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 Tax Compliance Agreement.

(b) The City shall periodically determine the rebatable arbitrage under Section 148(f) of the Code in accordance with the Tax Compliance Agreement, and the City shall make payments to the United States Government at the times and in the amounts determined under the Tax Compliance Agreement. 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 X** hereof, the obligation to pay rebatable arbitrage to the United States and to comply with all other requirements of this Section and the Tax Compliance Agreement shall survive the defeasance or payment in full of the Bonds.

ARTICLE VII

DEPOSIT AND INVESTMENT OF MONEYS

Section 701. Investment of Moneys. Moneys held in any fund or account referred to in this Ordinance may be invested in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than the date when the moneys invested may be needed for the purpose for which such fund or account was created. All earnings on any investments held in any fund or

account shall accrue to and become a part of such fund or account. All earnings on investments held in the Series 2012B Debt Service Reserve Account shall accrue to and become a part of such account until the amount on deposit in such account shall aggregate the Debt Service Reserve Requirement with respect to such account; thereafter, all such earnings shall be credited to the Series 2012B Debt Service Account. All earnings on investments held in the Series 2012D Debt Service Reserve Account shall accrue to and become a part of such account until the amount on deposit in such account shall aggregate the Debt Service Reserve Requirement with respect to such account; thereafter, all such earnings shall be credited to the Series 2012D Debt Service Account. In determining the amount held in any fund or account under any of the provisions of this Ordinance, obligations shall be valued at the lower of the cost or the market value thereof; provided, however, that investments held in the Series 2012B Debt Service Account and the Series 2012D Debt Service Reserve Account shall be valued at cost only. The Paying Agent shall value the obligations held in each fund or account on each Bond Payment Date and if and when the amount held in any fund or account shall be in excess of the amount required by the provisions of this Ordinance, the City shall direct that such excess be paid and credited to the respective debt service account.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

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

Section 801. Annual Budget. Prior to the commencement of each Fiscal Year, the City will cause to be prepared and filed with the City Clerk a budget setting forth the estimated receipts and expenditures of the City for the next succeeding Fiscal Year. Said annual budget shall be prepared in accordance with the requirements of the laws of Missouri and shall contain all information as shall be required by such laws.

Section 802. Annual Audit. Annually, promptly after the end of the Fiscal Year, the City will cause an audit to be made of the City's operations for the preceding Fiscal Year by a certified public accountant or firm of certified public accountants to be employed for that purpose and paid by the City. Said annual audit shall cover in reasonable detail the operation of the City during such Fiscal Year.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk. Such audits shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Owner.

As soon as possible after the completion of such annual audit, the governing body of the City shall review such audit, and if any audit shall disclose that proper provision has not been made for all of the requirements of this Ordinance and the laws under which the Bonds are issued, the City covenants and agrees that it will promptly cure such deficiency.

Section 803. Tax Covenant. The City covenants that it will not take any action or permit any action to be taken or omit to take any action or permit the omission of any action reasonably within its control which action or omission will cause the interest on the Bonds to be included in gross income for federal income taxation purposes or otherwise adversely affect the exemption of the interest on the Bonds from federal and State of Missouri taxation. This covenant shall survive the payment of the Bonds and the termination of this Ordinance as provided in Article X of this Ordinance.

Section 801. Tax Compliance Agreement and Continuing Disclosure Agreement.

The City Manager or Director of Finance of the City is hereby authorized and directed to execute a Tax Compliance Agreement and Continuing Disclosure Agreement on behalf of the City in the form as approved by the City Counselor.

ARTICLE IX

DEFAULT AND REMEDIES

Section 901. Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Owners of the Bonds, or the 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 Owners of Bonds similarly situated to:

- (a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such 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 Owners of the Bonds.

Section 902. Limitation on Rights of Bondowners. No one or more Bondowners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

Section 903. 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 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 Owners of the Bonds by this Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. In case any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondowner, then, and in every such case, the City and the Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 904. No Acceleration. Notwithstanding anything herein to the contrary, the Bonds are not subject to acceleration upon the occurrence of an event of default hereunder.

Section 905. No Obligation to Levy Taxes. Nothing contained in this Ordinance shall be construed as imposing on the City any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Bonds.

ARTICLE X

DEFEASANCE

Section 1001. Satisfaction and Discharge of this Ordinance.

(a) When the principal of, premium, if any, and interest on all the Bonds shall have been paid in accordance with their terms or provision has been made for such payment, as provided in Section 1002 hereof, and provision shall also be made for paying all other sums payable hereunder, including the fees and expenses of the Paying Agent to the date of retirement of the Bonds, and all sums payable according to the provisions of the Tax Compliance Agreement, then the requirements contained in this Ordinance, except as otherwise provided herein, and the pledge of the City's faith and credit made hereunder and all other rights granted hereby shall terminate, cease, determine and be void, and thereupon the Paying Agent shall execute, acknowledge and deliver to the City such instruments of satisfaction and discharge or release as the City shall request to evidence such release and the satisfaction and discharge of this Ordinance and shall transfer all amounts remaining in the funds and accounts created hereby to the City except funds or securities in which such moneys are invested and held by the Paying Agent for the payment of the principal of, premium, if any, and interest on the Bonds and any funds or securities in which such moneys are invested and held by the Paying Agent for payment of rebate payments required under Section 148(f) of the Code.

(b) The City is hereby authorized to accept a certificate of the Paying Agent stating that the whole amount of the principal, premium, if any, and interest so due and payable upon all of the Bonds then Outstanding has been paid or provision for such payment has been made in accordance with Section 1002 hereof as evidence of satisfaction of this Ordinance and upon receipt thereof the City shall cancel and erase the inscription of this Ordinance from its records.

(c) Notwithstanding the foregoing, nothing herein shall be construed to imply that any obligation imposed under the Tax Compliance Agreement will terminate on the payment in full, or provision for payment thereof, of the Bonds.

Section 1002. Bonds Deemed to Be Paid.

(a) Bonds shall be deemed to be paid within the meaning of this Article when payment of the principal of and the applicable redemption premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in this Ordinance, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms hereof, or (ii) provision therefor shall have been made by depositing with the Paying Agent, or other bank located in the State of Missouri and having full trust powers, at or prior to the maturity or redemption date of said Bonds, in trust for and irrevocably appropriated thereto, (1) moneys sufficient to make such payment or (2) noncallable Defeasance Obligations, maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment; provided, however, that there shall be filed with the Paying Agent a verification report of a nationally recognized independent certified accounting firm that the moneys or Defeasance Obligations escrowed are sufficient to ensure the availability of sufficient moneys to make such payments when due and an

opinion of Bond Counsel to the effect that so providing for the payment of any Bonds will not cause the interest on the Bonds to be included in gross income for purposes of federal income taxation. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or be entitled to the benefits of this Ordinance, except for the purposes of any such payment from such moneys or Defeasance Obligations; provided, however, that nothing herein shall be construed to imply that any obligation imposed under the Tax Compliance Agreement will terminate on the payment in full, or provision for payment thereof, of the Bonds.

(b) Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (ii) of subsection (a) above shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, the City shall have irrevocably elected to redeem such Bonds and proper notice of such redemption shall have been given in accordance with Article III of this Ordinance or irrevocable instructions shall have been given to the Paying Agent to give such notice.

(c) Notwithstanding any provision of any other Section of this Ordinance which may be contrary to the provisions of this Section, all moneys or Defeasance Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of Bonds (including premium thereon, if any) and interest thereon shall be and are hereby irrevocably appropriated for and shall be applied to and be used solely for the payment of the particular Bonds (including premium thereon, if any) and interest thereon with respect to which such moneys and Defeasance Obligations have been so set aside in trust.

(d) All moneys deposited with the Paying Agent or other bank shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance.

ARTICLE XI

AMENDMENTS

Section 1101. Amendments. The rights and duties of the City and the Bondowners, and the terms and provisions of the Bonds or of this Ordinance, may be amended or modified at any time in any respect by ordinance of the City with the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the City is required to pay by way of principal of or interest on any Bond;
- (c) permit preference or priority of any Bonds of a series over any other Bonds of such series; or
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Ordinance.

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

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

Every amendment or modification of the provisions of the Bonds or of this Ordinance, to which the consent of the Bondowners is given, as above provided, shall be expressed in an ordinance adopted by the governing body of the City amending or supplementing the provisions of this Ordinance and shall be deemed to be a part of this Ordinance. A certified copy of every such amendatory or supplemental ordinance, if any, and a certified copy of this Ordinance shall always be kept on file in the office of the City Clerk, and shall be made available for inspection by the Owner of any Bond or a prospective purchaser or Owner of any Bond authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance or of this Ordinance will be sent by the City Clerk to any such Bondowner or prospective Bondowner. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the City Clerk a copy of the ordinance of the City hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Ordinance made hereunder, and no such amendment which affects the duties or obligations of the Paying Agent under this Ordinance shall become effective until the Paying Agent shall have consented thereto.

ARTICLE XII

PAYING AGENT

Section 1201. Successor Paying Agent.

(a) Any corporation or association into which the Paying Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, provided that such surviving corporation or association shall maintain an office in the State of Missouri, shall be and become the successor Paying Agent hereunder, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereof, anything herein to the contrary notwithstanding.

(b) The Paying Agent may at any time resign by giving thirty (30) days' notice to the City. Such resignation shall not take effect until a successor Paying Agent has been appointed and accepted such appointment pursuant to subparagraph (d) of this Section 1201.

(c) The Paying Agent may be removed at any time by an instrument in writing delivered to the Paying Agent by the City. In no event, however, shall any removal of the Paying

Agent take effect until a successor Paying Agent has been appointed and accepted such appointment pursuant to subparagraph (d) of this Section 1201.

(d) In case the Paying Agent shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting as Paying Agent, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the City. Every successor Paying Agent appointed pursuant to the provisions of this Section shall be, if there be such an institution willing, qualified and able to accept the duties of the Paying Agent upon customary terms, a bank or trust company within the State of Missouri, in good standing and having reported capital and surplus of not less than \$10,000,000. Written notice of such appointment shall immediately be given by the City to the Owners of the Bonds. Any successor Paying Agent shall execute and deliver an instrument accepting such appointment and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all rights, powers, duties and obligations of its predecessor, with like effect as if originally named as Paying Agent, but such predecessor shall nevertheless, on the written request of the City, or of the successor, execute and deliver such instruments and do such other things as may reasonably be required to more fully and certainly vest and confirm in such successor all rights, powers, duties and obligations of such predecessor. If no successor Paying Agent has accepted appointment in the manner provided above within 90 days after the Paying Agent has given notice of its resignation as provided above, the Paying Agent may petition any court of competent jurisdiction for the appointment of a temporary successor Paying Agent; provided that any Paying Agent so appointed shall immediately and without further act be superseded by a Paying Agent appointed by the City as provided above.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Notices, Consents and Other Instruments by Bondowners. Any notice, consent, request, direction, approval, objection or other instrument required by this Ordinance to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, other than the assignment of ownership of a Bond as set forth in Exhibit A, if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

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

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the registration books of the City maintained by the Paying Agent.

(c) In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Ordinance, Bonds owned by the City shall be disregarded and deemed not to be

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

Section 1302. Severability. If any section or other part of this Ordinance, whether large or small, shall for any reason be held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 1303. Governing Law. This Ordinance shall be governed exclusively by and constructed in accordance with the applicable laws of the State.

Section 1304. Official Statement. The use of the Official Statement dated _____, 2012 (the "Official Statement"), in substantially the form of the Preliminary Official Statement presented to this meeting of the City Council of the City and attached hereto as **Exhibit B**, by the City in connection with the sale of the Bonds is hereby authorized and ratified and the City Council does hereby approve and consent to the preparation and use by the City and the Purchaser of said Official Statement in connection with the sale of the Bonds and the execution thereof by the Mayor, City Manager or Director of Finance of the City on behalf of the City. The officials of the City have participated in the preparation of such Official Statement and have determined that the Preliminary Official Statement, dated _____, 2012, was true, correct and complete in all material respects as of the date thereof. For the purpose of enabling the Purchaser of the Bonds to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the information contained in such 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 officials of the City are hereby authorized, if requested, to provide a letter or certification to such effect and to take such further actions or execute such other documents as such officials in their reasonable judgment deem necessary to enable the Purchaser of the Bonds to comply with the requirements of such Rule.

Section 1305. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section. For purposes of this Section, "**Beneficial Owner**" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

Section 1306. Further Authorization. The City Manager, City Clerk and Director of Finance and the other officers of the City are hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all such documents (including, without limiting the generality of the foregoing, any closing certificate, non-arbitrage certificate or tax compliance agreement in connection with the issuance of the Bonds) as may in his or their discretion be deemed necessary or desirable in order to carry out or comply with the terms and provisions of this Ordinance and the Official Statement and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments or other documents herein approved, authorized and confirmed which they may approve and the execution or taking of such action shall be taken as conclusive evidence of its necessity

or advisability. All of the acts and undertakings of such officers which are in conformity with the intent and purposes of this Ordinance, whether heretofore or hereafter taken or done shall be and the same are hereby in all respects, ratified, confirmed and approved. The City Council hereby approves the employment by the City of the services of Thompson Coburn LLP, St. Louis, Missouri, as Bond Counsel.

Section 1307. Effective Date. This Ordinance shall be in full force and effect from and after its passage by the City Council of the City.

[Remainder of page intentionally left blank]

PASSED this _____ day of _____, 2012.

(Seal)

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

CERTIFICATE

I, the undersigned, City Clerk of the City of Columbia, Missouri, hereby certify that the above and foregoing constitutes a full, true and correct copy of Ordinance No. _____ duly adopted by the governing body of the City at a meeting duly and regularly held on _____, 2012; that said Ordinance has not been modified, amended or repealed, and is in full force and effect as of the date hereof; and that the same is on file in my office.

DATED: _____, 2012.

City Clerk

(Seal)

EXHIBIT A TO ORDINANCE

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

(FORM OF FULLY REGISTERED BOND)

UNITED STATES OF AMERICA
STATE OF MISSOURI
COUNTY OF BOONE

Registered
No. _____Registered
\$

CITY OF COLUMBIA, MISSOURI
SPECIAL OBLIGATION REFUNDING BOND
(ANNUAL APPROPRIATION OBLIGATION)
SERIES 2012B/SERIES 2012C/SERIES 2012D

Interest
Rate

Maturity Date

Dated Date

CUSIP Number

% October 1 / February 1, _____, 2012
20____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

THE CITY OF COLUMBIA, MISSOURI, a municipal corporation and a political subdivision of the State of Missouri (the “**City**”), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, but solely from the source and in the manner herein specified, the principal amount shown above on the Maturity Date shown above, and to pay interest thereon, but solely from the source and in the manner herein specified, at the interest rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months) from the date of the Bonds shown above or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually on October 1 / February 1 and April 1 / August 1 in each year (each an “**Interest Payment Date**”), beginning on October 1 / August 1, 2012, until said principal amount shall have been paid.

The principal of and redemption premium, if any, on this Bond shall be paid at maturity or upon earlier redemption to the Person in whose name this Bond is registered on the Bond Register maintained

by the paying Agent at the maturity date thereof, upon presentation and surrender of this Bond at the principal payment office of UMB Bank, N.A. in St. Louis, Missouri, or its successors or assigns (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 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 such Registered Owner at the address shown on the Bond Register or (b) at such other address as is furnished to the Paying Agent in writing by such Registered Owner or (c) in the case of an interest payment to any Owner of \$100,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address (which shall be in the continental United States) to which such Registered Owner wishes to have such wire directed.

THIS BOND IS A SPECIAL OBLIGATION OF THE CITY PAYABLE SOLELY FROM THE ANNUAL APPROPRIATION OF FUNDS ***[AND THE ELECTRIC UTILITY PLEDGED REVENUES]*** AND DOES NOT CONSTITUTE A GENERAL OBLIGATION OR AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION, AND THE CITY DOES NOT PLEDGE ITS FULL FAITH AND CREDIT AND IS NOT OBLIGATED TO LEVY TAXES OR RESORT TO ANY OTHER MONEYS OF THE CITY TO PAY THE PRINCIPAL AND INTEREST ON THE BONDS.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF. SUCH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

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 shall have been executed by the Paying Agent.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by the Constitution and laws of the State of Missouri.

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

CERTIFICATE OF AUTHENTICATION

CITY OF COLUMBIA, MISSOURI

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

By _____

Mayor

Registration Date:

(Seal)

UMB Bank, N.A.,
Paying Agent

ATTEST

By: _____

Authorized
Signatory

City Clerk

COUNTERSIGNED:

Director of Finance

(FORM OF REVERSE SIDE OF BOND)

ADDITIONAL PROVISIONS

This Bond is one of a duly authorized series of fully registered Bonds without coupons of the City designated "Special Obligation Refunding Bonds, Series 2012B/Series 2012C / Series 2012D," aggregating the principal amount of [\$BOND SIZE] (the "**Bonds**"), issued by the City for the purpose of ***[currently refunding the City's Outstanding Special Obligation Capital Improvement Bonds, Series 2001A / currently refunding the City's Outstanding Special Obligation Capital Improvement Bonds, Series 2001B/ refunding prior to maturity the City's outstanding Special Obligation Electric Utility Improvement Bonds (Annual Appropriate Obligation), Series 2008A]***, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, the Charter of the City and an ordinance duly adopted by the governing body of the City (herein called the "**Ordinance**"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Ordinance.

The Bonds are special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose ***[and the Electric Utility Pledged Revenues]***. The obligation of the City to make payments into the Debt Service Account, ***[the Debt Service Reserve Account]***

and any other obligations of the City to make payments under the Ordinance do not constitute a general obligation or indebtedness of the City for which the City is obligated to levy or pledge any form of taxation, or for which the City has levied or pledged any form of taxation and shall not be construed to be a debt of the City in contravention of any applicable constitutional, statutory or charter limitation or requirement, but in each Fiscal Year shall be payable solely from ***[the Electric Utility Pledged Revenues (as defined in the Ordinance)]*** and amounts pledged or appropriated therefor (i) out of the income and revenues provided for such year plus (ii) any unencumbered balances for previous years. Subject to the preceding sentence, the obligations of the City to make payments hereunder and to perform and observe any other covenant and agreement contained herein shall be absolute and unconditional.

At the option of the City, the Bonds are subject to optional redemption and payment prior to their Stated Maturity, on October 1 / February 1, 20__, and thereafter, in whole at any time or in part on any Interest Payment Date in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at a redemption price of 100% of the principal amount being redeemed, without premium, together with accrued interest thereon to the date of redemption.

The Bonds maturing October 1 / February 1, 20__ are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance in the principal amount thereof plus accrued interest to the redemption date, without premium, on October 1 / February 1 in the years 20__ and 20__.

The Bonds maturing October 1 / February 1, 20__ are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance in the principal amount thereof plus accrued interest to the redemption date, without premium, on October 1 / February 1 in the years 20__ and 20__.

The Bonds maturing October 1 / February 1, 20__ are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance in the principal amount thereof plus accrued interest to the redemption date, without premium, on October 1 / February 1 in the years 20__ and 20__.

The Bonds maturing October 1 / February 1, 20__ are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance in the principal amount thereof plus accrued interest to the redemption date, without premium, on October 1 / February 1 in the years 20__ and 20__.

The Bonds maturing October 1 / February 1, 20__ are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance in the principal amount thereof plus accrued interest to the redemption date, without premium, on October 1 / February 1 in the years 20__ and 20__.

Notice of redemption, unless waived, is to be given by the Bond Registrar by mailing an official redemption notice by first-class mail at least 30 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so 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 Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

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

When all of the Bonds shall have been paid and discharged or provision for their payment and discharge has been made in accordance with the terms of the Ordinance, the Bonds shall no longer be secured by or entitled to the benefits of the Ordinance and the requirements contained in the Ordinance and the rights granted thereunder shall terminate.

ASSIGNMENT

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

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

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

Dated:

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular and must be guaranteed by a member firm of the NYSE or a commercial bank or trust company.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 AD-15))

By:

Title:

EXHIBIT B TO ORDINANCE

Preliminary Official Statement

This is a Preliminary Official Statement and the information contained herein are subject to completion, amendment or other changes without any notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED AS OF APRIL __, 2012

NEW ISSUE
Book-Entry Only

Standard and Poor's Rating: [] [add Fitch's rating]
See "Bond Ratings" herein

In the opinion of Thompson Coburn, LLP, Bond Counsel, conditioned on continuing compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds (a) is excluded from gross income for federal income tax purposes and (b) is exempt from income taxation by the State of Missouri. Also in the opinion of Bond Counsel, interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals. However, interest on the Bonds is not included in a corporate taxpayer's adjusted current earnings for purposes of determining its federal alternative minimum tax liability. In the opinion of Bond Counsel, the Bonds are not "qualified tax-exempt obligations" within the meaning of the Code (relating to financial institution deductibility of interest expense). See "TAX MATTERS" herein.



[\$[PAR]]
CITY OF COLUMBIA,
MISSOURI
Special Obligation Refunding
Bonds
Series 2012B
(Sewer System Project - Annual
Appropriation Obligation)

[\$[PAR]]
CITY OF COLUMBIA,
MISSOURI
Special Obligation Refunding
Bonds
Series 2012C
(Solid Waste System Project -
Annual Appropriation Obligation)

[\$[PAR]]
CITY OF COLUMBIA,
MISSOURI
Special Obligation Refunding
Bonds
Series 2012D
(Electric Utility Project - Annual
Appropriation Obligation)

Dated: Date of Delivery

Due: As shown on the inside front cover

The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in denominations of \$5,000 or any integral multiple thereof. Purchasers of the Bonds ("Beneficial Owners") will not receive certificates representing their interest in the Bonds. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the bondowners or registered owners shall mean Cede & Co. as aforesaid and shall not mean the Beneficial Owners of the Bonds. Principal of, redemption premium, if any, and interest on the Bonds is payable to the registered owners of the Bonds at the maturity or redemption date thereof upon the surrender thereof at the principal corporate trust office of UMB Bank, N.A., St. Louis, Missouri (the "Paying Agent"). See the section entitled "BOOK-ENTRY-ONLY SYSTEM." Interest on the Series 2012B Bonds will be payable on April 1 and October 1 of each year, beginning on October 1, 2012. Interest on the Series 2012C Bonds will be payable on February 1 and August 1 of each year, beginning on August 1, 2012. Interest on the Series 2012D Bonds will be payable on April 1 and October 1 of each year, beginning on October 1, 2012.

The Series 2012B Bonds shall be special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose and are secured by the Series 2012B Debt Service Reserve Account. The Series 2012C Bonds shall be special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The Series 2012C Bonds are not secured by a debt service reserve account. The Series 2012D Bonds shall be special obligations of the City payable (i) from the annual appropriation of funds by the City for that purpose, and (ii) from the Electric Utility Pledged Revenues on a parity lien basis with the Series 2006C Bonds and are secured by the Series 2012D Debt Service Reserve Account. The obligation of the City to make payments under the Ordinance does not constitute a general obligation or indebtedness of the City for which the City is obligated to levy or pledge any form of taxation and shall not be construed to be a debt of the City in contravention of any applicable constitutional, statutory or charter limitation or requirement.

The Series 2012B Bonds are being issued for the purpose of i) currently refunding the City's Special Obligation Capital Improvement Bonds, Series 2001A, outstanding in the principal amount of \$1,525,000; ii) making a deposit to the Series 2012B Debt Service Reserve Account; and iii) paying costs of issuance. The Series 2012C Bonds are being issued for the purpose of i) currently refunding the City's Special Obligation Capital Improvement Bonds, Series 2001B, outstanding in the principal amount of \$2,630,000 and ii) paying costs of issuance. The Series 2012D Bonds are being issued for the purpose of i) advance refunding the City's Special Obligation Electric Utility Improvement Bonds, Series 2008A, outstanding in the principal amount of \$21,465,000; ii) making a deposit to the Series 2012D Debt Service Reserve Account; and iii) paying costs of issuance.

The Bonds are offered when, as and if issued by the City, subject to the approval of legality by Thompson Coburn LLP, St. Louis, Missouri, Bond Counsel. It is expected that the Bonds will be available for delivery in St. Louis, Missouri, on or about May 21, 2012.

The date of this Official Statement is May __, 2012.

CITY OF COLUMBIA, MISSOURI

[\$[PAR]]*
Special Obligation Refunding Bonds
Series 2012B
(Sewer System Project - Annual Appropriation Obligation)

MATURITY SCHEDULE

<u>Due</u> <u>October 1,</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP</u> <u>(Base: _____)</u>
2012	\$			
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				

[\$[PAR]]*
Special Obligation Refunding Bonds
Series 2012C
(Solid Waste System Project - Annual Appropriation Obligation)

MATURITY SCHEDULE

<u>Due</u> <u>February 1,</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP</u> <u>(Base: _____)</u>
2013	\$			
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				

* Preliminary, subject to change.

\$(PAR)*
Special Obligation Refunding Bonds
Series 2012D
(Electric Utility Project - Annual Appropriation Obligation)

MATURITY SCHEDULE

Due	Principal	Interest		CUSIP
<u>October 1,</u>	<u>Amount*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>(Base:)</u>
2012	\$			
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				

CITY OF COLUMBIA, MISSOURI
701 East Broadway
Columbia, Missouri 65201
(573) 874-7111

ELECTED OFFICIALS

Bob McDavid, Mayor
Fred Schmidt, Council Member
Michael Trapp, Council Member
Gary Kespohl, Council Member
Daryl Dudley, Council Member
Helen Anthony, Council Member
Barbara Hoppe, Council Member

APPOINTED OFFICIALS

Mike Matthes, City Manager
John Blattell, Finance Director
John Glascock, Director of Public Works

CITY COUNSELOR

Fred Boeckmann, Esq.
Columbia, Missouri

BOND COUNSEL

Thompson Coburn LLP
St. Louis, Missouri

CO-FINANCIAL ADVISORS

Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

Columbia Capital Management, LLC
Overland Park, Kansas

PAYING AGENT

UMB Bank, N.A.
St. Louis, Missouri

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to give any information or to make any representations with respect to the Bonds or offered hereby other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the City and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
Purpose of the Official Statement	1
The City.....	1
Purpose of the Bonds	1
Authority for the Bonds	2
Security and Source of Payment	2
THE BONDS	2
Authorization and Description of the Bonds	2
Redemption	3
CUSIP Numbers.....	3
Book-Entry Only System	3
Registration, Transfer and Exchange of Bonds	5
REFUNDING PLAN.....	5
The Series 2012B Refunding Plan	5
The Series 2012C Refunding Plan	6
The Series 2012D Refunding Plan	6
SOURCES AND USES OF FUNDS	7
Estimated Application of Bond Proceeds.....	7
Sources and Uses of Funds*.....	8
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS	8
Source of Payment and Security	8
Annual Appropriation Obligation	9
Series 2012B Bonds and Intent to Pay from Sewer System Net Revenues.....	9
Series 2012C Bonds and Intent to Pay from Solid Waste Net Revenues.....	9
Series 2012D Bonds and Covenant with Respect to Electric Utility Pledged Revenues	10
BONDOWNERS' RISKS.....	10
General	10
Risk of Non-Appropriation by the City.....	10
Factors Relating to Security for the Bonds	11
No Mortgage	11
Certain Matters Relating to Enforceability	11
The Hancock Amendment.....	11
Risk of Taxability – The Bonds	12
Risk of Audit – The Bonds.....	12
CONTINUING DISCLOSURE INFORMATION	12
LEGAL MATTERS.....	12
Litigation	12
Legal Proceedings	13
TAX MATTERS.....	13
Tax Exemption	13
Original Issue Discount.....	14
Premium	14
Market Discount.....	15

Deleted: 11

Inserted: 11

Deleted: 12

Collateral Tax Consequences	15
MISCELLANEOUS	16
Bond Ratings.....	16
Financial Advisor	16
Series 2012B Underwriting.....	16
Series 2012C Underwriting.....	16
Series 2012D Underwriting.....	17
Other Matters	17
Additional Information.....	18
Appendix A: Information Concerning the City	A-1
Appendix B: Audited Financial Statements of the City for Fiscal Year 2011.....	B-1
Appendix C: Summary of Continuing Disclosure Certificate	C-1
Appendix D: Form of Opinion of Bond Counsel	D-1

OFFICIAL STATEMENT

\$[PAR]*
CITY OF COLUMBIA,
MISSOURI
Special Obligation Refunding
Bonds
Series 2012B
(Sewer System Project - Annual
Appropriation Obligation)

\$[PAR]*
CITY OF COLUMBIA,
MISSOURI
Special Obligation Refunding
Bonds
Series 2012C
(Solid Waste System - Annual
Appropriation Obligation)

\$[PAR]*
CITY OF COLUMBIA,
MISSOURI
Special Obligation Refunding
Bonds
Series 2012D
(Electric Utility Project - Annual
Appropriation Obligation)

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to more complete and detailed information in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

This Official Statement contains descriptions of, among other matters, the Special Obligation Refunding Bonds Series, 2012B (Sewer System Project – Annual Appropriation Obligation) (the “Series 2012B Bonds”), the Special Obligation Refunding Bonds, Series 2012C (Solid Waste System Project – Annual Appropriation Obligation) (the “Series 2012C Bonds”), the Special Obligation Refunding Bonds, Series 2012D (Electric Utility Project – Annual Appropriation Obligation) (the “Series 2012D Bonds” and together with the Series 2012B Bonds and the Series 2012C Bonds, the “Bonds”) of the City of Columbia, Missouri (the “City”), and the ordinance of the City authorizing the Bonds (the “Ordinance”). Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance are qualified in their entirety by reference to the definitive Ordinance, copies of which may be obtained from the office of the Finance Director of the City. See the caption “THE BONDS” herein.

The City

The City is a constitutional charter city and political subdivision of the State of Missouri. See **Appendix A** for information concerning the city.

Purpose of the Bonds

The proceeds of the Series 2012B Bonds will be used to provide funds to i) currently refund the City’s Special Obligation Capital Improvement Bonds, Series 2001A, outstanding in the principal amount of \$1,525,000 (the “Prior Series 2001A Obligations”); ii) make a deposit to the Series 2012B Debt Service Reserve Account; and iii) pay costs of issuance. The proceeds of the Series 2012C Bonds will be used to provide funds to i) currently refund the City’s Special Obligation Capital Improvement Bonds, Series 2001B, outstanding in the principal amount of \$2,630,000 (the “Prior Series 2001B Obligations”); and ii) pay costs of issuance. The proceeds of the Series 2012D Bonds will be used to provide funds to i) refund prior to maturity the City’s Special Obligation Electric Utility Improvement Bonds, Series 2008A, outstanding in the principal amount of \$21,465,000 (the “Prior Series 2008A Obligations”); ii) make a deposit to the Series 2012D Debt Service Reserve Account; and iii) pay costs of issuance. See the caption “THE BONDS - Purpose of the Bonds” herein.

Authority for the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution and Statutes of the State of Missouri, including particularly the City's charter, and an Ordinance adopted by the governing body of the City (the "Ordinance").

Security and Source of Payment

The Series 2012B Bonds shall be special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose and are secured by the Series 2012B Debt Service Reserve Account. The Series 2012C Bonds shall be special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The Series 2012C Bonds are not secured by a debt service reserve account. The Series 2012D Bonds shall be special obligations of the City payable (i) from the annual appropriation of funds by the City for that purpose, and (ii) from the Electric Utility Pledged Revenues on a parity lien basis with the Series 2006C Bonds and are secured by the Series 2012D Debt Service Reserve Account.

The obligation of the City to make payments under the Ordinance into the Debt Service Accounts, the Debt Service Reserve Accounts and any other obligations of the City to make payments under the Ordinance do not constitute a general obligation or indebtedness of the City for which the City is obligated to levy or pledge any form of taxation and shall not be construed to be a debt of the City in contravention of any applicable constitutional, statutory or charter limitation or requirement. Subject to the preceding sentence, the obligations of the City to make payments hereunder and to perform and observe any other covenant and agreement contained herein shall be absolute and unconditional. The City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys of the City to pay the principal and interest on the Bonds. See the caption "THE BONDS - Security and Source of Payment for the Bonds." See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

THE BONDS

Authorization and Description of the Bonds

The Bonds will be issuable in the form of fully registered bonds without coupons, in denominations of \$5,000 or any integral multiple thereof and shall be numbered from R-1 consecutively upward. The Series 2012B Bonds will be issued in the principal amount of \$ [PAR]*, the Series 2012C Bonds will be issued in the principal amount of \$ [PAR]* and the Series 2012D Bonds will be issued in the principal amount of \$ [PAR]*. The Bonds shall be substantially in the form set forth in the Ordinance, and shall be subject to registration, transfer and exchange as provided in the Ordinance. The Bonds will be dated the date of delivery and will mature serially in the years and in the principal amounts set forth on the inside cover of this Official Statement. The Bonds will bear interest at the rates per annum set forth on the inside cover of this Official Statement (computed on the basis of a 360-day year consisting of twelve 30-day months) from the date thereof. Interest on the Series 2012B Bonds will be payable semiannually on April 1 and October 1, in each year, beginning on October 1, 2012. Interest on the Series 2012C Bonds will be payable semiannually on February 1 and August 1, in each year, beginning on August 1, 2012. Interest on the Series 2012D Bonds will be payable semiannually on April 1 and October 1, in each year, beginning on October 1, 2012. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at UMB Bank, N.A., St. Louis, Missouri (the "Paying Agent"). Interest will be payable by check or draft mailed by the Paying Agent to the persons who are the Registered Owners of the Bonds as of the close of business on the Record Date.

* Preliminary, subject to change.

Redemption

Optional Redemption of the Series 2012B Bonds.

At the option of the City, the Bonds maturing on and after October 1, 2019 may be subject to redemption and payment prior to maturity, on October 1, 2018 and thereafter in whole or in part at any time in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Optional Redemption of the Series 2012C Bonds.

At the option of the City, the Bonds maturing on and after February 1, 2019 may be subject to redemption and payment prior to maturity, on February 1, 2018 and thereafter in whole or in part at any time in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Optional Redemption of the Series 2012D Bonds.

At the option of the City, the Bonds maturing on and after October 1, 2021 may be subject to redemption and payment prior to maturity, on October 1, 2020 and thereafter in whole or in part at any time in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds, nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and payment for any Bonds.

Book-Entry Only System

General. Ownership interest in the Bonds will be available to purchasers only through a book-entry-only system (the “Book-Entry-Only System”) maintained by The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Bonds. Initially, the Bonds will be issued as one fully-registered Bond for each maturity specified on the inside cover hereof, registered in the Bond Register of the City kept by the Paying Agent in the name of Cede & Co. (DTC’s partnership nominee). The following discussion will not apply to any Bonds issued in certificate form due to the discontinuance of the DTC Book-Entry-Only System, as described below.

DTC and its Participants. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides assets servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that its participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust &

Clearing Corporation ("DTCC"). DTCC, in turn is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MSBCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard and Poor's highest rating: AAA. The DTC Rules applicable to its Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests. Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communication by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal and Interest. Principal and interest payments on the Bonds and redemption proceeds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds holdings shown on DTC's records. Payments by Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct Participant and not of DTC, the Paying Agent or the City, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest and redemption proceeds to Cede & Co. (or other such nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC,

and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

Discontinuation of Book Entry System. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

The City may determine to discontinue the system of book-entry transfers through DTC (or a successor securities depository). In such event, the Bonds are to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City and the Underwriter believe to be reliable, but the City and the Underwriter take no responsibility for the accuracy thereof, and neither the DTC Direct Participants, the Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with Direct Participants or Indirect Participants, as the case may be.

None of the City, the Underwriter or the Paying Agent will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; (ii) the payment by any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any, or interest on the Bonds; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Indenture to be given to Bondholders; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

Registration, Transfer and Exchange of Bonds

Bonds are transferable only upon the books of the Paying Agent upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, subject to the terms, conditions and limitations set forth in the Ordinance and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

REFUNDING PLAN

The Series 2012B Refunding Plan

The proceeds of the Series 2012B Bonds will be used to currently refund the Prior Series 2001A Obligations. In order to accomplish this, the City will deposit funds into the Debt Service Account for the Prior Series 2001A Obligations in the custody of the Paying Agent for such bonds (the "Series 2001A Debt Service Account"). These funds plus funds of the City in an amount equal to the accrued interest on the Series 2001A Bonds from February 1, 2012 through May 22, 2012 shall be deposited in the Series 2001A Debt Service Account to be applied by the Paying Agent to redeem the Series 2001A Bonds on May 22, 2012 (the "Redemption Date") at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption.

Set forth below is a description of the Prior Series 2001A Obligations:

Maturity Date (February 1)	Outstanding Principal Amount	Interest Rate	Redemption Date	Redemption Price
2013	\$140,000	4.15%	5/22/2012	100.00%
2014	145,000	4.30%	5/22/2012	100.00%
2015	155,000	4.40%	5/22/2012	100.00%
2016	160,000	4.50%	5/22/2012	100.00%
2017	165,000	4.60%	5/22/2012	100.00%
2018	175,000	4.65%	5/22/2012	100.00%
2019	185,000	4.70%	5/22/2012	100.00%
2020	195,000	4.75%	5/22/2012	100.00%
2021	205,000	4.80%	5/22/2012	100.00%
Total	\$1,525,000			

The Series 2012C Refunding Plan

The proceeds of the Series 2012C Bonds will be used to currently refund the Prior Series 2001B Obligations. In order to accomplish this, the City will deposit funds into the Debt Service Account for the Prior Series 2001B Obligations in the custody of the Paying Agent for such bonds (the "Series 2001B Debt Service Account"). These funds plus funds of the City in an amount equal to accrued interest on the Series 2001B Bonds from February 1, 2012 through May 22, 2012 shall be deposited in the Series 2001B Debt Service Account to be applied by the Paying Agent to redeem the Series 2001B Bonds on May 22, 2012 (the "Redemption Date") at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption.

Set forth below is a description of the Prior Series 2001B Obligations:

Maturity Date (February 1)	Outstanding Principal Amount	Interest Rate	Redemption Date	Redemption Price
2013	\$240,000	4.15%	5/22/2012	100.00%
2014	250,000	4.30%	5/22/2012	100.00%
2015	265,000	4.40%	5/22/2012	100.00%
2016	275,000	4.50%	5/22/2012	100.00%
2017	290,000	4.60%	5/22/2012	100.00%
2018	305,000	4.65%	5/22/2012	100.00%
2019	320,000	4.70%	5/22/2012	100.00%
2020	335,000	4.75%	5/22/2012	100.00%
2021	350,000	4.80%	5/22/2012	100.00%
Total	\$2,630,000			

The Series 2012D Refunding Plan

The proceeds of the Series 2012D Bonds will be used to refund prior to maturity the Prior Series 2008A Obligations. In order to accomplish this, the City will enter into an Escrow Agreement dated as of _____ 1, 2012 (the "Escrow Agreement") with UMB Bank, N.A. of St. Louis, Missouri as Escrow Agent (the "Escrow Agent"). Pursuant to the Escrow Agreement, the City will deposit with the Escrow Agent a portion of

the Series 2012D Bonds as indicated under the caption “Sources and Uses of Funds” into the Escrow Account. Pursuant to the Escrow Agreement, the Escrow Agent will apply the moneys deposited in the Escrow Account to purchase direct non-callable obligations of the United States of America (the “Escrow Securities”) maturing in such amounts and at such times as shall be sufficient, together with the interest to accrue thereon, to redeem and pay the principal and interest of the Prior Series 2008A Obligation maturing on or after October 1, 2012, as the same become due and payable prior to and on October 1, 2017 (the “Redemption Date”) at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the date of redemption.

Set forth below is a description of the Prior Series 2008A Obligations:

Maturity Date (October 1)	Outstanding Principal Amount	Interest Rate	Redemption Date	Redemption Price
2016	\$545,000	4.000%	10/1/2016	100.00%
2017	560,000	5.500%	10/1/2017	100.00%
2018	580,000	5.500%	10/1/2017	100.00%
2019	605,000	5.500%	10/1/2017	100.00%
2020	630,000	5.500%	10/1/2017	100.00%
2021	655,000	5.000%	10/1/2017	100.00%
2023	1,445,000 *	5.000%	10/1/2017	100.00%
2025	1,585,000 *	5.000%	10/1/2017	100.00%
2028	2,570,000 *	5.000%	10/1/2017	100.00%
2030	2,000,000 *	5.125%	10/1/2017	100.00%
2033	10,290,000 *	5.750%	10/1/2017	100.00%
Total	\$21,465,000			

* Includes Mandatory Sinking Fund Amounts

SOURCES AND USES OF FUNDS

Estimated Application of Bond Proceeds

The following table itemizes the sources of funds, including the proceeds from the sale of the Bonds, and how such funds are expected to be used:

Sources and Uses of Funds* [let's leave this blank in the POS]

	Series 2012B	Series 2012C	Series 2012D	Total
Sources Of Funds				
Par Amount of Bonds	\$1,505,000.00	\$2,705,000.00	\$26,545,000.00	\$30,755,000.00
Transfers from Prior Issue DSR Funds	214,840.00	370,680.00	2,146,500.00	2,732,020.00
Total Sources	\$1,719,840.00	\$3,075,680.00	\$28,691,500.00	\$33,487,020.00
Uses Of Funds				
Total Underwriter's Discount	15,050.00	27,050.00	265,450.00	307,550.00
Costs of Issuance	6,361.57	11,433.91	112,204.52	130,000.00
Deposit to Debt Service Reserve Fund (DSRF)	150,500.00	-	1,663,453.50	1,813,953.50
Deposit to Net Cash Escrow Fund	1,546,456.92	2,667,006.17	26,648,128.73	30,861,591.82
Deposit to Solid Waste Project Fund	-	370,680.00	-	370,680.00
Rounding Amount	1,471.51	(490.08)	2,263.25	3,244.68
Total Uses	\$1,719,840.00	\$3,075,680.00	\$28,691,500.00	\$33,487,020.00

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Source of Payment and Security

The Series 2012B Bonds are special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose and are secured by the Series 2012B Debt Service Reserve Account. The City shall deposit to the Series 2012B Debt Service Reserve Account from proceeds of the Series 2012B Bonds and from funds available to the City in amounts required so that such Account shall aggregate the Debt Service Reserve Requirement initially \$_____.* "Debt Service Reserve Requirement" means (i) with respect to the Series 2012B Bonds an amount equal to the lesser of (a) maximum annual debt service on the Outstanding Series 2012B Bonds on the date of calculation, (b) 125% of average annual debt service on the Outstanding Series 2012B Bonds on the date of calculation, or (c) 10% of the proceeds of the Series 2012B Bonds.

The Series 2012C Bonds are special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The Series 2012C Bonds are not secured by a debt service reserve account.

The Series 2012D Bonds are special obligations of the City payable (i) from the annual appropriation of funds by the City for that purpose, and (ii) from the Electric Utility Pledged Revenues on a parity lien basis with the Series 2006C Bonds and are secured by the Series 2012D Debt Service Reserve Account. The City shall deposit to the Series 2012D Debt Service Reserve Account from proceeds of the Series 2012D Bonds and from funds available to the City in amounts required so that such Account shall aggregate the Debt Service Reserve Requirement initially \$_____.* "Debt Service Reserve Requirement" means (with respect to the Series 2012D Bonds an amount equal to the lesser of (a) maximum annual debt service on the Outstanding Series 2012D Bonds on the date of calculation, (b) 125% of average annual debt service on the Outstanding Series 2012D Bonds on the date of calculation, or (c) 10% of the proceeds of the Series 2012D Bonds.

* Preliminary, subject to change.

Annual Appropriation Obligation

The obligation of the City to make payments into the Debt Service Accounts, the Debt Service Reserve Accounts and any other obligations of the City to make payments under the Ordinance do not constitute a general obligation or indebtedness of the City for which the City is obligated to levy or pledge any form of taxation, or for which the City has levied or pledged any form of taxation and shall not be construed to be a debt of the City in contravention of any applicable constitutional, statutory or charter limitation or requirement. Subject to the preceding sentence, the obligations of the City to make payments under the Ordinance and to perform and observe any other covenant and agreement contained herein shall be absolute and unconditional. The City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys of the City to pay the principal and interest on the Bonds.

The payment of the principal of and interest on the Bonds is subject to an annual appropriation by the City. The City is not required or obligated to make any such annual appropriation and the decision whether or not to appropriate such funds will be solely within the discretion of the then current City Council.

Series 2012B Bonds and Intent to Pay from Sewer System Net Revenues

At a November 4, 1997 special election, the voters of the City authorized the issuance of sanitary sewer system revenue bonds in the principal amount of \$18,901,000 for the purpose of providing funds for constructing, improving and extending the City-owned sanitary sewer utility, the cost of operation and maintenance of said sanitary sewer system and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the City from the operation of its sanitary sewer system. The City is authorized to appropriate and apply moneys constituting Sewer System Net Revenues (as defined in the Ordinance) to make payments into the Series 2012B Debt Service Account and the Series 2012B Debt Service Reserve Account on a parity with the outstanding Sewer System Revenue Bonds of the City.

The City intends to fix, establish, maintain and collect such rates, fees and charges for the use of and services furnished by or through its Sewer System, as will produce revenues sufficient to (i) pay the cost of operation and maintenance of the Sewer System; (ii) pay the principal of and interest on any sewer system revenue bonds of the City and the Series 2012B Bonds, as and when the same become due; and (iii) provide reasonable and adequate reserves for the payment of any sanitary sewer system revenue bonds of the City and the Series 2012B Bonds and the interest thereon and for the protection and benefit of the Sewer System. However, that any failure of the City to revise such rates in accordance with this paragraph does not constitute a default under the Ordinance. Notwithstanding the foregoing, the payment of the Series 2012B Bonds is not limited to the revenues of the Sewer System.

Series 2012C Bonds and Intent to Pay from Solid Waste Net Revenues

It is the City's intent to pay the Series 2012C Bonds from the net income and revenues derived from the operation of the City's solid waste utility after payment of costs of operation and maintenance. The City intends to fix, establish, maintain and collect such rates, fees and charges for the use of an services furnished by or through its Solid Waste System and will produce revenues sufficient to (i) pay the cost of the operation and maintenance of the Solid Waste System; (ii) pay the principal of the interest on any solid waste disposal system revenue bonds of the City and the Solid Waste Project portion of the Bonds, as and when the same become due; and (iii) provide reasonable and adequate reserves for the payment of such bonds and for the protection and benefit of the Solid Waste System. However, any failure of the City to revise such rates in accordance with this paragraph does not constitute a default under the Ordinance. Notwithstanding the foregoing, the payment of the Series 2012C Bonds is not limited to the revenues of the Solid Waste System.

Series 2012D Bonds and Covenant with Respect to Electric Utility Pledged Revenues

At an August 8, 2006 special election, the voters of the City authorized the issuance of electric system revenue bonds in the principal amount of \$60,000,000 for the purpose of providing funds extending, expanding, improving, repairing, replacing and equipping the City-owned electric system.

The City has created the Electric Utility Pledged Revenue Account pursuant to the provisions of the Water and Electric System Bond Ordinance which provides for the deposit into such account of surplus revenues of the Electric Utility after payment of operating expenses of the Water and Electric System, paying debt service on Water and Electric System Revenue Bonds which may be issued and outstanding from time to time, and making deposits to debt service reserves and renewal and replacement accounts and making such other payments and deposits as may be required pursuant to such ordinance from time to time. No provision of the Ordinance limits or restricts in any way the ability of the City to issue bonds, notes or other obligations payable from the revenues of the Water and Electric System, including the Electric Utility, senior in lien to the Series 2012D Bonds.

Pursuant to the Ordinance, the City has covenanted to charge and collect rates, fees and other charges for the sale of electric power and energy and other services, facilities and commodities of the Electric Utility component of the Water and Electric System as shall be required to provide revenues and income (including investment income) at least sufficient in each Fiscal Year to satisfy the requirements of the Water and Electric System Bond Ordinance and for deposit into the Electric Utility Account of the Surplus Fund of an amount at least equal to 110% of the debt service requirement on the Series 2006C Bonds and Series 2012D Bonds then Outstanding for the year of computation and will enable the City to make all required payments, if any, into the funds and accounts held pursuant to this Ordinance. Notwithstanding the foregoing, the payment of the Series 2012D Bonds is not limited to the revenues of the Electric Utility component of the Water and Electric System.

BONDOWNERS' RISKS

The following is a discussion of certain risks that could affect payments to be made with respect to the Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in the Appendices hereto, copies of which are available as described herein.

General

The payment of the principal of and interest on the Bonds is subject to an annual appropriation by the City. The City is not required or obligated to make any such annual appropriation and the decision whether or not to appropriate such funds will be solely within the discretion of the then current City Council.

Risk of Non-Appropriation by the City

The payment of principal of and interest on the Bonds by the City is subject to annual appropriation by the City Council in accordance with the provisions of applicable law. Although the City has covenanted that the officer of such City at any time charged with the responsibility of formulating budget proposals will include in the annual budget proposal a request for an appropriation of the principal of and interest on the Bonds, there can be no assurance that such appropriation will be made and the City Council is not legally obligated to make such appropriation.

Factors which may affect the willingness of the City Council to appropriate the principal of and interest on the Bonds include, but are not limited to, the sufficiency of legally available funds of the City to make such payments and other needs of the City with respect to the use of such funds for its governmental purposes, the revenues from the operations of the City's enterprise systems and other commitments with respect to the use of such revenues.

In considering the payments of principal of and interest on the Bonds, the annual appropriation nature of such payments impacts their value as security for the Bonds. If the City fails to appropriate amounts to pay the principal of and interest on the Bonds for any reason those funds will not be available for payment of the Bonds. The failure of the City to appropriate the principal of and interest on the Bonds is not an Event of Default under the Ordinance and there is no available legal remedy to compel such appropriation. Without the appropriated funds, the City would be unable to pay debt service on the Bonds.

Factors Relating to Security for the Bonds

Enforcement of the remedies under the Ordinance may be limited or restricted by state and federal laws relating to bankruptcy, fraudulent conveyances, and rights of creditors and by application of general principles of equity affecting the enforcement of creditors' rights and liens securing such rights, and the exercise of judicial authority by state or federal courts, and may be subject to discretion and delay in the event of litigation or statutory remedy procedures. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies, and by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors. In the event of a default, no assurance can be given that the exercise of remedies provided in the Ordinance will provide proceeds sufficient to make timely payments of principal of, premium, if any and interest on the Bonds.

No Mortgage

Payment of the principal of and interest on the Bonds is neither secured by any deed of trust, mortgage or other lien on any property of the City, nor by any pledge of the revenues from the operations of the City or the City's enterprise systems, except as described under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Many bonds are secured by funds which are subject to annual appropriation and such bonds are often structured as leasehold revenue bonds, in which the entity that appropriates the funds is also a lessee of the bond financed project. If the lessee fails to appropriate funds to repay the bonds, the lease will terminate and the lessee will lose the use of the project. In this case, there is no facility being leased to the City so there is no ability to take over the Project or otherwise penalize the City in the event of non-appropriation.

Certain Matters Relating to Enforceability

The remedies available upon a default under the Ordinance, will, in many respects, be dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the United States Bankruptcy Code, the remedies specified in the Ordinance may not be readily available or may be limited. The various legal opinions to be delivered in connection with the issuance of the Bonds will be expressly subject to the qualification that the enforceability of the Ordinance is limited by bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the rights of creditors and by the exercise of judicial discretion in appropriate cases.

The Hancock Amendment

An amendment to the Missouri Constitution limiting taxation and government spending was approved by Missouri voters on November 4, 1980. This amendment limits the ability of the City to impose new or

increased taxes to provide funding for the payment of the Bonds, or other governmental purposes of the City, without voter approval. The amendment (popularly known as the Hancock Amendment) limits the rate of increase and the total amount of taxes that may be imposed in any Fiscal Year, and the limit may not be exceeded without voter approval. Provisions are included in the amendment for rolling back property tax rates to produce an amount of revenue equal to that of the previous year if the definition of tax base is changed or if property is reassessed. The tax levy on the assessed valuation of new construction is exempt from this limitation. The limitation on local governmental units does not apply to taxes imposed for the payment of principal of and interest on general obligation bonds approved by the requisite percentage of voters.

The Hancock Amendment also requires political subdivisions of the State to obtain voter approval in order to increase any “*tax, license or fee*.” The precise meaning and application of the phrase “*tax, license or fee*” is unclear, but decisions of the Missouri Supreme Court have indicated that it does not apply to traditionally set user fees. The limitations imposed by the Hancock Amendment restrict the County’s ability to increase many but not all taxes, licenses and certain fees without obtaining voter approval.

Risk of Taxability – The Bonds

For information with respect to events that may require interest the Bonds to not be exempt from income taxation by the State of Missouri, see “TAX MATTERS” herein. Furthermore, the Ordinance does not require the City to redeem the Bonds or to pay any additional interest or penalty in the event that interest on the Bonds becomes subject to income taxation in the State of Missouri.

Risk of Audit – The Bonds

The Internal Revenue Service (the “IRS”) has established an ongoing program to audit tax-exempt obligations to determine whether or not interest on such obligations should be included in gross income for federal income tax purposes. A negative determination may cause the interest on the Bonds to not be exempt from income taxation by the State of Missouri. Owners of the bonds are advised that, if an audit of the Bonds were commenced, in accordance with its current, published procedures, the IRS is likely to treat the City as the taxpayer, and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

CONTINUING DISCLOSURE INFORMATION

The City has covenanted in the Ordinance and in the Continuing Disclosure Certificate to provide certain financial information and operating data relating to the City and notices of material events to each nationally recognized municipal securities information repository, in compliance with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission. A summary of the Continuing Disclosure Certificate is included as **Appendix D** to this Official Statement. The City has not defaulted in its obligations to disclose information pursuant to Rule 15c2-12.

LEGAL MATTERS

Litigation

There is no litigation pending or threatened that, in the opinion of the City Counselor, would have a material adverse effect on the operations or financial condition of the City. There is not now pending against the City any litigation restraining or enjoining the issuance or delivery of the Bonds, questioning or affecting the validity of the Bonds or the proceedings and authority under which they are to be issued or questioning or affecting the obligations of the City under the Ordinance.

Legal Proceedings

All matters incident to the authorization and issuance by the City of the Bonds are subject to the approving opinion of Thompson Coburn LLP, St. Louis, Missouri, Bond Counsel. Bond Counsel has not reviewed this Official Statement except for the matters appearing in the sections of this Official Statement captioned "INTRODUCTION," "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "LEGAL MATTERS -- Legal Proceedings," and "TAX EXEMPTION" herein and, accordingly expresses no opinion as to the accuracy or sufficiency thereof except for the matters appearing in such sections.

TAX MATTERS

Tax Exemption

The opinion of Thompson Coburn LLP, Bond Counsel, to be delivered upon the issuance of the Bonds will state that, under existing law, interest on the Bonds (including any original issue discount properly allocable to an owner thereof as discussed in the portion of this Official Statement captioned "**TAX MATTERS--Original Issue Discount**") is excluded from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Bond Counsel's opinion will be subject to the condition that the City comply with all requirements of the Code that must be satisfied in order that interest on the Bonds (including any original issue discount properly allocable to an owner thereof) be, and continue to be, excluded from gross income for federal income tax purposes and exempt from income taxation by the State of Missouri. The City is to covenant in the Tax Compliance Agreement to comply with all such requirements. In addition, Bond Counsel will rely on representations by the City and others, with respect to matters solely within their knowledge, which Bond Counsel has not independently verified. Failure to comply with the requirements of the Code (including due to the foregoing representations being determined to be inaccurate or incomplete) may cause interest on the Bonds (including any original issue discount properly allocable to an owner thereof) to be included in gross income for federal income tax purposes and not be exempt from income taxation by the State of Missouri retroactive to the date of issuance of the Bonds. Bond Counsel has not been retained to monitor compliance with requirements such as described above subsequent to the issuance of the Bonds. In addition, the Ordinance does not require the City to redeem the Bonds or to pay any additional interest or penalty in the event that interest on the Bonds becomes taxable.

In addition, the opinion of Bond Counsel will state that, under existing law, interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals. However, interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is included in a corporate taxpayer's adjusted current earnings for purposes of determining its federal alternative minimum tax liability. Furthermore, the opinion of Bond Counsel will state that, under existing law, the Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense).

Except as stated above, the opinion of Bond Counsel will express no opinion as to any federal, state or local tax consequences arising with respect to the Bonds.

Bond Counsel's opinions are based on Bond Counsel's knowledge of facts as of the date thereof. Further, Bond Counsel's opinions are based on existing legal authorities, cover certain matters not directly addressed by such authorities and represent Bond Counsel's legal judgment as to the proper treatment of the Bonds for federal and State of Missouri income tax purposes. Such opinions are not a guarantee of result and are not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the Service. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur.

Original Issue Discount

The initial public offering prices of certain maturities of the Bonds, as set forth on the inside cover page of this Official Statement, may be less than the respective stated redemption prices at maturity (such Bonds are hereinafter referred to as "OID Bonds"). An amount equal to the difference between the initial public offering price of an OID Bond (assuming a substantial amount of such maturity is first sold at that price) and its stated redemption price at maturity constitutes original issue discount. The amount of original issue discount properly accruable with respect to an OID Bond is excluded from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri (subject to the condition of compliance by the City with the requirements of the Code). The amount of properly accruable original issue discount during the period that the owner holds an OID Bond is added to the owner's tax basis for purposes of determining gain or loss upon maturity, redemption, prior sale or other disposition of such OID Bond.

Under Section 1288 of the Code, original issue discount on tax-exempt Bonds accrues on a compound basis. The amount of original issue discount that accrues during any accrual period to an owner of an OID Bond who purchases such OID Bond in this initial offering at the initial offering price generally equals (i) the issue price of such OID Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such OID Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest on such OID Bond payable during, or otherwise allocable to, such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period. Each owner of an OID Bond may select accrual periods that may vary in length over the term of the OID Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period.

Original issue discount on an OID Bond as described above is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals. However, the portion of the original issue discount that accrues in each year to an owner of an OID Bond that is a corporation will be included in adjusted current earnings for purposes of determining the corporation's federal alternative minimum tax liability. Consequently, corporate owners of any OID Bonds should be aware that the accrual of original issue discount in each year may result in federal alternative minimum tax liability, although the owners of such OID Bonds have not received cash attributable to the original issue discount in such year.

Owners of OID Bonds (and particularly those not purchasing in this initial offering at the initial offering prices) should consult their own tax advisors with respect to the determination and treatment of original issue discount for federal and State of Missouri income tax purposes and with respect to other federal, state, local and foreign tax consequences of owning or disposing of such OID Bonds.

Premium

An amount equal to the excess of the purchase price of a Bond over its stated redemption price at maturity constitutes amortizable Bond premium on such Bond. A purchaser of a Bond generally must amortize any premium over such Bond's term using constant yield principles, based on the purchaser's yield on the Bond to maturity; provided that the premium must be amortized over the period to a call date with respect to the Bond, based on the purchaser's yield on the Bond to such call date, if the call by the City on such date would minimize the purchaser's yield on the Bond. As premium is amortized, the purchaser's basis in such Bond (and the amount of tax-exempt stated interest received) will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal and State of Missouri income tax purposes upon a sale or disposition of such Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal or State of Missouri income tax deduction is allowed.

Owners of Bonds who purchase at a premium (whether at the time of initial issuance or subsequent thereto) should consult their own tax advisors with respect to the determination and treatment of premium for

federal and State of Missouri income tax purposes and with respect to other federal, state, local and foreign tax consequences of owning or disposing of such Bonds.

Market Discount

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity, in the case of a Bond other than OID Bond, (or, its revised issue price, in the case of an OID Bond, defined as the sum of the issue price of the OID Bond and the aggregate amount of the original issue discount previously accrued thereon), the purchaser will be treated as having purchased such Bond at a "market discount," unless such market discount is less than a statutory de minimis amount). Under the market discount rules, an owner of a Bond will be required to treat any principal payment (or, in the case of an OID Bond, any payment that does not constitute qualified stated interest) on, or any gain realized on the sale, exchange, retirement or other disposition (including certain nontaxable dispositions such as gifts) of, such Bond as ordinary income to the extent of the market discount which has previously not been included in gross income and is treated as having accrued on such Bond at the time of such payment or disposition. An owner of a Bond may instead elect to include market discount in gross income each taxable year as it accrues with respect to all debt instruments (including a Bond) acquired in the taxable year for which the election is made. Such election would apply to the taxable year for which it is made and for all subsequent taxable years and could be revoked only with the consent of the Service. The accrued market discount on a Bond is generally determined on a ratable basis, unless the owner of the Bond elects with respect to such Bond to determine accrued market discount under a constant yield method similar to that applicable to original issue discount.

The applicability of the market discount rules may adversely affect the liquidity or secondary market price of a Bond. Owners of Bonds should consult their own tax advisors regarding the potential implications of the market discount rules with respect to the Bonds.

Collateral Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in other federal and State of Missouri income tax consequences to certain taxpayers, including, without limitation, financial institutions, insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers who have incurred or continued indebtedness to purchase or carry, or have paid or incurred certain expenses allocated to, the Bonds, individuals who may be eligible for the earned income credit, owners who dispose of any Bond prior to its stated maturity (whether by sale or otherwise) and owners who purchase any Bond at a price different from its initial offering price. All prospective purchasers of the Bonds should consult their own tax advisors as to the applicability and the impact of any other tax consequences (which may depend upon their particular tax status or other tax items), as well as to the treatment of interest on the Bonds (including any original issue discount properly allocable to an owner thereof) under state or local laws other than those of the State of Missouri.

Under the Code, all taxpayers are required to report on their federal income tax returns the amount of interest (including properly allocable original issue discount) received or accrued during the year that is excluded from gross income for federal income tax purposes. This requirement applies to interest on all tax-exempt obligations, including, but not limited to, the Bonds. Also, the Code requires the reporting by payors of tax-exempt interest in a manner similar to that for interest on taxable obligations. Generally, payors (including paying agents and other middlemen and nominees) of tax-exempt interest (such as interest on the Bonds) to non-corporate payees are subject to federal income tax information return and payee statement reporting and recordkeeping requirements. Also, as to payor reportable payments of tax-exempt interest (such as payments to non-corporate payees of interest on the Bonds), the general rules of federal income tax backup withholding will apply to such payments, unless the payor obtains from the payee a completed, certified Form W-9, Request for Taxpayer Identification Number and Certification. However, for tax-exempt original issue discount, no information reporting or backup withholding will be required until such time as the Service provides future guidance.

Federal, state or local legislation, if enacted in the future, may cause interest on the Bonds to be subject, directly or indirectly, to federal or State of Missouri income taxation or otherwise adversely affect the

federal, state or local tax consequences of ownership or disposition of, and, whether or not enacted, may adversely affect the value and liquidity of, the Bonds.

MISCELLANEOUS

Bond Ratings

Standard & Poor's Rating Group, a Division of The McGraw-Hill Companies, Inc., has assigned a rating of "[AA]" and Fitch Ratings Inc. has assigned a rating of "[AA]" based on the credit of the City. Such ratings reflect only the view of such rating agency, and an explanation of the significance of such ratings may be obtained there from. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely, by said rating agencies if, in their respective judgment, circumstances warrant. Any such downward revisions or withdrawal of the ratings may have an adverse affect on the market price of the Bonds.

Financial Advisor

Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri, and Columbia Capital Management, LLC, Overland Park, Kansas, have been employed as Co-Financial Advisors to the City to render certain professional services, including advising the City on a plan of financing and preparing the Official Statement for the sale of the Bonds. Stifel, Nicolaus & Company, Incorporated, and Columbia Capital Management, LLC in their capacity as Co-Financial Advisors, have read and participated in drafting certain portions of this Official Statement and has supervised the compilation and editing thereof. The Co-Financial Advisors have not, however, independently verified the factual information contained in the Official Statement.

Series 2012B Underwriting

The Series 2012B Bonds have been sold at public sale by the City to _____ (the "Series 2012B Underwriter"). The Series 2012B Underwriter has agreed to purchase the Series 2012B Bonds from the City at a price of \$_____, (which is equal to the principal amount of the Series 2012B Bonds, less original issue discount of \$_____, plus original issue premium of \$_____, and less an underwriting discount of \$_____), plus accrued interest from the date of the Series 2012B Bonds to the date of payment and delivery of the Series 2012B Bonds. The Series 2012B Underwriter is purchasing the Bonds from the City for resale in the normal course of the Series 2012B Underwriter's business activities. The Series 2012B Underwriter will sell certain of the Bonds at a price greater than such purchase price, as shown on the cover hereof. The Series 2012B Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions at such price or prices as the Series 2012B Underwriter, in its discretion, shall determine.

Series 2012C Underwriting

The Series 2012C Bonds have been sold at public sale by the City to _____ (the "Series 2012C Underwriter"). The Series 2012C Underwriter has agreed to purchase the Series 2012C Bonds from the City at a price of \$_____, (which is equal to the principal amount of the Series 2012C Bonds, less original issue discount of \$_____, plus original issue premium of \$_____, and less an underwriting discount of \$_____), plus accrued interest from the date of the Series 2012C Bonds to the date of payment and delivery of the Series 2012C Bonds. The Series 2012C Underwriter is purchasing the Bonds from the City for resale in the normal course of the Series 2012C Underwriter's business activities. The Series 2012C Underwriter will sell certain of the Bonds at a price greater than such purchase price, as shown on the cover hereof. The Series 2012C Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions at such price or prices as the Series 2012C Underwriter, in its discretion, shall determine.

Series 2012D Underwriting

The Series 2012D Bonds have been sold at public sale by the City to _____ (the "Series 2012D Underwriter"). The Series 2012D Underwriter has agreed to purchase the Series 2012D Bonds from the City at a price of \$_____, (which is equal to the principal amount of the Series 2012D Bonds, less original issue discount of \$_____, plus original issue premium of \$_____, and less an underwriting discount of \$_____), plus accrued interest from the date of the Series 2012D Bonds to the date of payment and delivery of the Series 2012D Bonds. The Series 2012D Underwriter is purchasing the Bonds from the City for resale in the normal course of the Series 2012D Underwriter's business activities. The Series 2012D Underwriter will sell certain of the Bonds at a price greater than such purchase price, as shown on the cover hereof. The Series 2012D Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions at such price or prices as the Series 2012D Underwriter, in its discretion, shall determine.

Other Matters

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of the information herein.

Simultaneously with the delivery of the Bonds, the Director of Finance of the City, acting on behalf of the City, will furnish to the Underwriter a certificate which shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the City, certified public accountants, and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized.

The form of this Official Statement, and its distribution and use by the Underwriter, has been approved by the City and deemed final. Neither the City nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the city or the City's ability to make payments required of it; and further, neither the City nor its officers, directors or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the City by the Ordinance.

Additional Information

Additional information regarding the City or the Bonds may be obtained from John Blattel, Finance Director, at 701 East Broadway, P.O. Box 6015, Columbia, Missouri 65205-6015 (573/874-7368).

CITY OF COLUMBIA, MISSOURI

By: _____
Mayor

Appendix A

Information Concerning the City

Appendix B

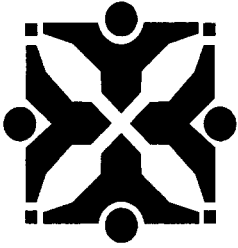
Audited Financial Statements of the City for Fiscal Year 2011

Appendix C

Summary of Continuing Disclosure Certificate

Appendix D

Form of Opinion of Bond Counsel



Source: Finance

Agenda Item No:

To: City Council
From: City Manager and Staff

Council Meeting Date: Apr 16, 2012

Ordinance Authorizing the Issuance of Special Obligation Refunding Bonds:
Re: Series 2012B \$2,630,000 Solid Waste Project; Series 2012C \$21,465,000 Electric Utility Project; and Series 2012D \$1,525,000 Sewer Project.

EXECUTIVE SUMMARY:

The current bond interest rates provide the opportunity to refinance three of the city's Special Obligation Bond Issues and to save significant amounts of interest for the Solid Waste Utility, the Electric Utility and the Sewer Utility.

DISCUSSION:

The current interest rates are much lower than the rates when three of the city's Special Obligation Bonds were issued. In addition, the Solid Waste and Sewer Issues can be refunded because the call date has been reached. Although the Electric Issue requires it to be an advance refunding issue because the call date has not been reached it still provides significant savings to the city due to restructuring of the issue, the size of the issue and the favorable interest rates available today.

FISCAL IMPACT:

The Solid Waste Project Refunding Issue is estimated to save \$334,344 (\$333,201 in net present value) over the remaining 10 years of the issue. The Sewer Project Refunding Issue is estimated to save \$237,111 (\$212,845 in net present value) over the remaining 10 years of the issue. The Electric Project advance refunding issue is projected to save \$4,787,739 (\$1,736,629 in net present value) over the remaining 23 years of the issue.

VISION IMPACT:

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

None

SUGGESTED COUNCIL ACTIONS:

Approve the attached ordinance.

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost	\$0.00	New Program/ Agency?		Federal or State mandated?	
Amount of funds already appropriated	\$0.00	Duplicates/Epands an existing program?		Vision Implementation impact	
Amount of budget amendment needed	\$0.00	Fiscal Impact on any local political subdivision?		Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	
One Time	\$0.00	Requires add'l FTE Personnel?		Primary Vision, Strategy and/or Goal Item #	
Operating/ Ongoing	\$0.00	Requires add'l facilities?		Secondary Vision, Strategy and/or Goal Item #	
		Requires add'l capital equipment?		Fiscal year implementation Task #	