
BILL NO. 5283
ORDINANCE NO. 5138

OF THE

CITY OF RICHMOND HEIGHTS, MISSOURI

PASSED

MAY 17, 2010

\$1,230,000
CITY OF RICHMOND HEIGHTS, MISSOURI
SPECIAL OBLIGATION BONDS
SERIES 2010A

\$2,770,000
CITY OF RICHMOND HEIGHTS, MISSOURI
TAXABLE BUILD AMERICA (DIRECT-PAY)
SPECIAL OBLIGATION BONDS
SERIES 2010B

ORDINANCE

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AN ORDINANCE AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF \$1,230,000 PRINCIPAL AMOUNT OF SPECIAL OBLIGATION BONDS, SERIES 2010A AND \$2,770,000 PRINCIPAL AMOUNT OF TAXABLE BUILD AMERICA (DIRECT-PAY) SPECIAL OBLIGATION BONDS, SERIES 2010B OF THE CITY OF RICHMOND HEIGHTS, MISSOURI; PRESCRIBING THE FORMS AND DETAILS OF SAID BONDS; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Richmond Heights, Missouri (the “City”), is a home rule city and political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri; and

WHEREAS, the City desires to make certain capital improvements and is authorized under the provisions of the Constitution of Missouri and its Charter to issue and sell special obligation bonds for the purpose of providing funds for capital improvements and to provide that the principal of and interest on such special obligations bonds shall be payable solely from the revenues derived from annual appropriations by the City Council; and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest on the City and of its inhabitants that special obligation bonds be issued and secured in the form and manner as hereinafter provided to provide funds for such purpose.

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

ARTICLE I

DEFINITIONS

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

“Bond Counsel” means Gilmore & Bell, P.C., St. Louis, Missouri, or other attorneys or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the principal payment office of the Paying Agent or such other office as the Paying Agent shall designate.

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

“Bonds” means the Series 2010A Bonds and the Series 2010B Bonds, authorized and issued by the City pursuant to this Ordinance.

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

“City” means the City of Richmond Heights, Missouri, and any successors or assigns.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of June 1, 2010 between the City and UMB Bank, N.A., as dissemination agent.

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

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

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

“Defeasance Obligations” means any of the following obligations:

(a) cash insured at all times by the Federal Deposit Insurance Corporation (or otherwise collateralized with obligations described in paragraph (b) below); or

(b) direct obligations of (including obligations issued or held in book–entry form on the books of) the Department of the Treasurer of the United States of America.

“Extraordinary Event” means, with respect to the Series 2010B Bonds, the modification, amendment or interpretation of Sections 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009, pertaining to “Build America Bonds”) in a manner pursuant to which the interest subsidy payment from the United States Treasury is reduced or eliminated.

“Federal Tax Certificate” means the Series 2010A Federal Tax Certificate or the Series 2010B Federal Tax Certificate, as applicable.

“Fiscal Year” means the fiscal year of the City, currently the twelve–month period beginning July 1 and ending June 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 as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

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

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

- (a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds deemed to be paid in accordance with the provisions of **Section 701** hereof; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

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

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

- (a) United States Government Obligations;
- (b) bonds, notes or other obligations of the State of Missouri, or any political subdivision of the State of Missouri, that at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service;
- (c) repurchase agreements with any bank, bankholding company, savings and loan association, trust company, or other financial institution organized under the laws of the United States or any state, that are continuously and fully secured by any one or more of the securities described in clause (a) or (b) above and that have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account for the benefit of the City;
- (d) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation; and
- (e) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) or (b) above, which shall have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such certificates of deposit or time deposits.

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

“Project” means (a) the expansion of City Hall and Public Safety campus parking lot; (b) the design and construction of a sally port for prisoner processing; (c) the acquisition of (i) citywide data processing equipment, software and materials; (ii) machinery and equipment, (iii) office furniture and equipment and (iv) motorized vehicles; (d) building structure improvements for various City facilities; (e) public street reconstruction; (f) public sidewalk and apron reconstruction; (g) Laclede Station Road bridge replacement; and (h) the potential acquisition of land for park purposes, each including related design and improvements.

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

“Purchase Contract” means the Purchase Contract dated May 17, 2010, between the City and the Purchaser.

“Purchaser” means Piper Jaffray & Co., St. Louis, Missouri, the original purchaser of the Bonds.

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

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

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

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

“Series 2010A Bonds” means the Special Obligation Bonds, Series 2010A, authorized and issued by the City pursuant to this Ordinance.

“Series 2010A Federal Tax Certificate” means the Series 2010A Federal Tax Certificate, executed by the City on the date of issuance of the Series 2010A Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

“Series 2010B Bonds” means the Taxable Build America (Direct-Pay) Special Obligation Bonds, Series 2010B, authorized and issued by the City pursuant to this Ordinance.

“Series 2010B Federal Tax Certificate” means the Series 2010B Federal Tax Certificate, executed by the City on the date of issuance of the Series 2010B Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

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

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

“**Treasury Rate**” means, as of any Redemption Date, the yield to maturity as of such Redemption Date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the Redemption Date (excluding inflation indexed securities) (or, if such statistical release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Redemption Date to the maturity date of the Bonds to be redeemed; provided, however, that if the period from the Redemption Date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“**United States Government Obligations**” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the City’s benefit.

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds. There shall be issued and hereby are authorized and directed to be issued the Special Obligation Bonds, Series 2010A, of the City in the principal amount of \$1,230,000 (the “Series 2010A Bonds”) and the Taxable Build America (Direct-Pay) Special Obligation Bonds, Series 2010B of the City in the principal amount of \$2,770,000 (the “Series 2010B Bonds,” and, together with the Series 2010A Bonds, the “Bonds”) for the purpose of paying the costs of the Project and paying costs of issuance of the Bonds.

Section 202. Description of Bonds.

(a) Each series of Bonds shall consist of fully registered bonds without coupons, numbered from R-1 upward in order of issuance, in denominations of \$5,000 or any integral multiple thereof. The Bonds shall be substantially in the form set forth in **Exhibit A** attached hereto, and shall be subject to registration, transfer and exchange as provided in **Section 205** hereof.

(b) All of the Bonds shall be dated as of June 14, 2010, shall become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in **Article III** hereof, and shall bear interest at the rates per annum, as follows:

SERIES 2010A BONDS

Serial Bonds

<u>Stated Maturity December 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
2011	\$135,000	3.000%
2012	140,000	3.000
2013	145,000	3.000
2014	150,000	3.000
2015	155,000	4.000
2016	160,000	5.000
2017	170,000	5.000
2018	175,000	5.000

SERIES 2010B BONDS

Term Bonds

<u>Stated Maturity December 1</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
2025	\$1,460,000	5.872%
2030	1,310,000	6.232

The Bonds shall bear interest at the above-specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 in each year, beginning on December 1, 2010.

Section 203. Designation of Paying Agent.

(a) UMB Bank, N.A., St. Louis, Missouri, is hereby designated as the City’s paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds (the “Paying Agent”).

(b) The City will at all times maintain a Paying Agent for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent by (1) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor, and (2) causing notice of the appointment of the successor Paying Agent to be given by first class mail to each Bondowner. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent. The Paying Agent may resign upon giving written notice by first class mail to the City and the Bondowners not less than 60 days prior to the date such resignation is to take effect.

(c) 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, having a reported capital and surplus of less than \$25,000,000.

(d) The Paying Agent shall be paid its fees and expenses for its services in connection with the Bonds.

Section 204. Method and Place of Payment of Bonds.

(a) The principal of or Redemption Price and interest on the Bonds shall be payable in any coin or currency of the United States of America that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

(b) The principal or Redemption Price of each Bond shall be paid at Maturity by check or draft to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

(c) The interest payable on each Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (i) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or (ii) in the case of an interest payment to (1) the Securities Depository (as defined in **Section 211**) or (2) any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee is payable.

(d) Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Registered Owner of such Bond on the relevant Record Date and shall be payable to the Registered Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Registered Owner of a Bond entitled to such notice at the address of such Registered Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

(e) The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and at least annually shall forward a copy or summary of such records to the City.

Section 205. Registration, Transfer and Exchange of Bonds.

(a) The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the principal payment office of the Paying Agent, or such other office as the Paying Agent shall designate, as herein provided. Each Bond when issued shall be registered in the name of the owner thereof on the Bond Register.

(b) Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal payment office of the Paying Agent or such other office as the Paying Agent shall designate, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same series and 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.

(c) 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 shall pay 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.

(d) The City and the Paying Agent shall not be required (i) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (ii) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

(e) The City and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

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

Section 206. Execution, Registration, Authentication and Delivery of Bonds.

(a) Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Deputy City Clerk and shall have the official seal of the City affixed or imprinted thereon. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

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

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

Section 207. Mutilated, Destroyed, Lost and Stolen Bonds.

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

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

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

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

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

Section 209. Preliminary and Final Official Statement.

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

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

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

Section 210. Sale of Bonds. The City Council hereby declares that it is in the City’s best interest to sell the Bonds at private sale because a public sale of the Bonds would cause additional expense to the City and because the condition of the current financial markets makes such a public sale not feasible or the best course of action for the City. The Mayor is hereby authorized to enter into the Purchase Contract between the City and the Purchaser in substantially the form attached hereto as **Exhibit C**, under which the City agrees to sell the Bonds to the Purchaser upon the terms and conditions set forth therein and with such changes therein as shall be approved by the Mayor, which officer is hereby authorized to execute the Purchase Contract for and on behalf of the City, such officer’s signature thereon being conclusive evidence of his approval thereof.

Section 211. Securities Depository.

(a) For purposes of this Section, the following terms shall have the following meanings:

“Beneficial Owner” means, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such Person’s subrogee.

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

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

“Representation Letter” means, collectively, the Representation Letter from the City to the Securities Depository and the Representation Letter from the Paying Agent to the Securities Depository.

“Securities Depository” means The Depository Trust Company, New York, New York.

(b) Each series of Bonds shall be initially issued as one single authenticated fully registered bond for each Stated Maturity. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register kept by the Paying Agent in the name of Cede & Co., as nominee of the Securities Depository. The Paying Agent and the City may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or Redemption Price of and interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Registered 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 be affected by any notice to the contrary. 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 the Securities Depository or any Participant, or any other Person which is not shown on the Bond Register kept by the Paying Agent as being a Registered Owner of any Bonds, with respect to the accuracy of any records maintained by the Securities Depository or any Participant, with respect to the payment by the Securities Depository or any Participant of any amount with respect to the principal or Redemption Price of and interest on the Bonds, with respect to any notice which is permitted or required to be given to the Registered Owners of Bonds under this Ordinance, with respect to the selection by the Securities Depository 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 the Securities Depository as Registered Owner of the Bonds. The Paying Agent shall pay all principal or Redemption Price of and interest on the 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 or Redemption Price of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than the Securities Depository (or the Paying Agent as “FAST Agent” of the Securities Depository) shall receive an authenticated Bond for each separate stated maturity of each series of Bonds evidencing the City’s obligation to make payments of principal and interest. Upon delivery by the Securities Depository to the Paying Agent of written notice to the effect that the Securities Depository 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 (e) hereof.

(c) If the Participants holding a majority position in the Bonds determine that it is in the best interest of the Beneficial Owners that they be able to obtain certificated Bonds, such Participants may notify the Securities Depository and the Paying Agent, whereupon the Securities Depository shall notify the Participants of the availability through the Securities Depository of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. The Securities Depository 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 (e) hereof.

(d) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Securities Depository, all payments with respect to the principal or Redemption Price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to the Securities Depository as provided in the Representation Letter.

(e) If any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Paying Agent from the Registered Owners thereof 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. If Bonds are issued to holders other than Cede & Co., its successor as nominee for the Securities Depository as holder of all the Bonds, or other securities depository as holder of all the Bonds, the provisions of this Ordinance shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds and the method of payment of the principal or Redemption Price of and interest on such Bonds. In the event that Bonds are issued to holders other than the Securities Depository, the Paying Agent may rely on information provided by the Securities Depository or any Participant as to the names, addresses of and principal amounts held by the Beneficial Owners of the Bonds.

Section 212. Form 8038-CP.

(a) The Paying Agent shall send to the City not more than 120 days and not less than 100 days prior to each Interest Payment Date a written notice containing the following information:

- (1) The filing period during which the next Form 8038-CP must be filed (*i.e.*, 45 to 90 days prior to the next Interest Payment Date);
- (2) The dollar amount of the interest coming due on the Series 2010B Bonds on the next subsequent Interest Payment Date (without deduction of any U.S. Treasury interest subsidy, and assuming no further unanticipated redemptions of the Bonds);
- (3) The dollar amount of the U.S. Treasury interest subsidy due (*i.e.*, 35% of the interest payment determined in clause (2) above); and
- (4) A blank Form 8038-CP, together with the instructions issued by the United States Treasury.

(b) Form 8038-CP shall be completed, signed and filed with the IRS by the City not earlier than 90 days or later than 45 days prior to each Interest Payment Date, with a copy of such filing sent to the Paying Agent. If the Paying Agent has not received a copy of the filed Form 8038-CP at least 60 days prior to the Interest Payment Date, the Paying Agent shall re-send the filing reminder notice previously sent to the City. The Paying Agent shall not be responsible for the actual filing of Form 8038-CP with the U.S. Internal Revenue Service, or any payment from the United States Treasury in accordance with §§ 54AA and 6431 of the Code.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) At the option of the City, Series 2010A Bonds maturing on December 1, 2016 and thereafter will be subject to redemption and payment prior to maturity on December 1, 2015 and thereafter in whole or in part at any time in such order of maturity determined by the City (Series 2010A Bonds of less than a single maturity to be selected in multiples of \$5,000 principal amount), at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

(b) At the option of the City, Series 2010B Bonds will be subject to redemption and payment prior to maturity on December 1, 2015 and thereafter in whole or in part at any time in such order of maturity determined by the City (Series 2010B Bonds of less than a single maturity to be selected in multiples of \$5,000 principal amount), at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

(c) *Extraordinary Optional Redemption.* The Series 2010B Bonds are subject to redemption prior to maturity at the option of the City, in whole or in part upon the occurrence of an Extraordinary Event, at a Redemption Price equal to the greater of:

- (i) 100% of the principal amount of the Series 2010B Bonds to be redeemed; or
- (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2010B Bonds are to be redeemed, discounted to the date on which such Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 100 basis points;

plus, in each case, accrued and unpaid interest on such Series 2010B Bonds to be redeemed to the Redemption Date.

(d) *Mandatory Redemption.* The Series 2010B Bonds maturing in the year 2025 and 2030 (the "Term Bonds") shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date, and the City shall redeem on December 1 in each year, the following principal amounts of such Term Bonds:

Series 2010B Bonds Maturing on December 1, 2025

<u>Year</u>	<u>Principal Amount</u>
2019	\$185,000
2020	190,000
2021	200,000
2022	210,000
2023	215,000
2024	225,000
2025 [†]	235,000

[†] Final Maturity

Series 2010B Bonds Maturing on December 1, 2030

<u>Year</u>	<u>Principal Amount</u>
2026	\$240,000
2027	250,000
2028	260,000
2029	275,000
2030 [†]	285,000

[†] Final Maturity

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

Section 302. Selection of Bonds to Be Redeemed.

(a) The Paying Agent shall call Bonds for optional redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 45 days prior to the Redemption Date of the City's written instructions specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** are met. The foregoing provisions of this paragraph shall not apply to the mandatory redemption of Bonds hereunder, and Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the City and whether or not the City shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

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

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

Section 303. Notice and Effect of Call for Redemption.

(a) Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first class mail not less than 30 days nor more than 60 days prior to the Redemption Date to the Purchaser and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

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

- (i) the Redemption Date;
- (ii) the Redemption Price;

(iii) if less than all Outstanding Bonds are to be redeemed, the identification number, Stated Maturity and, in the case of partial redemption of any Bonds, the respective principal amounts of the Bonds to be redeemed;

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

(v) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal payment office of the Paying Agent or such other office as the Paying Agent shall designate.

(c) The failure of any Registered Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

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

(e) Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same series and Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

(f) In addition to the foregoing notice, further notice shall be given by the Paying Agent on the City's behalf as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the Stated Maturity of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed.

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

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

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

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. Security for the Bonds.

(a) The Bonds shall be special obligations of the City payable as to both principal and interest solely from annual appropriations of funds by the City for such purpose. The obligation of the City to make payments into the Debt Service Fund 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 but in each Fiscal Year shall be payable solely from the 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.

(b) The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds to the payment of the principal of and the interest on the Bonds, or otherwise.

Section 402. 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 401** hereof, the City's Finance Director or any other officer of the City at any time charged with the responsibility of formulating budget proposals (i) include in each proposed annual budget 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) 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.

ARTICLE V

ESTABLISHMENT OF FUNDS; DEPOSIT AND APPLICATION OF MONEYS

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

(a) Project Fund (the "Project Fund") which shall contain a Series 2010A Account and a Series 2010B Account.

(b) Costs of Issuance Fund (the "Costs of Issuance Fund") which shall contain a Series 2010A Account and a Series 2010B Account.

(c) Debt Service Fund (the "Debt Service Fund") which shall contain a Series 2010A Account and a Series 2010B Account.

(d) Series 2010 Rebate Fund (the "Rebate Fund").

Section 502. Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

(a) All accrued interest, if any, received from the sale of the Bonds shall be deposited in the Debt Service Fund and applied in accordance with **Section 504** hereof.

(b) \$14,849.30 from the proceeds of the Series 2010A Bonds shall be deposited into the Series 2010A Account of the Costs of Issuance Fund.

(c) \$31,650.70 from the proceeds of the Series 2010B Bonds shall be deposited into the Series 2010B Account of the Costs of Issuance Fund.

(d) The remaining balance of the proceeds derived from the sale of the Series 2010A Bonds (the sum of \$1,275,503.00) shall be deposited into the Series 2010A Account of the Project Fund and the remaining balance of the proceeds derived from the sale of the Series 2010B Bonds (the sum of \$2,717,574.30) shall be deposited into the Series 2010B Account of the Project Fund.

Section 503. Application of Moneys in the Project Fund. Moneys in the Project Fund shall be used by the City solely for the purpose of paying the costs associated with the Project and moneys in the Costs of Issuance Fund shall be used by the City solely for the purpose of paying the costs and expenses of issuing the Bonds.

The Finance Director shall make withdrawals from the Project Fund only upon duly authorized and executed certificate of the City Manager that such payment is being made for a purpose within the scope of this Ordinance and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof.

Nothing hereinbefore contained shall prevent the payment out of the Costs of Issuance Fund of all costs and expenses incident to the issuance of the Bonds without such a certificate.

Any money remaining on deposit in the Costs of Issuance Fund on December 1, 2010, shall be transferred to and deposited in the Debt Service Fund.

Upon completion of the purpose of the Project, any surplus remaining in the Project Fund shall be transferred to and deposited in the Debt Service Fund.

Section 504. Application of Moneys in Debt Service Fund. All amounts paid and credited to the Debt Service Fund shall be expended and used by the City for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Paying Agent. The Finance Director is authorized and directed to withdraw from the Debt Service Fund sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Registered Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the City in accordance with **Section 507**. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance and shall be held in trust by the Paying Agent for the benefit of the Registered Owners of the Bonds entitled to payment from such moneys.

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

Section 505. Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. 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 described in the Federal Tax Certificate), for payment to the United States of America, and neither the City nor the Registered Owner of any Bonds 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 Federal Tax Certificate.

(b) The City shall periodically determine the rebatable arbitrage under Section 148(f) of the Code in accordance with the Federal Tax Certificate, and the City shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any rebate amount, or provision made therefor, shall be released to the City.

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

Section 506. Deposits and Investment of Moneys.

(a) Moneys in each of the funds created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions located in the State of Missouri that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits as provided by the laws of the State of Missouri. All moneys held in the funds created by this Ordinance shall be kept separate and apart from all other funds of the City so that there shall be no commingling of such funds with any other funds of the City.

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

Section 507. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the City without liability for interest thereon the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 508. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of the principal or Redemption Price of and interest on the Bonds need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

ARTICLE VI

REMEDIES

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

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Ordinance or by the constitution and laws of the State of Missouri;

(b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

Section 602. Limitation on Rights of Bondowners. The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise. No one or more Bondowners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

Section 603. Remedies Cumulative. No remedy conferred herein upon the Bondowners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Registered Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of any Bondowner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the Bonds by this Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to such Bondowner, then, and in every such case, the City and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 604. No Acceleration. Notwithstanding anything herein to the contrary, the Bonds are not subject to acceleration upon the occurrence of a default hereunder.

Section 605. 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 VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Ordinance and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State of Missouri and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City shall have elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to give such notice of redemption in compliance with **Section 302** of this Ordinance. If the Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow agreement entered into by the City in connection with such refunding shall provide that the City's written instructions to the Paying Agent specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption shall be given by or on behalf of the City not less than 45 days prior to the Redemption Date. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Ordinance.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801. Tax Covenants.

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from federal gross income of the interest on the Series 2010A Bonds, and (2) it will not use or permit the use of any proceeds of Bonds or any other funds of the City, nor take or permit any other action, or fail to take any action, which would adversely affect the exclusion from federal gross income of the interest on the Series 2010A Bonds. The City will also adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with other applicable future federal law, in order to ensure that the interest on the Series 2010A Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

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

(c) The City covenants and agrees that it will pay or provide for the payment from time to time of all rebatable arbitrage to the United States pursuant to Section 148(f) of the Code and the Federal Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds. The Federal Tax Certificate may be amended or replaced if, in the opinion of Bond Counsel, such amendment or replacement will not adversely affect the exclusion from federal gross income of the interest on the Bonds.

(d) The City covenants and agrees that it will not use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, (1) in a manner that would cause any Bond to be a “private activity bond” within the meaning of Section 141(a) of the Code, or (2) to make or finance a loan to any Person.

(e) The City hereby designates the Series 2010A Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code. In addition, the City hereby represents that:

(1) the aggregate face amount of all tax-exempt obligations (other than private activity bonds which are not “qualified 501(c)(3) bonds”) which will be issued by the City (and all subordinate entities thereof) during the calendar year in which the Series 2010A Bonds are issued is not reasonably expected to exceed \$30,000,000; and

(2) the City (including all subordinate entities thereof) will not issue an aggregate principal amount of obligations designated by the City to be “qualified tax-exempt obligations” during the calendar year in which the Series 2010A Bonds are issued, including the Series 2010A Bonds, in excess of \$30,000,000, without first obtaining an opinion of Bond Counsel that the designation of the Series 2010A Bonds as “qualified tax-exempt obligations” will not be adversely affected.

The Mayor is hereby authorized to take such other action as may be necessary to make effective the designation in this subsection (e).

Section 802. Election of Series 2010B Bonds as Build America Bonds. The City hereby irrevocably elects to have Code § 54AA(g) apply to the Series 2010B Bonds. In addition, the City hereby represents that:

(a) The Series 2010B Bonds are “Build America Bonds” (as said term is defined in Code § 54AA(d));

(b) The Series 2010B Bonds will be issued prior to January 1, 2011; and

(c) One-hundred percent of the sale proceeds of the Series 2010B Bonds, less not more than 2% of such proceeds used to pay Costs of Issuance and proceeds deposited in a reasonably required

reserve or replacement fund, plus investment proceeds thereon are to be used for capital expenditures on the Project.

The Mayor is hereby authorized to take such other action as may be necessary to make effective the election contained in this Section.

Section 803. Annual Audit.

(a) Annually, promptly after the end of the Fiscal Year, the City will cause an audit to be made of its funds and accounts for the preceding Fiscal Year by an independent public accountant or firm of independent public accountants.

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

(c) As soon as possible after the completion of the annual audit, the City Council of the City shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Ordinance, the City shall, subject to **Section 401** hereof, promptly cure such deficiency.

(d) A copy of each annual audit will be mailed to the Purchaser and, upon payment of the reasonable cost of preparing and mailing the same, a copy of any annual audit will, upon request, be sent to any other Bondowner or prospective Bondowner.

Section 804. Amendments.

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

(i) extend the maturity of any payment of principal or interest due upon any Bond or change any optional redemption date for the Bonds;

(ii) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond;

(iii) permit preference or priority of any Bond over any other Bond; or

(iv) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Ordinance.

(b) Any provision of the Bonds or of this Ordinance may, however, be amended or modified by an ordinance duly adopted by the City Council of the City at any time in any legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

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

(d) Every amendment or modification of the provisions of the Bonds or of this Ordinance, to which the written consent of the Registered Owners 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 Deputy City Clerk, and shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance or of this Ordinance will be sent by the Deputy City Clerk to any such Registered Owner or prospective Registered Owner.

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

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

Section 805. Notices, Consents and Other Instruments by Bondowners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds (other than the assignment of ownership of a Bond as provided for in the form of Bond set forth in **Exhibit A** attached hereto), if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

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

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

In determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under

this Ordinance, Bonds registered in the name of the City shall be disregarded and deemed not to be Outstanding under this Ordinance.

Section 806. Continuing Disclosure. The Continuing Disclosure Agreement, in substantially the form attached hereto as **Exhibit C**, is hereby authorized and approved. The Mayor is hereby authorized to execute the Continuing Disclosure Agreement. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement executed by the City, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Upon failure of the City to comply with the Continuing Disclosure Agreement, any Bondowner 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. A default under the Continuing Disclosure Agreement shall not be deemed a default under this Ordinance.

Section 807. Further Authority. The officers of the City, including the Mayor, the City Manager and Deputy City Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 808. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Paying Agent and the Bondowners, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agrees in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent and the Bondowners.

Section 809. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 810. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 811. Immunity of Individuals. No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement herein against any past, present or future official, officer, employee or agent of the City, whether directly or indirectly and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the issuance of the Bonds.

Section 812. Effective Date. This Ordinance shall be in full force and effect on the thirty-first day following its passage and being signed as provided by law.

PASSED and **SIGNED** this 17th day of May, 2010.

JAMES J. BECK, MAYOR

ATTEST:

PATRICIA S. VILLMER
DEPUTY CITY CLERK

APPROVED AS TO FORM:

KENNETH J. HEINZ
CITY ATTORNEY

First reading: May 3, 2010
Second reading: May 17, 2010

**EXHIBIT A
TO ORDINANCE**

(FORM OF BONDS)

**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.**

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**Registered
No. _____**

**Registered
\$ _____**

CITY OF RICHMOND HEIGHTS, MISSOURI

**[TAXABLE BUILD AMERICA (DIRECT-PAY)] SPECIAL OBLIGATION BOND
SERIES 2010[A] [B]**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP Number</u>
_____ %	December 1, _____	June 14, 2010	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

THE CITY OF RICHMOND HEIGHTS, MISSOURI, a home rule city and political subdivision of the State of Missouri (the "City"), for value received, hereby acknowledges itself to be indebted and promises to pay to the registered owner shown above, or registered assigns, the principal amount shown above on the maturity date shown above unless called for redemption prior to said maturity date, and to pay interest thereon at the interest rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date shown above or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 in each year, beginning on December 1, 2010, until said principal amount has been paid.

The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption by check or draft to the person in whose name this Bond is registered on the bond register at

the maturity or redemption date thereof, upon presentation and surrender, except as otherwise provided in the hereinafter defined Ordinance, of this Bond at the principal payment office of UMB Bank, N.A., Kansas City, Missouri (the “Paying Agent”) or such other office as the Paying Agent shall designate. The interest payable on this Bond on any interest payment date shall be paid to the person in whose name this Bond is registered on the registration books maintained by the Paying Agent at the close of business on the Record Date for such interest, which shall be the 15th day (whether or not a Business Day) of the calendar month next preceding the interest payment date. Such interest shall be payable (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or (b) in the case of an interest payment to (i) the Securities Depository or (ii) any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account number to which such Registered Owner wishes to have such transfer directed. The principal or redemption price of and interest on the Bonds shall be payable by check or draft in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

[For Series 2010A Bonds:

This Bond is one of an authorized series of bonds of the City designated “Special Obligation Bonds, Series 2010A,” aggregating the principal amount of \$1,230,000 (the “Series 2010A Bonds”), issued by the City for the purpose of paying a portion of the costs of (a) the expansion of City Hall and Public Safety campus parking lot; (b) the design and construction of a sally port for prisoner processing; (c) the acquisition of (i) citywide data processing equipment, software and materials; (ii) machinery and equipment, (iii) office furniture and equipment and (iv) motorized vehicles; (d) building structure improvements for various City facilities; (e) public street reconstruction; (f) public sidewalk and apron reconstruction; (g) Laclède Station Road bridge replacement; and (h) the potential acquisition of land for park purposes, each including related design and improvements (the “Project”), and paying the costs of issuance of the Bonds, under the authority of and in full compliance with the constitution and laws of the State of Missouri, and pursuant to an ordinance duly passed on May 17, 2010 (the “Ordinance”) and proceedings duly and legally had by the City Council of the City. Concurrently with the issuance of the Series 2010A Bonds, the City has issued its Taxable Build America (Direct-Pay) Special Obligation Bonds, Series 2010B, aggregating the principal amount of \$2,770,000 (the “Series 2010B Bonds,” and together with the Series 2010A Bonds, the “Bonds”) to pay the remaining costs of the Project and the remaining costs of issuance of the Bonds.]

[For Series 2010B Bonds:

This Bond is one of an authorized series of bonds of the City designated “Taxable Build America (Direct-Pay) Special Obligation Bonds, Series 2010B,” aggregating the principal amount of \$2,770,000 (the “Series 2010B Bonds”), issued by the City for the purpose of paying a portion of the costs of (a) the expansion of City Hall and Public Safety campus parking lot; (b) the design and construction of a sally port for prisoner processing; (c) the acquisition of (i) citywide data processing equipment, software and materials; (ii) machinery and equipment, (iii) office furniture and equipment and (iv) motorized vehicles; (d) building structure improvements for various City facilities; (e) public street reconstruction; (f) public sidewalk and apron reconstruction; (g) Laclède Station Road bridge replacement; and (h) the potential acquisition of land for park purposes, each including related design and improvements (the “Project”), and paying the costs of issuance of the Bonds, under the authority of and in full compliance with the constitution and laws of the State of Missouri, and pursuant to an ordinance duly passed on May 17, 2010 (the “Ordinance”) and proceedings duly and legally had by the City Council of the City. Concurrently

with the issuance of the Series 2010B Bonds, the City has issued its Special Obligation Bonds, Series 2010A, aggregating the principal amount of \$1,230,000 (the “Series 2010A Bonds” and together with the Series 2010B Bonds, the “Bonds”) to pay the remaining costs of the Project and the remaining costs of issuance of the Bonds.]

[At the option of the City, Series 2010A Bonds or portions thereof maturing on December 1, 2016, and thereafter may be redeemed and paid prior to maturity on December 1, 2015, and thereafter as a whole at any time or in part on any interest payment date in any order of maturity selected by the City (Bonds of less than a full maturity to be selected in multiples of \$5,000 principal amount in such equitable manner as the Paying Agent shall designate) at the redemption price equal to the principal amount being redeemed, plus accrued interest thereon to the redemption date.]

[At the option of the City, Series 2010B Bonds or portions thereof may be redeemed and paid prior to maturity on December 1, 2015, and thereafter as a whole at any time or in part on any interest payment date in any order of maturity selected by the City (Bonds of less than a full maturity to be selected in multiples of \$5,000 principal amount in such equitable manner as the Paying Agent shall designate) at the redemption price equal to the principal amount being redeemed, plus accrued interest thereon to the redemption date.]

[The Series 2010B Bonds are subject to redemption prior to maturity at the option of the City, in whole or in part upon the occurrence of an Extraordinary Event, at a Redemption Price equal to the greater of:

- (i) 100% of the principal amount of the Series 2010B Bonds to be redeemed; or
- (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2010B Bonds are to be redeemed, discounted to the date on which such Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 100 basis points;

plus, in each case, accrued and unpaid interest on such Series 2010B Bonds to be redeemed to the Redemption Date.]

[The Series 2010B Bonds maturing on December 1, 2025 and 2030 are subject to mandatory sinking fund redemption and payment prior to stated maturity on December 1, at 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium, in accordance with the mandatory sinking fund schedule set forth in the Ordinance.]

Notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by first class mail not less than 30 days nor more than 60 days prior to the redemption date to the original purchaser of the Bonds and each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register maintained by the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City defaults in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

The Bonds shall be special obligations of the City payable as to both principal and interest solely from annual appropriations of funds by the City for such purpose. The obligation of the City to make payments into the Debt Service Fund 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 amounts pledged or appropriated therefor (i) out of the income and revenues provided for such year plus (ii) any unencumbered balances for previous years.

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

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or in the custody of the Paying Agent as its "FAST" agent. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants. The Paying Agent and the City will recognize the Securities Depository nominee, while the Registered Owner of this Bond, as the owner of this Bond for all purposes, including (i) payments of principal of, redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting. Transfers of principal, interest and any redemption premium payments to participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Paying Agent and the City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of and interest on this Bond shall be made in accordance with existing arrangements between the Paying Agent and the City.

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

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

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

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions and things required to be done and to exist precedent to and in the issuance of the Bonds have been done and performed and do exist in due and regular form and manner as required by the constitution and laws of the State of Missouri.

IN WITNESS WHEREOF, the **CITY OF RICHMOND HEIGHTS, MISSOURI**, has caused this Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its Deputy City Clerk and its official seal to be affixed or imprinted hereon.

CERTIFICATE OF AUTHENTICATION

**CITY OF RICHMOND HEIGHTS,
MISSOURI**

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

By: _____
Mayor

Registration Date: _____

UMB BANK, N.A., as Paying Agent

(Seal)

ATTEST:

Authorized Signatory

Deputy City Clerk

ASSIGNMENT

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

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

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

Dated: _____

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

Signature Guaranteed By:

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

By: _____
Title: _____

LEGAL OPINION

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

GILMORE & BELL
A Professional Corporation
One Metropolitan Square, Suite 2350
211 North Broadway
St. Louis, Missouri 63102

(LEGAL OPINION OF BOND COUNSEL)

**EXHIBIT B
TO ORDINANCE**

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT C
FORM OF PURCHASE CONTRACT

EXHIBIT D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CERTIFICATE

I, the undersigned, hereby certify that the above and foregoing is a true and correct copy of the Ordinance of the City of Richmond Heights, Missouri, adopted by the City Council on May 17, 2010, authorizing the issuance of \$1,230,000 principal amount of Special Obligation Bonds, Series 2010A and \$2,770,000 principal amount of Taxable Build America (Direct-Pay) Special Obligation Bonds, Series 2010B, as the same appears of record in my office, and that said Ordinance has not been modified, amended or repealed and is in full force and effect as of this date.

DATED: June 18, 2010.

(Seal)

Deputy City Clerk of the City of Richmond
Heights, Missouri