

## ORDINANCE NO. 120037

Authorizing and directing the issuance, sale and delivery of not to exceed \$61,000,000.00 principal amount of Water Revenue Bonds, Series 2012A, of the City of Kansas City, Missouri, prescribing the form and details of such revenue bonds; authorizing certain actions and documents and prescribing other matters relating thereto.

WHEREAS, the City of Kansas City, Missouri (the "City") is a constitutional charter City and political subdivision duly organized and existing under the laws of the State of Missouri (the "State") and the City's Charter, as amended, approved by the voters for its government (the "Charter"), and owns and operates a revenue producing waterworks system (the "System"); and

WHEREAS, the City desires to make certain additions, extensions and improvements to the System and is authorized under the provisions of the Constitution and statutes of the State and its Charter to issue and sell revenue bonds for the purpose of providing funds for such purposes, upon obtaining the required voter approval and provided that the principal of and interest on such revenue bonds shall be payable solely from the revenues derived from the operation of the System; and

WHEREAS, pursuant to such authority, a special bond election was duly held in the City on August 2, 2005 (the "2005 Election") on the following question:

### QUESTION NO. 1

Shall the City of Kansas City, Missouri issue and sell waterworks revenue bonds in the principal amount of \$250,000,000.00 for the purpose of extending and improving the waterworks system of the City including, without limitation (1) the continued expansion of the water main transmission system, (2) replacement of small water mains, (3) replacements of and additions to the water treatment plant, major pump stations, and other water facilities, and (4) ensuring a reliable water supply to include intake modifications and/or supplemental ground water supply, with the principal and interest of said bonds to be payable solely from the revenues derived by the City from the operation of its waterworks system, including all future improvements and extensions thereto?

and it was found and determined that more than a simple majority of the qualified electors of the City voting on the question had voted in favor of the issuance of said revenue bonds for the purpose aforesaid, the vote on said question having been 15,525 votes for the question to 5,347 votes against the question; and

WHEREAS, the City has previously issued \$93,910,000 of water revenue bonds authorized pursuant to the 2005 Election. \$156,090,000 of the water revenue bonds authorized pursuant to the 2005 Election remain unissued. The City proposes to issue water revenue bonds so authorized to provide funds for said purpose; and

WHEREAS, plans for such additions, extensions and improvements and an estimate of the cost thereof have been prepared and made by the Director of the Department of Water Services of the City and the Consulting Engineer (as defined below) and the same are hereby accepted and approved and are on file in the office of the Director of Water Services; and

WHEREAS, the City has heretofore issued its Subordinate Water Revenue Bonds, Series 2008A in the original principal amount of \$35,000,000 of which \$31,355,000 principal amount remains outstanding (the "Series 2008A Subordinate Bonds"); and

WHEREAS, the City has heretofore issued its Water Revenue Refunding and Improvement Revenue Bonds, Series 2009A in the original principal amount of \$198,915,000, of which \$164,725,000 remains outstanding (the "Series 2009A Bonds"); and

WHEREAS, the City has determined that it is necessary and desirable and in the best interests of the citizens of the area served by the System for the City to make the additions, extensions and improvements to the System described above, and to finance the costs of the foregoing by issuing its revenue bonds in the aggregate principal amount not to exceed \$61,000,000; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

## ARTICLE I

### DEFINITIONS

**Section 1.1. Definitions.** For all purposes of this Ordinance, except as otherwise provided or unless the context otherwise requires, words and terms used in this Ordinance shall have the meanings set forth in **Section 1.1** of the Master Bond Ordinance and the following meanings set forth in this Section. Any words and terms defined herein that are not already defined in the Master Bond Ordinance are intended to supplement the definitions contained therein. Any words and terms defined herein that are already defined in the Master Bond Ordinance are intended to replace and supersede such definitions already contained therein for purposes related to the Series 2012A Bonds. If any of the following definitions conflict with the definitions already set forth in the Master Bond Ordinance, the definitions set forth herein shall take precedence:

**"Bond Ordinance"** means collectively this Ordinance and the Master Bond Ordinance.

**"Bond Registrar"** means any bank or trust company designated as such by the City in the Bond Ordinance with respect to any of the Bonds. Such Bond Registrar shall perform the duties required of the Bond Registrar in the Bond Ordinance. First Bank of Missouri is hereby designated as Bond Registrar for the Bonds; provided, however, that

in connection with the issuance of any SRF Bonds, the City shall appoint such separate Bond Registrar designated by the issuer of the SRF Bonds.

**“Certificate of Final Terms”** means **Exhibit C**, executed and delivered by the Mayor pursuant to **Section 14.3** hereof, in substantially the form attached as **Exhibit D**.

**“Debt Service Reserve Requirement Funding Commencement Date”** means the first day of the month after a Valuation Date in which the Net Operating Revenues are less than the Debt Service Reserve Debt Service Coverage Requirement for the preceding Fiscal Year.

**“Debt Service Reserve Debt Service Coverage Requirement”** means with respect to the Series 2012A Bonds, 130% of the average annual Debt Service Requirements on all Senior Bonds, which are not Senior SRF Bonds.

**“Master Bond Ordinance”** means Second Committee Substitute for Ordinance No. 080197 adopted by the City on August 14, 2008, as amended from time to time.

**“Ordinance”** means this Ordinance as from time to time amended.

**“Original Principal Amount”** means the principal amount of Series 2012A Bonds originally issued and delivered pursuant to the Master Bond Ordinance and this Ordinance, in the amount specified in the Certificate of Final Terms, subject to the terms in **Exhibit C**.

**“Paying Agent”** means any bank or trust company, including any successors and assigns thereof, authorized by the City to pay the Principal of, premium, if any, or interest on any Bonds on behalf of the City. Such Paying Agent shall perform the duties required of the Paying Agent in the Master Bond Ordinance and this Ordinance. First Bank of Missouri is hereby designated as Paying Agent for the Bonds; provided, however, that in connection with the issuance of any SRF Bonds, the City shall appoint such Paying Agent designated by the issuer of the SRF Bonds.

**“Senior Bonds”** means the Series 2009A Bonds, the Series 2012A Bonds and any Bonds, including Senior SRF Bonds, issued with a right to payment and secured by a lien on a parity with the Series 2009A Bonds and the Series 2012A Bonds (except with respect to any Credit Facility which may be available only to one or more series of Senior Bonds and except that Senior SRF Bonds shall not be secured by the Debt Service Reserve Account) pursuant to **Section 5.3** of the Master Bond Ordinance.

**“Series 2012A Bonds”** means the City’s Water Revenue Bonds, Series 2012A, in the original aggregate Principal amount not to exceed \$61,000,000, authorized under **Section 2.1**.

**“Series 2012A Costs of Issuance Account”** means the account by that name within the Project Fund established in **Article IV**.

**“Series 2012A Debt Service Reserve Requirement”** means an amount equal to the average annual debt service with respect to the Outstanding Series 2012A Bonds as calculated after any principal payment on the Series 2012A Bonds (whether at maturity or by redemption).

**“Series 2012A Official Statement”** means the final Official Statement respecting the Series 2012A Bonds.

**“Series 2012A Project”** means the extensions and improvements of the City’s waterworks system, as approved by the voters of the City at the 2005 Election.

**“Series 2012A Project Account”** means the account by that name within the Project Fund established in **Article IV**.

**“Series 2012A Rebate Subaccount”** means the subaccount by that name within the Rebate Account established in **Article IV**.

**“Underwriter”** means Jefferies & Company, Inc., as representative of the original purchasers of the Series 2012A Bonds.

**“Valuation Date”** means the first business day of the month following the presentation of the annual financial statement of the System to the City Council, but in no event later than November 30<sup>th</sup> of any year.

## **ARTICLE II**

### **AUTHORIZATION OF THE SERIES 2012A BONDS**

**Section 2.1. Authorization of Series 2012A Bonds; Details.** The City hereby authorizes the execution, issuance, and delivery of a series of Bonds to be designated “City of Kansas City, Missouri Water Revenue Bonds, Series 2012A,” in the aggregate Principal amount not to exceed \$61,000,000, which series of Bonds shall be executed, issued, and delivered under, and secured by, the Master Bond Ordinance and this Ordinance.

The Series 2012A Bonds shall be dated the date of delivery. The Series 2012A Bonds shall be numbered in a convenient manner, established by the Bond Registrar and shown by the Bond Register.

The Series 2012A Bonds and the Bond Registrar’s Certificate of Authentication shall be in substantially the form set forth in **Exhibit A** attached hereto, with such variations, omissions, substitutions and insertions as are required or permitted by the Master Bond Ordinance and this Ordinance.

The Series 2012A Bonds shall bear interest at the rates per annum to be determined upon the sale of the Bonds as set forth in the Certificate of Final Terms, computed on the basis of a 360-day year consisting of twelve 30-day months, payable on June 1, 2012 and semiannually thereafter on each June 1 and December 1 of each year and shall mature on December 1 in the years and in the Principal amounts to be determined upon the sale of the Bonds as set forth in the Certificate of Final Terms, unless earlier called for redemption.

## **ARTICLE III**

### **REDEMPTION OF SERIES 2012A BONDS**

#### **Section 3.1. Optional and Mandatory Redemption of Series 2012A Bonds.**

(a) *Optional Redemption of Series 2012A Bonds by City.* At the option of the City, Series 2012A Bonds or portions thereof may be called for redemption and payment prior to maturity in whole or in part at any time in such amounts for each maturity as shall be determined by the City at a redemption price equal to 100% of the Principal amount, plus accrued interest thereon to the redemption date, as set forth in the Certificate of Final Terms.

(b) *Mandatory Redemption of Series 2012A Bonds.* In the event Term Bonds are issued, such Bonds shall be subject to mandatory redemption and payment prior to their maturity pursuant to the mandatory redemption requirements of this Section on the dates of the maturities for serial Bonds at the principal amount thereof plus accrued interest to the redemption date, without premium.

As and for a sinking fund for the retirement prior to maturity of the Series 2012A Bonds that are Term Bonds, there shall be deposited in the Payments Subaccount from the Revenue Fund an amount sufficient to redeem the Principal amounts of the Series 2012A Bonds on December 1 of each year as set forth in the Certificate of Final Terms (each such date being referred to as a “mandatory redemption date”). The City shall redeem such an aggregate Principal amount of the Series 2012A Bonds at a redemption price equal to the Principal amount thereof plus the interest due thereon to the mandatory redemption date.

## **ARTICLE IV**

### **FUNDS AND ACCOUNTS**

**Section 4.1. Establishment of Funds and Accounts.** In addition to the Funds and Accounts established in **Section 4.2** of the Master Bond Ordinance, the City hereby establishes the following accounts, and the moneys deposited in such accounts shall be held in trust for the purposes set forth in the Master Bond Ordinance and this Ordinance:

**4.1.1.** Within the City of Kansas City, Missouri Waterworks Rebate Account in the Revenue Fund (the “**Rebate Account**”), a Series 2012A Rebate Subaccount.

**4.1.2.** Within the City of Kansas City, Missouri Waterworks Project Fund (the “**Project Fund**”), a Series 2012A Project Account and a Series 2012A Costs of Issuance Account.

Each account listed above shall be held within the account under which it is created. All accounts listed above are further described in **Article IV** of the Master Bond Ordinance, except for (i) the Rebate Subaccount as further described in **Section 6.11** of the Master Bond Ordinance and (ii) the Project Fund as further described in **Article XI** of the Master Bond Ordinance.

**Section 4.2. Investment Earnings.** All investment earnings from the Series 2012A Project Account and the Series 2012A Costs of Issuance Account shall be retained or transferred to the Series 2012A Project Account. All investment earnings on the Debt Service Reserve Subaccount shall be retained in such subaccount at all times unless the balance of the Debt Service Reserve Subaccount is equal to or greater than the Debt Service Reserve Requirement, then such Investment Earnings shall be deposited into the Payments Subaccount.

## **ARTICLE V**

### **GENERAL PROVISIONS**

**Section 5.1. Applicability of Master Bond Ordinance.** Except as otherwise provided in this Ordinance, the provisions of the Master Bond Ordinance are hereby ratified, approved and confirmed and incorporated herein and shall be applicable to the authorization, execution, authentication, issuance, redemption, payment, sale and delivery of the Series 2012A Bonds, the custody and the distribution of the proceeds and the security, payment, redemption and enforcement of payment thereof. The requirements of **Article V** of the Master Bond Ordinance regarding the issuance of additional Bonds have been satisfied.

**Section 5.2. General Authorization for Series 2012A Bonds.** From and after the date of adoption of this Ordinance, the officials, employees, and agents of the City are hereby authorized to do all such acts and things and to execute and deliver any and all other documents, agreements, certificates and instruments as may be necessary or desirable in connection with the execution, delivery and sale of the Series 2012A Bonds, the investment of the proceeds of the Series 2012A Bonds and the transactions contemplated on the part of the City by this Ordinance. The Director of Finance and City Clerk are hereby authorized and directed to prepare and furnish to the Underwriter, when the Series 2012A Bonds are issued, certified copies of all proceedings and records of the City relating to the Series 2012A Bonds or to the Master Bond Ordinance and this Ordinance, and such other affidavits and certificates as may be required to show the facts

relating to the legality and marketability of the Series 2012A Bonds as such facts appear from the books and records in such officers' custody and control or as otherwise known to them. All such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

**Section 5.3. Debt Service Reserve Subaccount.** The City elects pursuant to the definition of Debt Service Reserve Requirement under the Master Bond Ordinance to reduce the Debt Service Reserve Requirement for Senior Bonds to the amount currently on deposit, so that no deposits to the Debt Service Reserve Subaccount of the Sinking Fund Account shall be required in connection with the issuance of the Series 2012A Bonds since the City obtained the necessary confirmation from each Rating Agency that its current rating on the Senior Bonds would not be reduced or withdrawn based upon definitions or provisions pertaining to the Debt Service Reserve Requirement.

Upon the occurrence of a Debt Service Reserve Requirement Funding Commencement Date, the City shall, pursuant to the provisions of Sections 4.3 and 4.4 of the Master Bond Ordinance, make monthly deposits to the Debt Service Reserve Subaccount equal to 1/24<sup>th</sup> of the Series 2012A Debt Service Reserve Requirement for 24 months until the Series 2012A Debt Service Reserve Requirement is satisfied.

## **ARTICLE VI**

### **SALE AND APPLICATION OF PROCEEDS OF SERIES 2012A BONDS**

**Section 6.1. Sale and Terms of Series 2012A Bonds; Authorization and Execution of Purchase Contract and Certificate of Final Terms.** The Series 2012A Bonds will be sold to the Underwriter under the terms of the Purchase Contract. The Mayor is authorized and directed to approve the purchase price for the Bonds, the principal amounts by maturity, the interest rates and the other final terms of the Bonds, including applicable redemption provisions, subject to the limitations set forth in this Section and **Exhibit B** hereto, and in that connection, to execute and deliver the Certificate of Final Terms for and on behalf of and as the act and deed of the City, which approval will be conclusively evidenced by the Mayor's execution of the Certificate of Final Terms. Upon execution, the Certificate of Final Terms will be attached to this Ordinance as **Exhibit C**, and the City Clerk is hereby authorized to file the Certificate of Final Terms with this Ordinance. The City is authorized to enter into the Purchase Contract in accordance with the Certificate of Final Terms. The Director of Finance is authorized to execute the Purchase Contract for and on behalf of and as the act and deed of the City.

**Section 6.2. Application of Series 2012A Bond Proceeds.** Upon the written request of the City, the Bond Registrar shall authenticate and deliver to DTC or hold the Series 2012A Bonds as "Fast Agent" for the benefit of the Beneficial Owners and shall receive a receipt for the Series 2012A Bonds. The net proceeds received from the sale of the Series 2012A Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

(a) Proceeds of the Series 2012A Bonds shall be deposited in the Series 2012A Rebate Subaccount of the Rebate Account in an amount as set forth in the Certificate of Final Terms.

(b) Proceeds of the Series 2012A Bonds shall be deposited in the Series 2012A Costs of Issuance Account to pay the costs of issuing the Series 2012A Bonds as authorized by the Director of Finance, in an amount as set forth in the Certificate of Final Terms.

(c) The remaining proceeds of the Series 2012A Bonds, including any premium received from the sale of the Bonds, shall be deposited in the Series 2012A Project Account as set forth in the Certificate of Final Terms.

**Section 6.3. Moneys in the Series 2012A Costs of Issuance Account.** Moneys in the Costs of Issuance Account shall be applied as provided in **Section 11.1(b)** of the Master Bond Ordinance.

## **ARTICLE VII**

### **MISCELLANEOUS PROVISIONS**

**Section 7.1. Official Statement.** The use and distribution of the Series 2012A Official Statement is hereby authorized and approved by supplementing, amending and completing the Preliminary Official Statement in the form on file in the office of the Director of Finance, and the execution and delivery of the Series 2012A Official Statement in final form shall be and is hereby authorized, ratified, confirmed, and approved. The Director of Finance is hereby authorized and directed to ratify, confirm, approve, execute, and deliver the Series 2012A Official Statement on behalf of the City, and the execution of the Series 2012A Official Statement by the Director of Finance shall constitute conclusive evidence of each such officer's ratification, confirmation, approval, and delivery thereof on behalf of the City.

**Section 7.2. Approval of Contracts.** The City hereby approves the selection (1) of Gilmore & Bell, P.C. and Martinez Madrigal & Machicao, LLC as co-bond counsel for the Bonds, (2) of First Southwest Company and Moody Reid Financial Advisors as the City's co-financial advisors, (3) of King Hershey, PC, Clayborn & Associates, LLC and Jane Hart Law Offices, LLC as co-disclosure counsel and (4) of Jefferies & Company, Inc. as the Underwriter, and approves and ratifies all contracts in connection with such selections.

**Section 7.3. Severability.** In case any one or more of the provisions of this Ordinance or of the Series 2012A Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Ordinance or of the Series 2012A Bonds, but this Ordinance and the Series 2012A Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained



therein. In case any covenant, stipulation, obligation or agreement contained in the Series 2012A Bonds or in this Ordinance shall for any reason be held to be unenforceable or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City to the full extent that the power to incur such obligation or to make such covenant, stipulation or agreement shall have been conferred on the City by law.

**Section 7.4. Applicable Provisions of Law.** This Ordinance shall be governed by and construed and enforced in accordance with the laws of the State and the Charter.

**Section 7.5. Effective Date.** This Ordinance will take effect and be in full force and effect ten days after its passage.

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Approved as to form and legality:

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Sarah Baxter  
Assistant City Attorney

**EXHIBIT A**

**FORM OF SERIES 2012A BONDS**

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

**UNITED STATES OF AMERICA  
STATE OF MISSOURI**

**CITY OF KANSAS CITY, MISSOURI**

**WATER REVENUE BOND  
SERIES 2012A**

**Registered  
No. R-\_\_\_\_\_**

**Registered**

**\$\_\_\_\_\_**

**Maturity Date**

**Interest Rate**

**Dated**

**CUSIP**

December 1, \_\_\_\_\_

\_\_\_\_\_,  
2012

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT:  
DOLLARS**

**CITY OF KANSAS CITY, MISSOURI** (the “City”), a constitutional charter city and political subdivision duly organized and existing under the Constitution and laws of the State of Missouri, for value received, hereby promises to pay (but only out of the sources provided) to the registered owner identified above, or registered assigns, on the Maturity Date stated above unless this Bond shall have been called for redemption prior to maturity and payment of the redemption price shall have been duly made or provided for, the principal amount identified above and to pay (but only out of the sources provided) interest on the balance of such principal amount from time to time remaining unpaid from and including the date hereof or from and including the most recent Interest Payment Date (as hereinafter defined) with respect to which interest has been paid or duly provided for, until payment of such principal amount has been made, at the Interest

Rate per annum shown above (computed on the basis of a 360-day year consisting of twelve 30-day months) on June 1 and December 1 of each year (each an “**Interest Payment Date**”) commencing June 1, 2012, until the payment of the principal amount of this Bond in full.

Principal of and redemption premium, if any, on this Bond are payable when due in lawful money of the United States of America upon presentation and surrender of this Bond at the principal payment office of First Bank of Missouri in Gladstone, Missouri, as registrar and paying agent (the “**Bond Registrar**” or the “**Paying Agent**”). Payment of interest on this Bond shall be made to the registered owner and shall be paid in lawful money of the United States of America by check or draft mailed on the applicable Interest Payment Date to such registered owner as of the close of business on the 15th day of the calendar month (the “**Record Date**”) immediately preceding such Interest Payment Date at its address as it appears on the registration books (the “**Bond Register**”) of the City maintained by the Bond Registrar, or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

Notwithstanding the foregoing, interest on this Bond shall be payable to any registered owner of more than \$500,000 in aggregate Principal of the Bonds of the same series as this Bond (including this Bond) by deposit of immediately available funds to the account of such registered owner maintained with the Paying Agent or transmitted by electronic transfer to such registered owner at an account maintained at a commercial bank located within the United States of America, if the Paying Agent receives from such registered owner written deposit or electronic transfer instructions not less than 15 days prior to the Record Date preceding the Interest Payment Date for which the deposit or electronic transfer is requested.

This Bond is one of a duly authorized series of bonds designated “City of Kansas City, Missouri Water Revenue Bonds, Series 2012A” (the “**Series 2012A Bonds**”), issued by the City pursuant to and in full compliance with the provisions of the Constitution and laws of the State of Missouri, including specifically, but without limitation, the Charter. The Series 2012A Bonds have been authorized by a Master Bond Ordinance and a Series Ordinance duly adopted by the City (collectively, the “**Bond Ordinance**”), for the purpose of financing the costs of certain additions, extension and improvements to the System and for refunding certain outstanding series of water revenue bonds of the City. The Series 2012A Bonds are all issued under and equally and ratably secured by and entitled to the benefit of the Master Bond Ordinance. *Capitalized terms not defined herein are used with the meanings given to them in the Bond Ordinance.*

The Series 2012A Bonds maturing on or after December 1, 20\_\_ are subject to redemption prior to maturity at the option of the City on or after December 1, 20\_\_, in whole or in part at any time, at a redemption price equal to 100% of the Principal amount of the Bonds to be redeemed plus accrued interest to the redemption date.

The Series 2012A Bonds maturing on December 1, 20\_\_ and December 1, 20\_\_ are subject to mandatory redemption prior to maturity by application of payments from the Sinking Fund Account, in accordance with the Bond Ordinance, at a redemption price equal to the Principal amounts of the Series 2012A Bonds set forth below plus the interest due thereon on the redemption date, on December 1 in each year as set forth below:

**Series 2012A Bonds Maturing December 1, 20\_\_**

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

+

<sup>+</sup>Final Maturity

**Series 2012A Bonds Maturing December 1, 20\_\_**

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

+

<sup>+</sup>Final Maturity

Notice of redemption, unless waived, is to be given by first class mail at least 30 days prior to the date fixed for redemption to the registered owner of each Series 2012A Bond to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All such Series 2012A Bonds called for redemption and for the retirement of which funds are duly provided shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2012A Bonds on such date, and interest on the Series 2012A Bonds or portions of Series 2012A Bonds so called for redemption shall cease to accrue, such Series 2012A Bonds or portions of Series 2012A Bonds shall cease to be entitled to any lien, benefit, or security under the Bond Ordinance, and the owners of such Series 2012A Bonds or portions of Series 2012A Bonds shall have no rights in respect thereof except to receive payment of the redemption price. Any defect in any notice of redemption shall not affect the validity of proceedings for the redemption of any Series 2012A Bonds.

The City has established a book-entry system of registration for the Series 2012A Bonds. Except as specifically provided otherwise in the Bond Ordinance, an agent will

hold this Bond on behalf of the Beneficial Owner hereof. By acceptance of a confirmation of purchase, delivery, or transfer, the Beneficial Owner of this Bond shall be deemed to have agreed to such arrangement. While the Series 2012A Bonds are in the book-entry system of registration, the Bond Ordinance provides special provisions relating to the Series 2012A Bonds which override certain other provisions of the Bond Ordinance. This Bond is transferable by the registered owner at the principal corporate trust office of the Bond Registrar or at such other office designated by the Bond Registrar for such purpose, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Bond Ordinance and upon surrender of this Bond. Upon such transfer, a new registered Bond or Bonds of the same series, maturity, interest rate, aggregate Principal amount, and tenor, of any authorized denomination or denominations, and bearing numbers not then outstanding, will be issued to the transferee in exchange for this Bond. The Series 2012A Bonds are issuable as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof. The Bond Registrar is not required to transfer or exchange any Series 2012A Bond after notice calling such Series 2012A Bond for redemption has been given or during the period of 15 days (whether or not a Business Day for the Bond Registrar, but excluding the redemption date and including such 15th day) immediately preceding the giving of such notice of redemption. Unless this Bond is presented by an authorized representative of The Depository Trust Company (“DTC”), a New York corporation, to the City or its agent for registration of transfer, exchange, or payment, and any Series 2012A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The Series 2012A Bonds, the Series 2009A Bonds and such other revenue bonds of the City as may in the future be issued on a parity therewith, are equally and ratably secured by pledge of the “**Pledged Revenues**” of the waterworks system (the “**System**”) of the City, which is defined in the Master Bond Ordinance to include net operating revenues, certain amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, moneys and securities from time to time on deposit in the funds and accounts established in the Bond Ordinance, and earnings on investments made with the foregoing moneys and securities, excluding any amounts required in the Bond Ordinance to be set aside pending, or used for, rebate to the United States government pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated with respect to any such rebate requirement.

THE SERIES 2012A BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE CITY NOR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE SERIES 2012A BONDS SHALL NOT BE PAYABLE FROM OR A CHARGE UPON ANY FUNDS OTHER THAN THE REVENUES AND AMOUNTS PLEDGED TO THE PAYMENT THEREOF, NOR SHALL THE CITY BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. NO OWNER OR OWNERS OF

THIS BOND SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY TO PAY THIS BOND OR THE INTEREST HEREON, NOR TO ENFORCE PAYMENT OF THIS BOND AGAINST ANY PROPERTY OF THE CITY; NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY, EXCEPT FOR THE PLEDGED REVENUES AND ANY OTHER FUNDS PLEDGED TO SECURE THE SERIES 2012A BONDS.

The City has covenanted and hereby covenants and agrees at all times while any Series 2012A Bonds are Outstanding and unpaid to prescribe, fix, maintain, and collect rates, fees, and other charges for the services, facilities, and commodities furnished by the System fully sufficient at all times to: (i) provide for 100% of the Expenses of Operation and Maintenance of the System, and (ii) produce Net Operating Revenues, adjusted to exclude any revenues or expenses resulting from a gain or loss, or mark-to-market change to any Hedge Agreement, in each Fiscal Year which, together with Investment Earnings, will: (a) equal at least 125% of the Debt Service Requirement on all Senior Bonds then Outstanding for the Fiscal Year of computation, 115% of the Debt Service Requirement on all Bonds then Outstanding for the Fiscal Year of computation and 110% of the Debt Service Requirement on all Bonds and Other System Obligations then Outstanding for the Fiscal Year of computation, (b) enable the City to make all required payments into the Debt Service Reserve Subaccount and the Rebate Account and to any Credit Facility Provider, any Reserve Account Credit Facility Provider, and any Hedge Payments, (c) enable the City to make any payments into the Renewal and Replacement Account required by the Operating and Capital Reserves Policy established and approved by the Water Services Department and the City Council, as may be amended from time to time, and (d) will remedy all deficiencies in required payments into any of the funds and accounts established under the Bond Ordinance from prior Fiscal Years.

The Bond Ordinance contains a more particular statement of the covenants and provisions securing the Series 2012A Bonds, the conditions under which the owner of this Bond may enforce covenants (other than the covenant to pay Principal of and interest on this Bond when due from the sources provided, the right to enforce which is unconditional), the conditions upon which additional revenue bonds may be issued on a parity or achieve parity status with this Bond under the Bond Ordinance, and the conditions upon which the Bond Ordinance may be amended with the consent of the owners of a majority in aggregate Principal of the Bonds of each class (senior and subordinate) Outstanding or the issuer of any Credit Facility, if any, of such Bonds. Upon the occurrence of an Event of Default under the Bond Ordinance, the owner of this Bond shall be entitled to the remedies provided by the Bond Ordinance.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by law.

This Bond shall not be entitled to any security or benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

**IN WITNESS WHEREOF**, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and has caused the official seal of the City to be affixed hereto or imprinted hereon.

**CITY OF KANSAS CITY, MISSOURI**

(SEAL)

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

ATTEST:

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

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**BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION**

This Bond is one of the bonds of the series described in the within mentioned Bond Ordinance.

\_\_\_\_\_,  
as Bond Registrar

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

Date of Registration  
and Authentication:

\_\_\_\_\_, \_\_\_\_\_

The following abbreviations, when used in the inscription on this Bond or in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common  
TEN ENT - as tenants by the entireties  
JT TEN- as joint tenants with right of survivorship and not as tenants in  
common and not as community property

UNIF TRANS

MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Custodian) (Minor)

under Uniform Transfers to Minors Act \_\_\_\_\_  
(State)

Additional abbreviations may be used although not in the above list.

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### ASSIGNMENT AND TRANSFER

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

\_\_\_\_\_  
(Print or Typewrite Name, Address and Social Security Number  
or Taxpayer Identification Number of Assignee)

the within Bond of the City of Kansas City, Missouri and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

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

Signature Guaranteed By:

\_\_\_\_\_  
Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (12 CFR 240.17 Ad-15)  
or any similar rule which the Bond Registrar deems applicable

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

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## **EXHIBIT B**

### **TERMS OF BONDS**

1. Purchase Price: Not less than 95% of the Principal Amount.
2. Weighted Average Maturity of the Bonds: Not less than 10 years nor more than 19 years.
3. True Interest Cost: Not to exceed 5.40%.
4. Underwriter's Discount: Not to exceed 0.75%.
5. Final Maturity: Not later than December 1, 2036.

**EXHIBIT C**

**CERTIFICATE OF FINAL TERMS**

## EXHIBIT D

### FORM OF CERTIFICATE OF FINAL TERMS

The undersigned Mayor of the City of Kansas City, Missouri (the “City”), in connection with the issuance of the City’s Water Revenue Bonds Series 2012A (the “Bonds”), certifies pursuant to Section 6.1 of Ordinance No. 12\_\_\_\_:

1. Principal Amount. The Series 2012A Bonds are issued in the Principal Amount of \$\_\_\_\_\_.
2. Maturity Schedule. The Series 2012A Bonds will mature on the dates and in the amounts and bear interest at the rates as follows:

<u>Maturity</u> <u>December 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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† Term Bond

3. Weighted Average Maturity of the Bonds: The weighted average maturity of the Series 2012A Bonds is \_\_\_\_\_ years, as shown on Schedule 1 to this Certificate.

4. True Interest Cost: The True Interest Cost of the Series 2012A Bonds is \_\_\_\_\_%, as shown on Schedule 2 to this Certificate.
5. Purchaser and Purchase Price. The purchase price of the Series 2012A Bonds is \$\_\_\_\_\_, (representing the principal amount of \$\_\_\_\_\_, plus the premium of \$\_\_\_\_\_, less the underwriter's discount of \$\_\_\_\_\_), which purchase price is \_\_\_\_\_% of the Principal Amount.
6. Optional Redemption. At the option of the City, Bonds or portions thereof maturing on December 1, 20\_\_\_\_, and thereafter may be called for redemption and payment prior to their maturity on December 1, 20\_\_\_\_, and thereafter in whole or in part at any time in such amounts for each maturity as shall be determined by the City at a redemption price equal to 100% of the principal amount, plus accrued interest thereon to the redemption date.
7. Mandatory Sinking Fund Redemption. [\*\*There are no Term Bonds subject to mandatory sinking fund redemption prior to maturity.\*\*][\*\*The Term Bonds identified in paragraph 2 are subject to mandatory sinking fund redemption pursuant to Section \_\_\_\_\_ of the Ordinance on the dates and in the amounts as follows:
- \*\*]
8. Deposit of Bond Proceeds. The net proceeds received from the sale of the Series 2012A Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:
- (a) \$10,000 of the proceeds of the Series 2012A Bonds shall be deposited in the Series 2012A Rebate Subaccount of the Rebate Account.
  - (b) \$\_\_\_\_\_ shall be deposited in the Series 2012A Costs of Issuance Account to pay the costs of issuing the Series 2012A Bonds as authorized by the Director of Finance.
  - (c) \$\_\_\_\_\_ of the proceeds of the Series 2012A Bonds, including any premium received from the sale of the Bonds, shall be deposited in the Series 2012A Project Account.

9. Debt Service Reserve Subaccount. If the Debt Service Reserve Subaccount is required to be funded pursuant to Section 5.3 of the Ordinance, the City shall, pursuant to the provisions of Section 4.3 of the Master Bond Ordinance, make monthly deposits equal to 1/24<sup>th</sup> of the Series 2012A Debt Service Reserve Requirement for 24 months until the Series 2012A Debt Service Reserve Requirement is satisfied.

The terms set forth in this Certificate of Final Terms are within the limitations of Exhibit A to the Ordinance.

Delivered this \_\_\_\_ day of \_\_\_\_\_, 2012.

CITY OF KANSAS CITY, MISSOURI

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

## **Schedule 1**

ORDINANCE NO. 120037

**Schedule 2**