

ORDINANCE NO. 974

OF THE

BOARD OF ALDERMEN

OF THE

CITY OF GRANBY, MISSOURI

PASSED [\*\*MEETING DATE\*\*]

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AUTHORIZING:

NOT TO EXCEED \$7,183,000

COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REFUNDING AND IMPROVEMENT REVENUE BOND  
(STATE OF MISSOURI – DIRECT LOAN PROGRAM)  
SERIES 2026

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BILL NO. \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A NOT TO EXCEED \$7,183,000 PRINCIPAL AMOUNT COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING AND IMPROVEMENT REVENUE BOND (STATE OF MISSOURI – DIRECT LOAN PROGRAM) SERIES 2026; PRESCRIBING THE FORM AND DETAILS OF THE BOND; AND AUTHORIZING CERTAIN OTHER ACTIONS AND DOCUMENTS IN CONNECTION THEREWITH.

WHEREAS, the City of Granby, Missouri (the “City”) is a fourth-class city and political subdivision organized and existing under the constitution and laws of the State of Missouri; and

WHEREAS, the City now owns and operates a revenue producing combined waterworks and sewerage system, serving the City, its inhabitants and others within its service area, including connected and related appurtenances and facilities and extensions, improvements, additions and enlargements made or acquired by the City after the date of this Ordinance (the “System”); and

WHEREAS, by Ordinance No. 935 adopted on August 22, 2024 (the “Refunded Bond Ordinance”), the City has issued its Combined Waterworks and Sewerage System Revenue Bond (State of Missouri – Direct Loan Program – Design Phase) Series 2024 (the “Refunded Bond”), dated September 5, 2024, in the original principal amount of not to exceed \$536,000, of which \$523,928.38 was finally issued and remains outstanding as of the date of adoption of this Ordinance; and

WHEREAS, the City desires to refund the outstanding Refunded Bond and is authorized under the provisions of Section 108.140(2) of the Revised Statutes of Missouri (the “Refunding Law”), to issue and sell refunding revenue bonds for the purpose of refunding, in whole or in part, its outstanding revenue bonds, which refunding revenue bonds may be payable from the same sources as were pledged to the payment of the Refunded Bond (the “Refunding”); and

WHEREAS, the Refunding Law authorizes the issuance of refunding revenue bonds in an amount not to exceed the principal amount of the bonds to be refunded, plus the interest accruing to the maturity or redemption date of the refunded bonds, any premium which may be due under the terms of the refunded bonds and any amounts necessary for the payment of issuance expenses for such refunding revenue bonds, if any; and

WHEREAS, in addition to refunding the Refunded Bond, the City desires to finance certain improvements to the System (collectively, the “Project”); and

WHEREAS, to provide for the most cost-effective method of refunding the Refunded Bond and financing the Project, the City desires to participate in the State of Missouri Drinking Water State Revolving Fund Direct Loan Program (the “DWSRF Direct Loan Program”) of the Missouri Department of Natural Resources (“DNR”) and the Safe Drinking Water Commission of the State of Missouri (the “Commission”); and

WHEREAS, in connection with the Refunding and the Project, the Commission has approved (a) a loan to the City to be made by DNR pursuant to a Purchase Agreement (the “Purchase Agreement”) by and between the City and DNR (the “Loan”) and (b) a grant to the City in the maximum amount of \$2,500,000.00 (the “Grant”) to be administered by DNR pursuant to a Grant Agreement (the “Grant Agreement”) by and between the City and DNR; and

WHEREAS, in order to evidence the Loan, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and its inhabitants that the City issue its Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bond (State of Missouri – Direct Loan Program) Series 2026 (the “Bond”) in the maximum principal amount of \$7,183,000 pursuant to this Ordinance; and

WHEREAS, the City is authorized under Chapter 250 of the Revised Statutes of Missouri, as amended (the “Act”), to issue and sell revenue bonds for the purpose of paying all or part of the cost of extending and improving the System, with the cost of operation and maintenance of the System and the principal of and interest on such revenue bonds payable solely from the Net Revenues (as defined herein); and

WHEREAS, pursuant to the Act, a special bond election was duly held in the City on April 4, 2023 (the “Election”) 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 \$11,000,000 principal amount of combined waterworks and sewerage system revenue bonds to finance the costs of extending and improving the System; and

WHEREAS, \$3,124,928.38 of the revenue bonds authorized at the Election have been issued and the City finds and determines that it is necessary and advisable and in the best interest of the City and of its inhabitants to issue an additional amount of the revenue bonds so authorized to finance the Project; and

WHEREAS, the portions of the Bond allocable to the Refunding and the Project (the “Refunding Portion” and the “Project Portion,” respectively) will be set forth in the closing certificate of the City executed and delivered as of the date of issuance of the Bond; and

WHEREAS, the City has previously issued and has outstanding one or more series of bonds or obligations payable solely from, and secured by a pledge of, Net Revenues (collectively, the “Outstanding Parity Bonds”) pursuant to one or more ordinances (collectively, the “Outstanding Parity Bonds Ordinance”), all as further identified in Exhibit C hereto; and

WHEREAS, the Outstanding Parity Bonds are owned by the United States Department of Agriculture - Rural Development (“USDA-RD” and, together with any other department, agency or instrumentality of the United States of America, the “Government”); and

WHEREAS, the City, upon the issuance of the Bond, will not have outstanding any other bonds or other obligations payable solely from, and secured by a pledge of, Net Revenues other than the Bond and the Outstanding Parity Bonds; and

WHEREAS, under the provisions of the Outstanding Parity Bonds Ordinance, the City may issue additional bonds payable out of Net Revenues that are on a parity with the Outstanding Parity Bonds and the Bond, only if certain conditions are met, and such conditions have been met to allow for the issuance of the Bond; and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and its inhabitants that the Bond be issued and secured in the form and manner provided in this Ordinance and be sold to DNR under the DWSRF Direct Loan Program.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF GRANBY, MISSOURI, AS FOLLOWS:

## ARTICLE I

### DEFINITIONS

Section 101. Definition of Words and Terms. Capitalized words and terms not otherwise defined in this Ordinance have the meanings set forth in the Purchase Agreement and the Escrow Agreement (each as defined below). In addition to the foregoing and words and terms defined in the Recitals and elsewhere in this Ordinance, capitalized words and terms have the following meanings in this Ordinance:

“Administrative Expense Fund” means the fund designated as such and established by Section 4 of the Escrow Agreement. The Administrative Expense Fund does not constitute part of the DWSRF Direct Loan Program.

“Administrative Fee” means the semiannual administrative fee of DNR equal to 0.25% of the aggregate amount of the Bond Outstanding as of each Administrative Fee Calculation Date (including the final maturity date of the Bond), payable to the Paying Agent within 30 days after the City’s receipt of a statement from the Paying Agent for deposit to the Administrative Expense Fund and subsequent transfers to DNR as described in Section 9 of the Escrow Agreement.

“Administrative Fee Calculation Date” means the Business Day preceding each Principal Payment Date.

“Authority” means the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State.

“Authorized Representative” means the representative of the City designated as such by the City in accordance with the Regulations.

“BABs Interest Subsidy Payments” means any payments to be received by the City from the U.S. Department of the Treasury under Section 54AA or Section 6431 of the Internal Revenue Code of 1986, as amended, in connection with the payments of interest on System Revenue Bonds.

“Bond” means the Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bond (State of Missouri – Direct Loan Program) Series 2026, authorized and issued under this Ordinance.

“Bond Debt Service” means the amount of the principal of and interest due on the Bond on the date of calculation required in this Ordinance.

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

“Closing Date” means the date of the initial issuance and delivery of the Bond.

“Construction Fund” means the Construction Fund established by Section 4 of the Escrow Agreement.

“Consultant” means the Consulting Engineer, a registered municipal advisor, an independent certified public accountant or a firm of independent certified public accountants.

“Consulting Engineer” means an independent engineer or engineering firm with experience in designing and constructing water production and transmission and wastewater treatment and sanitary sewerage facilities and retained by the City.

“Cumulative Principal Amount Outstanding” means the sum of (a) the purchase price of the Bond paid by the Owner to the Paying Agent on the Closing Date in accordance with the Purchase Agreement and deposited into the funds pursuant to Section 403, plus (b) each additional Purchase Price Installment, as notated on the Bond by the Paying Agent, less (c) the principal amount redeemed pursuant to Article III.

“Current Expenses” means all reasonable and necessary expenses of ownership, operation, maintenance and repair of the System and keeping the System in good repair and working order, determined in accordance with accounting principles generally accepted in the United States of America, including current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, Administrative Fee, paying agent fees and expenses, annual audits, periodic Consultant’s reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term obligations incurred and payable within a particular Fiscal Year, obligations incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the ownership and operation of the System, but excluding interest paid on, and swap, hedge or other interest-like payments made with respect to, System Revenue Bonds, depreciation, amortization and other noncash charges (including payments into the Depreciation and Replacement Account), and all general administrative expenses of the City not related to the operation of the System.

“Debt Service Fund” means the Debt Service Fund established by Section 4 of the Escrow Agreement.

“Defeasance Securities” means:

- (a) Federal Securities;
- (b) obligations of the Resolution Funding Corporation or any successor, but only if the use of the obligations to pay and discharge the Bond pursuant to Article X will cause the discharged Bond to be rated in the highest long-term category by a nationally recognized securities rating agency as designated by DNR; or
- (c) obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any state that:
  - (i) are not callable at the option of the obligor prior to maturity or for which irrevocable instructions have been given by the obligor to call on the date specified in the instructions, and
  - (ii) are fully secured as to principal, redemption premium and interest by a fund, consisting of cash or Federal Securities, that:
    - (A) may be applied only to the payment of principal, redemption premium and interest on the obligations, and

(B) is sufficient, as verified by an independent certified public accountant, to pay the principal, redemption premium and interest on the obligations.

“Depreciation and Replacement Account” means the fund or account designated as such and created or ratified by Section 401.

“Escrow Agreement” means the Escrow Trust Agreement between the City and the Paying Agent, as supplemented, modified or amended in accordance with its terms, related to the Bond.

“Federal Securities” means any direct obligation of, or obligation the timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America and backed by its full faith and credit.

“Funds Transfer Method” means electronic transfer in immediately available funds, automated clearing house (ACH) funds, or other method approved by DNR at the written request of the City with written notice to the Paying Agent.

“Government” means the United States of America, acting through the Department of Agriculture or any other department, agency or instrumentality of the United States of America.

“Interest Payment Date” means each January 1 and July 1, commencing January 1, 2027.

“Interest Period” means each six-month period from January 1 through June 30 and July 1 through December 31.

“Interest Rate” means the annual rate equal to 30% of the Revenue Bond Index as published in *The Bond Buyer* most recently prior to the Closing Date, rounded up to the nearest 0.01%.

“Investment Securities” means any securities or investments that are legal for the investment of funds of the City at the time of purchase.

“Net Revenues” means Revenues less Current Expenses.

“Operation and Maintenance Account” means the fund or account designated as such and created or ratified by Section 401.

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

“Outstanding” means, as of the date of determination, the Bond issued and delivered under this Ordinance, except:

(1) any portion of the Bond canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(2) any portion of the Bond for the payment of the principal or redemption price of and interest on which money or Defeasance Securities are held under Section 1001;

(3) any portion of the Bond in exchange for which, or in lieu of which, another Bond or Bonds have been registered and delivered pursuant to this Ordinance; and

(4) any portion of the Bond allegedly mutilated, destroyed, lost, or stolen and paid under Section 208.

“Owner” means DNR or any assignee, successor or transferee of DNR.

“Parity Bonds” means the Outstanding Parity Bonds and any other bonds or other obligations issued under Section 802 payable solely from, and secured by a pledge of, Net Revenues, and standing on a parity with the Bond.

“Parity Bonds Ordinance” means the Outstanding Parity Bonds Ordinance and any other ordinance under which any Parity Bonds are issued.

“Paying Agent” means UMB Bank, N.A., the paying agent and escrow agent, and its successors and assigns acting at any time as Paying Agent and Escrow Agent under this Ordinance and the Escrow Agreement.

“Principal Payment Date” means each January 1 and July 1, commencing July 1, 2027, and any date on which all or part of the Bond is optionally redeemed in accordance with Section 301.

“Purchase Agreement” means the Purchase Agreement between the City and DNR, as supplemented, modified or amended in accordance with its terms, related to the Bond.

“Purchase Price Installment” means the amount paid by DNR from time to time in accordance with Section 3.3 of the Purchase Agreement and deposited in the Construction Fund or otherwise in accordance with Section 403.

“Quarterly Payment Date” means each March 15, June 15, September 15 and December 15, commencing June 15, 2026.

“Record Date” means the 25th day (whether or not a Business Day) of the calendar month next preceding the applicable Interest Payment Date.

“Repayment Fund” means the fund designated as such and established by Section 4 of the Escrow Agreement. The Repayment Fund does not constitute part of the DWSRF Direct Loan Program.

“Revenue Fund” means the fund or account designated as such and created or ratified by Section 401.

“Revenues” means all income and revenues derived by the City from the System, including investment and rental income, net proceeds from business interruption insurance, sales tax revenues and/or other moneys that have been annually appropriated by the City or that are limited solely to the payment of improvements to or expenses of the System, and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on System Revenue Bonds, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition of investments or fixed or capital assets not in the ordinary course of business.

“SRF Program” means the Missouri Leveraged State Drinking Water Revolving Fund Program, the Missouri Leveraged State Water Pollution Control Revolving Fund Program, the State of Missouri Drinking Water State Revolving Fund Direct Loan Program, and/or the State of Missouri Clean Water State Revolving Fund Direct Loan Program.

“SRF Subsidy” means, with respect to any applicable System Revenue Bonds issued through the SRF Program, the amount of investment earnings that will accrue on the reserve fund established for such Bond during the Fiscal Year and allocable to the City.

“State” means the State of Missouri.

“Stated Maturity” means July 1, 2056, the final maturity date of the Bond; provided, however, that such date shall be subject to change pursuant to Section 302 hereof and Section 3.4 of the Purchase Agreement.

“Subsidy Payments” means funds received (or with respect to Section 802(a)(2)(B) funds that are reasonably expected to be received) by the City that either (a) must be used or (b) have been used (or with respect to Section 802(a)(2)(B) are reasonably expected to be used) to reduce the interest or principal payments on System Revenue Bonds. Such Subsidy Payments would include, but are not limited to, BABs Interest Subsidy Payments, SRF Subsidy and other payments received by the City through a federal or State program.

“Surplus Account” means the fund or account created or ratified in Section 401.

“System Revenue Bonds” means, collectively, the Bond, the Parity Bonds and all other revenue bonds or obligations that are payable solely from, and secured by a pledge of, the Net Revenues.

“User Charge Ordinance” means, collectively, Title VII, Chapter 705 of the Municipal Code of the City of Granby, Missouri, as amended by Ordinance No. \_\_\_\_\_ adopted by the Governing Body on \_\_\_\_\_, 2026, as further amended, supplemented or replaced, and Title VII, Chapter 720 of the Municipal Code of the City of Granby, Missouri, as amended by Ordinance No. \_\_\_\_\_ adopted by the Governing Body on \_\_\_\_\_, 2026, as further amended, supplemented or replaced.

## ARTICLE II

### AUTHORIZATION OF THE BOND

Section 201. Authorization of the Bond. The Bond is authorized and directed to be issued in the Maximum Principal Amount subject to the terms and for the purposes of this Ordinance. Upon the Completion of Funding pursuant to the Purchase Agreement, the principal amount of the Bond issued under this Ordinance will be the Cumulative Principal Amount Outstanding as of the Completion of Funding plus the principal amount previously redeemed pursuant to Article III. The remaining voted authorization, if any, under the Election will be the voted amount less the sum of the amount previously issued as described in the Recitals and the amount issued as calculated pursuant to the preceding sentence.

Section 202. Security for the Bond.

(a) The Bond is a special, limited obligation of the City payable solely from, and secured by a pledge of, Net Revenues. The City hereby pledges the Net Revenues to the payment of the principal of and interest on the Bond. The Bond shall not be or constitute a general obligation of the City, nor shall it constitute an indebtedness of the City within the meaning of any constitutional or statutory provision, limitation or restriction, and the City shall have no power to levy or collect any taxes of any kind for the purpose of paying the principal of and interest on the Bond.

(b) The covenants and agreements of the City contained in this Ordinance and in the Bond shall be for the equal benefit, protection and security of the legal owners of any or all of the Bond, all of which 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 Bond, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in this Ordinance. The Bond shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from Net Revenues and in all other respects with any Parity Bonds. The Bond shall not have any priority with respect to the payment of principal or interest from Net Revenues or otherwise over any Parity Bonds and the Parity Bonds shall not have any priority with respect to the payment of principal or interest from Net Revenues or otherwise over the Bond.

(c) The Bond is issued on a parity with the Outstanding Parity Bonds.

(d) The City shall not be impaired or restricted from complying with any statute or regulation governing obligations owned or insured by the Government, including 7 U.S.C. § 1983(3), or any loan ordinance or other loan agreement with the Government so long as the Outstanding Parity Bonds are owned or insured by the Government.

Section 203. Description of the Bond. The Bond consists of one fully registered bond numbered R-1, in the denomination of \$100,000 or any integral multiple of \$0.01 in excess thereof, or if the principal amount of the Bond is less than \$100,000, then an amount equal to the principal amount of the Bond (the "Authorized Denomination"). The Bond will be issued in substantially the form of Exhibit A and will be registered, transferred and exchanged as provided in Section 206. The Bond is dated as of the Closing Date. The Bond will mature and become due on the Stated Maturity (subject to optional and mandatory redemption prior to Stated Maturity as provided in Article III). The Bond will bear interest on the Cumulative Principal Amount Outstanding at the Interest Rate from the Closing Date and the date of receipt of each Purchase Price Installment by the Paying Agent pursuant to the Purchase Agreement (as set forth on Schedule A to the Bond) or from the most recent Interest Payment Date to which interest has been paid or provided for. Interest is computed on the basis of a 360-day year of twelve 30-day months and is payable on each Interest Payment Date.

Section 204. Designation of Paying Agent. The City has designated the Paying Agent as the City's paying agent for the payment of the principal of and interest on the Bond, bond registrar for the registration, transfer and exchange of the Bond and escrow agent with respect to the funds and accounts established with the Paying Agent under the Escrow Agreement.

Section 205. Method and Place of Payment of the Bond.

(a) Payment of the Bond will be made with any coin or currency that is legal tender for the payment of debts due the United States of America on the payment date.

(b) The payment of the principal of and redemption premium, if any, payable on the Bond at Stated Maturity or upon earlier redemption and the interest payable on the Bond on any Interest Payment Date will be made by check or draft mailed by the Paying Agent to the address of the Owner shown in the Bond Register. The principal of and redemption premium, if any, and interest on the Bond is also payable by electronic transfer in immediately available federal funds to a bank in the continental United States of America pursuant to instructions from the Owner received by the Paying Agent prior to the Record Date.

(c) Payments of principal on the Bond pursuant to Article III may be made directly to the Owner without surrender of any Bond to the Paying Agent. Accordingly, any transferee of a Bond should

verify with the Paying Agent the principal of the Bond outstanding prior to such purchase or transfer, and the records of the Paying Agent shall be conclusive for such purposes.

(d) The Paying Agent will keep a record of payment of the principal, redemption premium, if any, and interest on the Bond and, at least annually, at the written request of the City, will forward a copy or summary of the record of payments to the City.

(e) The Bond will be held by the Paying Agent in trust for each Owner, unless the Paying Agent is otherwise directed in writing by an Owner.

Section 206. Registration, Transfer and Exchange of the Bond.

(a) The City will cause the Paying Agent to keep the Bond Register. The Bond when issued will be registered in the name of the Owner on the Bond Register. The Bond will be transferred and exchanged only upon the Bond Register.

(b) Upon surrender of the Bond at the payment office of the Paying Agent in St. Louis, Missouri (or other office designated by the Paying Agent), the Paying Agent will transfer or exchange the Bond for a new Bond or Bonds in an Authorized Denomination, of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Any Bond presented for transfer or exchange must be accompanied by a written instrument of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Owner or by the Owner's authorized agent. Any Bond presented for transfer or exchange must be surrendered to the Paying Agent for cancellation.

(c) For every exchange or transfer of the Bond the City or the Paying Agent may levy a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid for the exchange or transfer. The person requesting the exchange or transfer must pay the charge. Payment of the charge is a condition precedent to the exchange or transfer. If any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against the Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code of 1986, as amended, this amount may be deducted by the Paying Agent from amounts payable to the Owner under this Ordinance and the Bond.

(d) The City and the Paying Agent will treat the person in whose name any Bond is registered on the Bond Register as the absolute owner of the Bond, whether or not payment of the Bond is overdue, for the purpose of receiving payment of the principal of, redemption premium, if any, and interest on the Bond and for all other purposes. All payments made to any Owner or upon the Owner's order will be valid and effective to satisfy and discharge the City's liability for payment of the Bond to the extent of the sum or sums paid. Neither the City nor the Paying Agent will be affected by any notice to the contrary.

(e) At reasonable times and under reasonable rules established by the Paying Agent, the Owners of 25% or more in principal amount of the Outstanding Bond, or their representative designated in a manner satisfactory to the Paying Agent, may inspect and copy the Bond Register.

Section 207. Execution, Authentication and Delivery of the Bond.

(a) The Bond must be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and have the official seal of the City affixed or imprinted thereon. If any officer whose manual or facsimile signature appears on the Bond ceases to be an

officer before the delivery of the Bond signed by the officer, the manual or facsimile signature on the Bond will be valid and sufficient for all purposes of this Ordinance.

(b) The Mayor and the City Clerk are directed to prepare and execute the Bond as specified in this Article, and when executed, to deliver the Bond to the Paying Agent for authentication. Each Bond will be authenticated by any authorized signatory of the Paying Agent. No Bond is entitled to any security or benefit under this Ordinance or is valid or obligatory for any purpose until authenticated by the Paying Agent.

(c) Prior to the Completion of Funding, promptly upon the receipt by the Paying Agent of each Purchase Price Installment paid by the Owner in accordance with the Purchase Agreement, an authorized signatory of the Paying Agent will endorse Schedule A to the Bond with the date of receipt of the Purchase Price Installment, the amount of the Purchase Price Installment and the resulting Cumulative Principal Amount Outstanding. No further entries to Schedule A related to Purchase Price Installments will be made after the Completion of Funding.

Section 208. Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If (i) any mutilated Bond is surrendered to the Paying Agent, or the City and the Paying Agent receive evidence to their satisfaction of the mutilation, destruction, loss or theft of any Bond, and (ii) there is delivered to the City and the Paying Agent security or indemnity as required by them, in the absence of notice to the City or the Paying Agent that the Bond has been acquired by a bona fide purchaser, the City will execute and the Paying Agent will register and deliver, in exchange for or in lieu of any mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount. If the Bond has become or is about to become due, the City may pay the Bond instead of issuing a new Bond.

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

(c) Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Bond will constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost or stolen Bond is enforceable by anyone at any time, and will be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds, if any.

Section 209. Cancellation and Destruction of Bonds Upon Payment. Any Bond that has been paid or redeemed or that have otherwise been surrendered to the Paying Agent, either at or before Stated Maturity, will be canceled immediately upon the payment or redemption and the Paying Agent's receipt of the Bond. The Paying Agent will periodically destroy canceled Bonds. If requested by City, the Paying Agent will execute a certificate describing the destroyed Bonds and file an executed counterpart of the certificate with the City.

Section 210. Sale of the Bond; Authorization and Execution of Documents.

(a) The Bond will be sold to the Owner at the purchase price of 100% of the initial Purchase Price Installment paid on the Closing Date plus each Purchase Price Installment made by the Owner thereafter pursuant to Section 3.3 of the Purchase Agreement, without accrued interest.

(b) The City is authorized to enter into the Purchase Agreement, the Escrow Agreement and the Grant Agreement, in substantially the forms presented to the Governing Body at this meeting. The Mayor is authorized to execute the Purchase Agreement, the Escrow Agreement and the Grant Agreement for and on behalf of and as the act and deed of the City, with changes approved by the Mayor, which approval will be conclusively evidenced by the signature of the Mayor of the City on such documents. The Mayor is further authorized and directed to execute other documents, certificates and instruments that are necessary or desirable to carry out the intent of this Ordinance. The City Clerk is authorized and directed to attest the execution of the Purchase Agreement, the Escrow Agreement, the Grant Agreement, and any other documents, certificates and instruments that are necessary or desirable to carry out the intent of this Ordinance.

Section 211. Administrative Fee and Paying Agent's Fee. Subject to Section 202, the City will pay to the Paying Agent, within 30 days after receipt of a statement from the Paying Agent, (a) the Administrative Fee, and (b) an amount equal to the Paying Agent's fees and expenses as provided in the Escrow Agreement.

### ARTICLE III

#### REDEMPTION OF THE BOND

Section 301. Optional Redemption.

(a) At the option of the City, with the prior written consent of the Owner, the Bond may be called for redemption and payment prior to the Stated Maturity thereof in whole or in part at any time on or after the 10th anniversary of the Closing Date, at the redemption price of 100% of the principal amount thereof so redeemed plus accrued interest thereon to the date of redemption. If an optional redemption is in part, the principal amount for each Principal Payment Date following the optional redemption will be reduced on a proportionate basis (to the nearest \$0.01). If the Bond or a portion thereof is optionally redeemed prior to the Stated Maturity thereof, the Owner may require the payment by the City of a sum sufficient to cover any professional costs, fees and expenses (including the fees and expenses of the Paying Agent and other consultants (legal, financial or otherwise) of the Owner and the Authority) incurred in connection with the early redemption of the Bond or a portion thereof.

(b) So long as the Outstanding Parity Bonds are owned or insured by the Government, no optional redemption of the Bond shall occur without the written consent of the Government.

Section 302. Mandatory Redemption Provisions.

(a) The Bond is subject to mandatory sinking fund redemption in part, at a redemption price equal to 100% of the principal amount thereof so redeemed plus accrued interest to the redemption date, on the Principal Payment Dates and in the principal amounts as set forth on Exhibit B.

(b) If upon the Completion of Funding, the Cumulative Principal Amount Outstanding is less than the Maximum Principal Amount (disregarding any scheduled redemptions above that have occurred prior to the Completion of Funding), the principal amount for each Principal Payment Date following the Completion of Funding will be reduced on a proportionate basis (to the nearest \$0.01).

(c) If the final date of Initiation of Operations, as certified by the City pursuant to Section 3.4(a) of the Purchase Agreement, will cause the final Principal Payment Date to be more than 30 years from the date of Initiation of Operations, the Stated Maturity of the Bond will be revised to be not more than 30 years from the certified date of Initiation of Operations and the principal amount for each remaining

Principal Payment Date will be modified on a proportionate basis (to the nearest \$0.01). In no event will the revised Stated Maturity of the Bond exceed 35 years from the Closing Date.

Section 303. Revisions to Exhibit B upon Partial Redemption.

(a) Upon the partial redemption of the Bond pursuant to Section 301 or if Section 302(b) is applicable, the Owner will provide a replacement Exhibit B, reflecting the reductions to the principal amounts, to the Paying Agent and the City, which will be binding on the City absent manifest error and will replace the previous Exhibit B without any further action on the part of the City. The revised Exhibit B is subject to such verification requirements as may be reasonably established by the Paying Agent.

(b) The redemption of the Bond in part will be reflected in the records maintained by the Paying Agent.

Section 304. Notice and Effect of Call for Redemption.

(a) No notice of the mandatory redemption of the Bond is required to be given. If the Bond or a portion thereof is being optionally redeemed, notice of redemption will be given in the manner described below. Unless waived by the Owner of the Bond or portion thereof to be redeemed, the Paying Agent, on behalf of the City, will give notice by mailing a redemption notice, at least 15 days, but not more than 30 days, prior to the date fixed for redemption, to the Owner of the Bond or portion thereof to be redeemed at the address shown on the Bond Register.

(b) All redemption notices will be dated and include the following information:

(1) the redemption date,

(2) the redemption price, consisting of the principal amount to be redeemed, redemption premium, if any, and interest to the redemption date,

(3) if less than all of the Outstanding Bond is to be redeemed, the identification number, if any, and the principal amount of the Bond to be redeemed,

(4) a statement that on the redemption date the redemption price will become due and payable upon the Bond or portion thereof called for redemption, and that interest ceases to accrue on the redeemed amount from and after the redemption date, and

(5) the address of the principal office of the Paying Agent where the Bond must be surrendered for payment of the redemption price.

(c) If notice of redemption has been given or waived, the Bond or portion thereof to be redeemed will become due and payable on the redemption date at the redemption price specified in the notice. From and after the redemption date (unless the City defaults in the payment of the redemption price), the called Bond or applicable portion thereof will cease to bear interest. Upon the surrender of the Bond or applicable portion thereof for payment of the redemption price in accordance with the notice, the Paying Agent will pay the redemption price to the applicable Owner.

## ARTICLE IV

### RATIFICATION AND ESTABLISHMENT OF FUNDS AND ACCOUNTS

#### Section 401. Ratification and Establishment of Funds and Accounts.

(a) The City hereby ratifies the following separate funds and accounts created in the treasury of the City, known respectively as the:

(i) Combined Waterworks and Sewerage System Revenue Fund (the "Revenue Fund");

(ii) Combined Waterworks and Sewerage System Operation and Maintenance Account (the "Operation and Maintenance Account");

(iii) Combined Waterworks and Sewerage System Replacement and Extension Account (herein referred to as the "Depreciation and Replacement Account");

(iv) Combined Waterworks and Sewerage System Surplus Account (the "Surplus Account");

(v) any debt service fund or account, repayment fund or account, principal account, and interest account established for the Outstanding Parity Bonds under the Outstanding Parity Bonds Ordinance (collectively, the "Outstanding Parity Bonds Debt Service Account"); and

(vi) any debt service reserve fund or account established for the Outstanding Parity Bonds under the Outstanding Parity Bonds Ordinance (collectively, the "Outstanding Parity Bonds Debt Service Reserve Account").

(b) The City hereby establishes the following special funds and accounts with the Paying Agent under the Escrow Agreement:

(i) the Debt Service Fund;

(ii) the Construction Fund;

(iii) the Repayment Fund, consisting of the Principal Account and the Interest Account; and

(iv) the Administrative Expense Fund.

Section 402. Administration of Funds and Accounts. The funds and accounts described in Sections 401(a) will be maintained and administered by the City under this Ordinance and the Outstanding Parity Bonds Ordinance while any portion of the Bond and/or the Outstanding Parity Bonds are outstanding. The funds and accounts described in Section 401(b) will be maintained and administered by the Paying Agent pursuant to the Escrow Agreement while the Bond is Outstanding.

Section 403. Deposits and Application of Bond Proceeds and Other Moneys.

(a) On the Closing Date, the proceeds received from the sale of the Bond will be deposited upon the delivery of the Bond into the Construction Fund and the Administrative Expense Fund as provided in the Escrow Agreement. Thereafter, each Purchase Price Installment will be deposited into the Construction Fund.

(b) Moneys in the Construction Fund will be disbursed for the purpose of redeeming the Refunded Bond and paying other Eligible Costs of the Project in accordance with the plans and specifications prepared by the Consulting Engineer, previously approved by the Governing Body and DNR and on file in the office of the City Clerk, including any alterations in or amendments to the plans and specifications approved by the Governing Body and DNR with the advice of the Consulting Engineer.

(c) Requisitions will be submitted for funding of the Purchase Price Installments and resulting withdrawals from the Construction Fund in accordance with Article III of the Purchase Agreement. Funds will be disbursed from the Administrative Expense Fund as provided in the Escrow Agreement.

ARTICLE V

APPLICATION OF REVENUES

Section 501. Revenue Fund. The City covenants and agrees that from and after the delivery of the Bond and so long as any portion of the Bond remains Outstanding and unpaid, all Revenues derived and collected by the City will be deposited into the Revenue Fund when received. The Revenues will be segregated from all other moneys, revenues, funds and accounts of the City. The Revenue Fund will be administered and applied solely for the purposes and in the manner provided in this Ordinance, the Parity Bonds Ordinance and any other ordinance with respect to System Revenue Bonds.

Section 502. Application of Moneys in Funds and Accounts.

(a) The City will apply moneys in the Revenue Fund on the dates, in the amounts and in the order as follows:

(1) *Operation and Maintenance Account.* On the first day of each month, to the Operation and Maintenance Account an amount sufficient to pay the estimated cost of operating and maintaining the System during the month, which amount shall include (i) on the dates required by any Parity Bonds Ordinance, the amounts required to pay the fees described in the Parity Bonds Ordinance, if any, and (ii) on the dates required by Section 211, transfers to the Paying Agent for further deposit to the Administrative Expense Fund, the amounts required to pay the Administrative Fee and the Paying Agent's Fees and expenses;

(2) *Repayment Fund and Debt Service Account.* On a parity basis (i) at the times required under the Outstanding Parity Bonds Ordinance, to the Outstanding Parity Bonds Debt Service Account the amount required under the Outstanding Parity Bonds Ordinance, (ii) to any debt service fund or account for any other Parity Bonds issued by the City in the amounts and at the times required under the applicable Parity Bonds Ordinance and (iii) by the Funds Transfer Method, on each Quarterly Payment Date, to the Paying Agent for credit to the Interest Account and the Principal Account of the Repayment Fund:

(A) to the Interest Account of the Repayment Fund, on September 15, 2026, and on each Quarterly Payment Date thereafter, 1/2 of the amount of interest due on the Bond on the next Interest Payment Date with the balance in the Debt Service Fund and the Interest Account on an Interest Payment Date after the payment of the principal of and interest due on the Bond on the Interest Payment Date to be credited against the next succeeding Quarterly Payment; provided that prior to the Completion of Funding,

(i) the investment earnings on the Construction Fund for the preceding calendar quarter will be credited against the next Quarterly Payment,

(ii) for purposes of the first Quarterly Payment of each Interest Period, except as provided in Section 10 of the Escrow Agreement, the amount of interest due on the next Interest Payment Date will be estimated based upon an expected disbursement schedule for the Interest Period provided by the City to DNR and the Paying Agent, and

(iii) for purposes of the second Quarterly Payment of each Interest Period, the interest due on the next Interest Payment Date will be calculated by the Paying Agent based upon Purchase Price Installments funded at least three Business Days prior to the Quarterly Payment Date and the second Quarterly Payment calculated so that the amount on deposit in the Interest Account after receipt of the second Quarterly Payment will equal interest payable on the Bond on the Interest Payment Date; and

(B) to the Principal Account of the Repayment Fund, on March 15, 2027, and on each Quarterly Payment Date thereafter, 1/2 of the principal due on the Bond on the next succeeding Principal Payment Date, whether at Stated Maturity or upon mandatory sinking fund redemption; provided, however, that if the Initiation of Operations specified in the certificate delivered by the City under Section 3.4(a) of the Purchase Agreement is earlier than the expected Initiation of Operations, all remaining unpaid principal installments of the Bond will be paid on the Quarterly Payment Date that is not more than 30 years after the certified date of Initiation of Operations (as set forth in the revised debt service schedule and replacement Exhibit B (Mandatory Sinking Fund Redemption Schedule) provided by DNR pursuant to Section 3.4(b) of the Purchase Agreement);

(3) *Debt Service Reserve Account.* After payments and credits required at the time to be made under the provisions of paragraphs (1) and (2) of this subsection have been made, there shall next be paid and credited, on a parity basis, to the Outstanding Parity Bonds Debt Service Reserve Account and any debt service reserve fund or account for any other Parity Bonds issued by the City in the amounts and at the times required under the applicable Parity Bonds Ordinance;

(4) *Depreciation and Replacement Account.* After all payments and credits required at the time to be made under the provisions of paragraphs (1), (2) and (3) of this subsection have been made, there shall next be paid and credited to the Depreciation and Replacement Account (i) the sum of **\$5,663.89 each month**, commencing on the first day of the month following the issuance of the Bond, which, except as provided in Section 503, shall be expended and used by the City solely for the purpose of making replacements and repairs in and to the System as set forth in the replacement schedule included in the User Charge Ordinance and as may be necessary to keep the System in good repair and working order and to assure the continued effective and efficient operation thereof and (ii) the amounts and at the times required under any applicable Parity Bonds Ordinance for the purposes stated therein; and

(5) *Surplus Account.* On the first day of each month, the remaining balance to the Surplus Account. Moneys in the Surplus Account are to be expended for the following purposes as determined by the Governing Body:

(1) paying the cost of the operation, maintenance and repair of the System to the extent necessary after the application of the moneys held in the Operation and Maintenance Account and the Depreciation and Replacement Account;

(2) paying the cost of extending, enlarging or improving the System;

(3) preventing default in, anticipating payments into or increasing the amounts in the accounts confirmed or established in Section 401, or establishing or increasing the amount of any debt service account or debt service reserve account created by the City for the payment of any System Revenue Bonds subsequently issued;

(4) subject to Section 502(f), redeeming and paying prior to Stated Maturity, or, at the option of the City, purchasing in the open market at the best price obtainable not exceeding the call price (if any bonds are callable), the Bond, the Outstanding Parity Bonds other System Revenue Bonds hereafter issued under the conditions hereinafter specified and standing on a parity with the Bond, including principal, redemption premium, if any, and interest; or

(5) subject to Section 502(d), any other lawful purpose in connection with the operation of the System and benefiting the System including, but not limited to, payments with respect to bonds or other obligations of the System.

(c) All amounts paid and credited to the Operation and Maintenance Account will be expended solely for the purpose of paying the Current Expenses of the System.

(d) No moneys derived by the City from the System will be diverted to the general governmental or municipal functions of the City.

(e) If the deposits to the Operation and Maintenance Account (the "OM Deposits") required under this Section are greater than the OM Deposits required in the User Charge Ordinance, the OM Deposits under the User Charge Ordinance will be deemed a credit toward OM Deposits required under this Section. If the OM Deposits required under this Section are less than those required in the User Charge Ordinance, OM Deposits under this Section will be deemed a credit to OM Deposits required under the User Charge Ordinance.

(f) No moneys in the Surplus Account shall be used to redeem or purchase any portion of the Bond without the consent of the Government so long as the Outstanding Parity Bonds are owned or insured by the Government.

Section 503. Deficiency of Payments into Funds and Accounts.

(a) If the Revenues are insufficient to make any payment on any date specified in this Article, the City will make good the amount of the deficiency by making additional payments out of the first available Revenues for application in the order specified in Section 502.

(b) If the moneys in the Outstanding Parity Bonds Debt Service Account, the Outstanding Parity Bonds Debt Service Reserve Account, the Principal Account or the Interest Account of the Repayment Fund, the Debt Service Fund, or any debt service fund or account or debt service reserve fund or account for any Parity Bonds issued by the City are not sufficient to pay the principal of and interest on the Outstanding Parity Bonds, the Bond and any other Parity Bonds issued by the City as and when the same become due, the City will apply moneys in the Surplus Account and the Depreciation and Replacement Account on a proportionate basis (based upon the outstanding principal amounts of the Bond, the Outstanding Parity Bonds and any Parity Bonds issued by the City) to the Outstanding Parity Bonds Debt Service Account, the Principal Account or the Interest Account of the Repayment Fund, the Debt Service Fund and the debt service fund or account for any Parity Bonds issued by the City to prevent any default in the payment of the principal of and interest thereon.

Section 504. Transfer of Funds to Paying Agent. Subject to the provisions of Section 503(b) with respect to the application of funds on a proportionate basis the Outstanding Parity Bonds and any other Parity Bonds issued by the City, the City Clerk or any other officer of the City is authorized and directed to make the payments to the Principal Account or the Interest Account of the Repayment Fund as provided in Section 502 and, to the extent necessary to prevent a default in the payment of the Bond, withdrawal funds from the Surplus Account and from the Depreciation and Replacement Account as provided in Sections 502 and 503, in sums sufficient to pay the Bond when due, and to forward amounts to the Paying Agent by the Funds Transfer Method that ensures the Paying Agent will have sufficient available funds on or before the second Business Day immediately preceding the dates when payments on the Bond are due. Upon the payment of all principal and interest on the Bond, the Paying Agent will return any excess funds to the City. Except as otherwise provided in the Escrow Agreement, all moneys deposited by the City with the Paying Agent are subject to the provisions of this Ordinance.

Section 505. Business Days. If any date for the payment of principal of, or redemption premium, if any, or interest on the Bond or the taking of any other action hereunder is not a Business Day, then such payment shall be due, or such action shall be taken, on the first Business Day thereafter with the same force and effect as if made on the date fixed for payment or performance.

Section 506. Redemption of Refunded Bond. The Refunded Bond is hereby called for redemption and payment prior to maturity on [**\*\*CLOSING DATE\*\***], or on the earliest practicable date thereafter. The Refunded Bond shall be redeemed at the office of the City Clerk, the paying agent for the Refunded Bond, by the payment on the redemption date of the principal thereof and accrued interest thereon to the redemption date. The Mayor, City Clerk or such other officers of the City are hereby directed to cause notice of the redemption to be given in the manner provided in the Refunded Bond Ordinance or obtain a waiver of notice of the owner of the Refunded Bond and hereby ratifies and confirms such actions heretofore taken by such officials. Such notice may be conditioned upon the Bond being sold and proceeds being available on or prior to the redemption date in an amount sufficient, together with other available funds, to pay the redemption price of the Refunded Bond. The officers of the City and the paying agent for the Refunded Bond are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of the Refunded Bond as herein provided.

## ARTICLE VI

### INVESTMENT OF MONEYS

Section 601. Investment of Moneys.

(a) Moneys held in any fund or account referred to in this Ordinance may be invested in Investment Securities; provided, however, that any fund or account held by the Paying Agent shall be

invested as provided in Section 11 of the Escrow Agreement. No such investment will be made for a period extending longer than the date when the money invested may be needed. All earnings on any investments held in any fund or account will accrue to the applicable fund or account. In determining the amount held in any fund or account under this Ordinance, obligations will be valued at the lower of cost or market value. If the amount in any fund or account held within the Treasury of the City is greater than the required amount, the City may transfer the excess to the Revenue Fund.

(b) For so long as the Outstanding Parity Bonds are outstanding, any investments made pursuant to this Section are subject to the applicable restrictions in the Outstanding Parity Bonds Ordinance.

## ARTICLE VII

### PARTICULAR COVENANTS OF THE CITY

The City covenants and agrees with the Owner of the Bond that so long as any portion of the Bond remains Outstanding and unpaid it will comply with each of the following covenants:

Section 701. Efficient and Economical Operation; User Charge Ordinance. The City will continuously own and will operate the System in an efficient and economical manner and will keep and maintain the System in good repair and working order. The City has duly approved the User Charge Ordinance and will enforce the provisions thereof.

Section 702. Rate Covenant. The City will fix, establish, maintain and collect rates, fees and charges for the use and services furnished by or through the System to produce income and revenues sufficient to (a) pay the costs of the operation and maintenance of the System; (b) pay the principal of and interest on the Bond as and when due; (c) enable the City to have in each Fiscal Year Net Revenues of not less than 110% of the amount required to be paid by the City in the Fiscal Year on account of both principal of and interest on all System Revenue Bonds at the time outstanding, provided that (i) interest on any System Revenue Bonds will be reduced by Subsidy Payments, if any, and (ii) principal and/or interest on any System Revenue Bonds will be reduced by amounts deposited in trust or escrowed for the payment thereof with the Owner or commercial bank or trust company located in the State of Missouri having full trust powers and acting as trustee or escrow agent and that are reasonably expected to be used for the payment of principal and/or interest on any System Revenue Bonds during the calculation period; and (d) provide reasonable and adequate reserves for the payment of the Bond and the interest thereon and for the protection and benefit of the System as provided in this Ordinance. The City will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. Each Fiscal Year, the City shall review the rates, fees and charges for the use and services furnished by or through the System and revise such rates, fees and charges as necessary to ensure that the System generates Net Revenues sufficient to meet the requirements of this Section.

Section 703. Reasonable Charges for all Services. None of the facilities or services provided by the System will be furnished to any user (excepting the City itself) without a reasonable charge being made therefor. If the income and revenues derived by the City from the System are insufficient to pay the reasonable expenses of operation and maintenance of the System and the principal of and interest on the Bond when due, the City will pay into the Revenue Fund a fair and reasonable payment in accordance with effective applicable rates and charges for all services or other facilities furnished to the City or any of its departments by the System.

Section 704. Annual Budget. Prior to the commencement of each Fiscal Year, the City will cause a budget setting forth the estimated receipts and expenditures of the System for the next succeeding Fiscal

Year to be prepared and filed with the City Clerk. The City Clerk, within 30 days after the end of the current Fiscal Year, will mail a copy of the budget to the Owner. The annual budget will be prepared in accordance with the laws of the State.

Section 705. Annual Audit.

(a) Promptly after the end of each Fiscal Year, the City will cause an audit of the System for the preceding Fiscal Year to be made by a certified public accountant or firm of certified public accountants employed for that purpose and paid from the Revenues. The annual audit will cover in reasonable detail the operation of the System during the Fiscal Year.

(b) As soon as possible after the completion of the annual audit, the Governing Body will review the annual audit, and if the annual audit reveals any breach of this Ordinance, the City agrees to promptly cure the breach.

(c) Within 30 days after the acceptance of the audit by the Governing Body, a copy of the annual audit will be filed in the office of the City Clerk. The annual audit will be open to examination and inspection during normal business hours by any taxpayer, any user of the services of the System, the Owner, or anyone acting for or on behalf of the taxpayer, user or Owner.

(d) The City acknowledges its undertakings with respect to audits set forth in Section 2.1 of the Purchase Agreement.

Section 706. Performance of Duties. The City will faithfully and punctually perform all duties and obligations with respect to the operation of the System, including all extensions and improvements thereto, now or hereafter imposed upon the City by the constitution and laws of the State and by the provisions of this Ordinance.

Section 707. Certification under 7 U.S. Code Section 1983. The City represents that the conditions that existed that necessitated the issuance of the Outstanding Parity Bonds that are owned or insured by the Government continue to exist so it can continue to certify to the Government it is still in compliance with 7 U.S. Code Section 1983.

ARTICLE VIII

ADDITIONAL BONDS

Section 801. Prior Lien Bonds. The City will not issue any debt obligations payable out of the Net Revenues that are superior in lien, security or otherwise to the Bond.

Section 802. Parity Lien Bonds or Obligations.

(a) The City will not issue any additional bonds or other long-term obligations payable out of the Net Revenues of the System that stand on parity or equality with the Bond unless the following conditions are met:

(1) the City is not in default in the payment of principal or interest on the Bond or any Parity Bonds or in making any deposit into the funds and accounts under this Ordinance or any Parity Bonds Ordinance; and

(2) the City provides to the Owner a certificate showing either of the following:

(A) the average annual Net Revenues as set forth in the two most recent annual audits for Fiscal Years preceding the issuance of additional bonds, are at least 110% of the average annual debt service on the System Revenue Bonds, including the additional bonds proposed to be issued, to be paid out of the Net Revenues in all succeeding Fiscal Years. Interest to be paid on any System Revenue Bonds will be reduced by Subsidy Payments, if any. Principal and/or interest to be paid on any System Revenue Bonds will be reduced by amounts deposited in trust or escrowed for the payment thereof with the Owner or commercial bank or trust company located in the State of Missouri having full trust powers and acting as trustee or escrow agent and that are reasonably expected to be used for the payment of principal and/or interest on any System Revenue Bonds during the calculation period. If the City has made any increase in rates for the use and services of the System and the increase has not been in effect during all of the two Fiscal Years for which annual audits are available, the City may add to the audited Net Revenues the additional Net Revenues that would have resulted if the rate increase had been in effect for the entire period, as certified by a Consultant; or

(B) the estimated average annual Net Revenues for the two Fiscal Years immediately following the issuance of the additional bonds or, if improvements are to be made to the System with the proceeds of the additional bonds, for the two Fiscal Years immediately following the Fiscal Year in which the improvements to the System being financed by the additional bonds are to be in commercial operation, as certified by a Consultant, is at least 110% of the average annual debt service on the System Revenue Bonds, including the additional bonds proposed to be issued, to be paid out of the Net Revenues in succeeding Fiscal Years following the commencement of commercial operation of the improvements. Interest to be paid on any System Revenue Bonds will be reduced by Subsidy Payments, if any. Principal and/or interest to be paid on any System Revenue Bonds will be reduced by amounts deposited in trust or escrowed for the payment thereof with the Owner or commercial bank or trust company located in the State of Missouri having full trust powers and acting as trustee or escrow agent and that are reasonably expected to be used for the payment of principal and/or interest on any System Revenue Bonds during the calculation period. In determining the amount of estimated Net Revenues for the purpose of this subsection, a Consultant may adjust the estimated net income and revenues by adding the estimated increase in Net Revenues resulting from any increase in rates for the use and services of the System approved by the City and to become effective during the two Fiscal Years immediately following the Fiscal Year in which the improvements to the System being financed by the additional bonds are to be in commercial operation; and

(C) the condition set forth in Section 805 is satisfied.

(b) If the conditions set forth in this Section are satisfied, the City (i) may issue additional revenue bonds or other obligations of the City on a parity with the Bond and that enjoy complete equality of the lien on the Net Revenues with the Bond, (ii) may make equal provision for paying the additional revenue bonds or other obligations from the Revenue Fund, and (iii) may secure the additional revenue bonds or other obligations by funding reasonable System debt service accounts and debt service reserve accounts from the Net Revenues.

Section 803. Junior Lien Bonds. Nothing in this Article prohibits or restricts the right of the City to issue additional revenue obligations, including System Revenue Bonds, for the purpose of extending, improving, enlarging, repairing or altering the System, or refunding obligations issued for such

purposes, that are junior and subordinate to the Bond if, at the time of the issuance of the additional revenue obligations, the City is not in default in the performance of any covenant or agreement in this Ordinance and the condition set forth in Section 805 is satisfied. If the City is in default in paying either interest on or principal of the Bond, the City will not make any payments on the subordinate revenue obligations until the default is cured. Subject to the limitations in this Section, the City may make provision for paying the principal of and interest on the subordinate revenue bonds or obligations from moneys in the Revenue Fund.

Section 804. Refunding Bonds. The City may, without complying with the provisions of Section 802 but only after satisfying the condition set forth in Section 805, refund all or any portion of the Bond or any Parity Bonds in a manner that provides debt service savings to the City, and the refunding bonds so issued will be on a parity with any remaining portion of the Bond and any Parity Bonds that are not refunded. If the Bond or any Parity Bonds are refunded in part and the refunding bonds bear a higher average rate of interest or become due on a date earlier than that of the Bond or the Parity Bonds that are refunded, the City must obtain the prior written consent of the Owner to the issuance of the refunding bonds.

Section 805. Government Consent. So long as the Outstanding Parity Bonds are owned or insured by the Government, the City will not issue any bonds under the provisions of Sections 802, 803 or 804 without the consent of the Government.

## ARTICLE IX

### DEFAULT AND REMEDIES

Section 901. Events of Default. If (a) the City defaults in the payment of the principal of or interest on the Bond, or (b) the City or its Governing Body or any of its officers, agents or employees fails or refuses to comply with any provision of this Ordinance, the Purchase Agreement, the Escrow Agreement, the Grant Agreement or the Constitution or laws of the State relating to the Bond or the operation of the System and such non-compliance continues for a period of 60 days after written notice specifying such non-payment default has been given to the City by the Owner of any Bond then Outstanding, at any time thereafter and while the default continues, the City shall pay to DNR the penalties assessed by DNR in accordance with the Regulations.

Section 902. Remedies.

(a) The provisions of this Ordinance constitute a contract between the City and the Owner of the Bond. The Owners of not less than 10% in principal amount of the Bond at the time Outstanding have the right for the equal benefit and protection of all Owners of the Bond similarly situated:

(1) by any proceeding at law or in equity to enforce the rights of the Owner or Owners against the City and its officers, agents and employees, and to compel the performance by the City of its duties and obligations under this Ordinance, the Constitution and the laws of the State;

(2) by any proceeding at law or in equity to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(3) by any proceeding at law or in equity to enjoin any act or thing that is unlawful or in violation of the rights of the Owners of the Bond.

(b) Any amounts paid on the Bond to the Owners will be applied first to interest and second to principal, to the extent due and payable.

Section 903. Limitation on Rights of Owners. No Owner has any right in any manner whatever by the Owner's action to affect, disturb or prejudice the security granted and provided for in, or enforce any right under, this Ordinance, except in the manner provided in this Ordinance. All proceedings at law or in equity will be for the equal benefit of all Owners.

Section 904. Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy. Each remedy is in addition to every other remedy and may be exercised without exhausting any other remedy conferred under this Ordinance. No waiver by any Owner of any default or breach of duty or contract of the City under this Ordinance will affect any subsequent default or breach of duty or contract by the City or impair any rights or remedies thereon. No delay or omission of any Owner to exercise any right or power accruing upon any default will impair any right or power or will be construed to be a waiver of any default. Every substantive right and every remedy conferred upon the Owners of the Bond by this Ordinance may be enforced and exercised from time to time and as often as may be expedient. If any Owner discontinues any proceeding or the decision in the proceeding is against the Owner, the City and the Owners of the Bond will be restored to their former positions and rights under this Ordinance.

Section 905. No Obligation to Levy Taxes. Nothing in this Ordinance imposes any duty or obligation on the City to levy any taxes either to meet any obligation incurred under this Ordinance or to pay the principal of or interest on the Bond.

## ARTICLE X

### DEFEASANCE

#### Section 1001. Defeasance.

(a) When any or all of the Bond has been paid and discharged, then the requirements contained in this Ordinance and the pledge of Net Revenues made hereunder and all other rights granted hereby shall terminate with respect to the Bond or portion thereof so paid and discharged. The Bond or portion thereof shall be deemed to have been paid and discharged within the meaning of this Ordinance if there shall have been deposited with the Paying Agent or other bank or trust company located in the State of Missouri, at or prior to Stated Maturity or redemption date of said Bond or portion thereof, in trust for and irrevocably appropriated thereto, moneys and/or non-callable Defeasance Securities (the "Defeasance Escrow") which, together with the interest to be earned on any such obligations, will be sufficient for the payment of the Bond or portion thereof on the Stated Maturity or date of redemption, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments, provided; however, that if any such Bond or portion thereof shall be redeemed prior to Stated Maturity, (i) the City shall have elected to redeem such Bond or portion thereof, and (ii) either notice of such redemption shall have been given or the City shall have given irrevocable instructions to the Paying Agent to redeem such Bond or portion thereof; and provided further, however, that if the interest on the Defeasance Escrow is to be used to pay debt service on the Bond or portion thereof at its Stated Maturity or upon redemption, there shall be filed with the City, the Owner and the Paying Agent (A) an Opinion of Local Bond Counsel to the effect that the conditions for the defeasance of the Bond or portion thereof pursuant to this Section have been complied with and (B) if the interest on the Defeasance Escrow is to be used to pay debt service on the Bond or portion thereof at the Stated Maturity or upon redemption, a written report of an independent certified public accountant evidencing the sufficiency of the Defeasance Escrow. Any moneys and obligations which at any time shall be deposited with the Paying Agent, or other bank by or on behalf of the City, for the purpose of paying and discharging the Bond or portion thereof 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 Owners of the Bond, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge of this Ordinance. All moneys 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 contained in this Ordinance.

(b) So long as the Outstanding Parity Bonds are owned or insured by the Government, no such defeasance of any portion of the Bond or the interest thereon shall occur without the written consent of the Government.

## ARTICLE XI

### AMENDMENTS

#### Section 1101. Amendments.

(a) Any provision of the Bond or of this Ordinance may be amended by an ordinance with the prior written consent of the Owner. Consent must be evidenced by an instrument executed by the Owner, acknowledged or proved in the manner of a deed to be recorded, and filed with the City Clerk.

(b) No amendment will be effective until (i) the City has delivered to the Owner and the Paying Agent an Opinion of Bond Counsel (as defined in Article V of the Purchase Agreement) stating that the amendment is permitted by this Ordinance and the Act, complies with their respective terms and is valid and binding upon the City in accordance with its terms, and (ii) the City Clerk has on file a copy of the amendment and all required consents.

## ARTICLE XII

### MISCELLANEOUS PROVISIONS

Section 1201. Further Authority. The officers of the City, including the Mayor and the City Clerk, are authorized and directed to execute all documents and take the actions as are necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial changes in the documents approved by this Ordinance which they may approve. The execution of any document or taking of any related action constitutes conclusive evidence of the necessity or advisability of the action or change.

Section 1202. Electronic Transactions. The transactions described in this Ordinance and the Bond may be conducted and related documents may be stored, received and delivered by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 1203. Severability. If any section or other part of this Ordinance is for any reason held invalid, the invalidity will not affect the validity of the other provisions of this Ordinance.

Section 1204. Governing Law. This Ordinance is governed by and will be construed in accordance with the laws of the State.

Section 1205. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the Governing Body and approval by the Mayor.

*[Remainder of Page Intentionally Left Blank]*

PASSED by the Board of Aldermen of the City of Granby, Missouri and APPROVED by the Mayor  
this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

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

EXHIBIT A

FORM OF BOND

[THIS BOND IS TRANSFERABLE ONLY TO ANY SUCCESSOR TO THE MISSOURI DEPARTMENT OF NATURAL RESOURCES OR ITS ASSIGNS]

Registered  
No. R-1

Registered  
Not to exceed \$7,183,000

UNITED STATES OF AMERICA  
STATE OF MISSOURI

CITY OF GRANBY, MISSOURI

COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REFUNDING AND IMPROVEMENT REVENUE BOND  
(STATE OF MISSOURI – DIRECT LOAN PROGRAM)  
SERIES 2026

<u>Closing Date</u>	<u>Interest Rate</u>	<u>Stated Maturity</u> <sup>†</sup>
		July 1, 2056
REGISTERED OWNER:	MISSOURI DEPARTMENT OF NATURAL RESOURCES	
PRINCIPAL AMOUNT:	NOT TO EXCEED SEVEN MILLION ONE HUNDRED FIFTY-SIX THOUSAND DOLLARS	

The CITY OF GRANBY, MISSOURI, a fourth-class city and political subdivision of the State of Missouri (the “City”), for value received, hereby promises to pay to the Owner shown above, or registered assigns, the Cumulative Principal Amount Outstanding set forth on Schedule A to this Bond on the Maturity Date shown above, and to pay interest thereon at the Interest Rate per annum shown above, on January 1 and July 1 in each year, commencing January 1, 2027 (each an “Interest Payment Date”), from the date shown on Schedule A or from the most recent Interest Payment Date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve 30-day months. *Terms not otherwise defined in this Bond have the respective meanings as set forth in the Ordinance.*

The principal of this Bond shall be paid at maturity or upon earlier redemption to the person in whose name this Bond is registered on the Bond Register at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the payment office of UMB Bank, N.A., St. Louis, Missouri (the “Paying Agent”), or such other office designated by the Paying Agent. The payment of the principal of and redemption premium, if any, payable on this Bond at maturity or upon earlier redemption and the interest payable on this Bond on any Interest Payment Date will be made by check or draft mailed by the Paying Agent to the address of the Owner shown in the Bond Register. The principal of and redemption premium, if any, and interest on the Bond is also payable by electronic transfer in immediately available federal funds to a bank in the continental United States of America pursuant to instructions from the Owner received by

<sup>†</sup> Subject to change pursuant to Section 302 of the Ordinance and Section 3.4 of the Purchase Agreement.

the Paying Agent prior to the Record Date. The principal of and interest on this Bond is payable in lawful money of the United States of America.

This Bond is a duly authorized bond of the City designated as the "Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bond (State of Missouri – Direct Loan Program) Series 2026" (the "Bond"), issued by the City for the purpose of extending and improving the combined waterworks and sewerage system of the City (said system, together with all future improvements and extensions thereto hereafter constructed or acquired by the City, being herein called the "System"), under the authority of and in full compliance with provisions of the Act, and pursuant to an election duly held in the City and an ordinance duly passed by the Board of Aldermen of the City (the "Ordinance").

At the option of the City, the Bond may be called for redemption and payment prior to maturity in whole or in part at any time on or after the 10th anniversary of the Closing Date with the prior written consent of the Owner as provided in the Ordinance at a redemption price equal to 100% of the principal amount so redeemed plus accrued interest thereon to the redemption date. So long as the Outstanding Parity Bonds are owned or insured by the Government, no optional redemption shall occur without the written consent of the Government.

The Bond is subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance, at a redemption price equal to 100% of the principal amount plus accrued interest to the redemption date.

Except as otherwise provided in the Ordinance, notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by registered or certified mail at least 15 days, but not more than 30 days, prior to the date fixed for redemption, to the Owner of the Bond or portion thereof to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Owner to the Paying Agent. Notice of redemption having been given or waived as aforesaid, the Bond or portions thereof 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 shall default in the payment of the redemption price) such Bond or applicable portions thereof shall cease to bear interest.

The Bond is a special, limited obligation of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues. The taxing power of the City is not pledged to the payment of the Bond either as to principal or interest. The Bond does not constitute a general obligation of the City or an indebtedness of the City within the meaning of any constitutional or statutory provision, limitation or restriction.

The Bond is issued on a parity with the Outstanding Parity Bonds.

Under the conditions set forth in the Ordinance, the City has the right to issue additional bonds payable from the Net Revenues; provided, however, that such additional bonds may be so issued only in accordance with and subject to the covenants, conditions and restrictions relating thereto set forth in the Ordinance.

The City covenants with the Owner of this Bond to keep and perform all covenants and agreements contained in the Ordinance, and the City will fix, establish, maintain and collect rates, fees and charges for the use and services furnished by or through the System to produce Revenues sufficient to pay the operation and maintenance costs of the System, pay the principal of and interest on the Bond and provide reasonable and adequate reserve funds. Reference is made to the Ordinance for a description of the agreements made by the City with respect to the collection, segregation and application of the Revenues, the nature and extent

of the security for the Bond, the rights, duties and obligations of the City with respect to the Bond, and the rights of the Owners.

The Bond is issuable in the form of one fully registered bond in the denomination of \$100,000 or any integral multiple of \$0.01 in excess thereof, or if the principal amount of the Bond is less than \$100,000, then an amount equal to the principal amount of the Bond (an "Authorized Denomination").

This Bond may be transferred or exchanged, as provided in the Ordinance, only upon the registration books kept for that purpose at the above-mentioned office of the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Paying Agent duly executed by the Owner or the Owner's duly authorized agent, and thereupon a new Bond or Bonds in any Authorized Denomination, with 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 will not be valid or be entitled to any security or benefit under the Ordinance until the Paying Agent has executed the Certificate of Authentication.

*[Remainder of Page Intentionally Left Blank]*

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the issuance of the Bond have existed, happened and been performed in due time, form and manner as required by law, and that before the issuance of the Bond, provision has been duly made for the collection, segregation and application of Revenues as provided in the Ordinance.

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

(SEAL)

CITY OF GRANBY, MISSOURI

ATTEST:

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

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

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CERTIFICATE OF AUTHENTICATION

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

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

UMB BANK, N.A., Paying Agent

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

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RECORD OF PRINCIPAL PAYMENTS AND REDEMPTIONS

Under the provisions of the Ordinance, payments of the principal installments of this Bond and partial redemptions of the principal of this Bond will be made directly to the Owner without surrender of this Bond to the Paying Agent. Accordingly, any purchaser or other transferee of this Bond should verify with the Paying Agent the principal of this Bond outstanding prior to such purchase or transfer, and the records of the Paying Agent shall be conclusive for such purposes.

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ASSIGNMENT

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

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

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints UMB BANK, N.A., 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 on the face of the within Bond in every particular.

Medallion Signature Guarantee:

SCHEDULE A

CITY OF GRANBY, MISSOURI  
COMBINED WATERWORKS AND SEWERAGE SYSTEM  
REFUNDING AND IMPROVEMENT REVENUE BOND  
(STATE OF MISSOURI – DIRECT LOAN PROGRAM)  
SERIES 2026

CUMULATIVE PRINCIPAL AMOUNT OUTSTANDING

<u>Date</u> <sup>(1)</sup>	<u>Purchase Price Installment</u>	<u>Principal Amount Redeemed</u> <sup>(2)</sup>	<u>Cumulative Principal Amount Outstanding</u>	<u>Authorized Signatory of Paying Agent</u>

(1) Date constitutes date of registration with respect to such portion of the Bond. No further entries to Schedule A related to Purchase Price Installments will be made after the Completion of Funding.

(2) Commencing with first Principal Payment Date if prior to Completion of Funding.

EXHIBIT B

MANDATORY SINKING FUND REDEMPTION SCHEDULE

<u>Redemption Date</u>	<u>Principal Amount<sup>†</sup></u>	<u>Redemption Date</u>	<u>Principal Amount<sup>†</sup></u>
July 1, 2027	\$ 89,000	July 1, 2042	\$121,000
January 1, 2028	89,000	January 1, 2043	122,000
July 1, 2028	90,000	July 1, 2043	124,000
January 1, 2029	91,000	January 1, 2044	125,000
July 1, 2029	92,000	July 1, 2044	126,000
January 1, 2030	93,000	January 1, 2045	128,000
July 1, 2030	94,000	July 1, 2045	129,000
January 1, 2031	95,000	January 1, 2046	130,000
July 1, 2031	96,000	July 1, 2046	132,000
January 1, 2032	97,000	January 1, 2047	133,000
July 1, 2032	98,000	July 1, 2047	134,000
January 1, 2033	99,000	January 1, 2048	136,000
July 1, 2033	100,000	July 1, 2048	137,000
January 1, 2034	101,000	January 1, 2049	139,000
July 1, 2034	102,000	July 1, 2049	140,000
January 1, 2035	103,000	January 1, 2050	142,000
July 1, 2035	105,000	July 1, 2050	143,000
January 1, 2036	106,000	January 1, 2051	145,000
July 1, 2036	107,000	July 1, 2051	146,000
January 1, 2037	108,000	January 1, 2052	148,000
July 1, 2037	109,000	July 1, 2052	149,000
January 1, 2038	110,000	January 1, 2053	151,000
July 1, 2038	111,000	July 1, 2053	152,000
January 1, 2039	113,000	January 1, 2054	154,000
July 1, 2039	114,000	July 1, 2054	156,000
January 1, 2040	115,000	January 1, 2055	157,000
July 1, 2040	116,000	July 1, 2055	159,000
January 1, 2041	117,000	January 1, 2056	161,000
July 1, 2041	119,000	July 1, 2056 <sup>††</sup>	165,000
January 1, 2042	120,000		

<sup>†</sup> Subject to change pursuant to Sections 302 and 303 of the Ordinance

<sup>††</sup> Stated Maturity; subject to change pursuant to Section 302 of the Ordinance and Section 3.4 of the Purchase Agreement

EXHIBIT C

OUTSTANDING PARITY BONDS

<u>Name of Bond Issue</u>	<u>Date of Bonds</u>	<u>Stated Maturity</u>	<u>Amount Issued</u>
Combined Waterworks and Sewerage System Revenue Bond, Series A*	September 17, 2024	September 17, 2059	\$1,601,000
Combined Waterworks and Sewerage System Revenue Bond, Series B*	September 17, 2024	September 17, 2059	\$1,000,000

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\* Owned or insured by the Government.

