Legislation Details (With Text)

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File created:	2/24/2023			**In control:**	Council
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Title: Sponsor: Director of the Finance Department

Authorizing the issuance of General Obligation Bonds, Series 2023A, of the City of Kansas City, Missouri, in a principal amount not to exceed $100,000,000.00; prescribing the form and details of said bonds; providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on said bonds as they become due; authorizing certain other documents and actions in connection therewith; increasing and appropriating revenue in the amount of $2,500,000.00 in the GO Series 2023A Question 1 Bond Fund; increasing and appropriating revenue in the amount of $800,000.00 in the GO Series 2023A Question 2 Bond Fund; increasing and appropriating revenue in the amount of $300,000.00 in the GO Series 2023A Question 3 Bond Fund; authorizing the Director of Finance to close project accounts upon completion; and declaring the intent of the City to reimburse itself from the bond proceeds for certain expenditures; and recognizing this ordinance as having an accelerated effective date.

Sponsors: Director of Finance Department

Indexes:

Code sections:

Attachments: 1. Docket Memo Enabling Ord v022423, 2. Accounting Forms for GO 2023 Enabling, 3. Authenticated Ordinance 230214

Date	Ver.	Action By	Action	Result
3/16/2023	1	Council	Passed	Pass
3/15/2023	1	Finance, Governance and Public Safety Committee		
3/8/2023	1	Finance, Governance and Public Safety Committee		
3/2/2023	1	Council	referred	

ORDINANCE NO. 230214

Sponsor: Director of the Finance Department

Authorizing the issuance of General Obligation Bonds, Series 2023A, of the City of Kansas City, Missouri, in a principal amount not to exceed $100,000,000.00; prescribing the form and details of said bonds; providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on said bonds as they become due; authorizing certain other documents and actions in connection therewith; increasing and appropriating revenue in the amount of $2,500,000.00 in the GO Series 2023A Question 1 Bond Fund; increasing and appropriating revenue in the amount of $800,000.00 in the GO Series 2023A Question 2 Bond Fund; increasing and appropriating revenue in the amount of $300,000.00 in the GO Series 2023A Question 3 Bond Fund; authorizing the Director of Finance to close project accounts upon completion; and declaring the intent of the City to reimburse itself from the bond proceeds for certain expenditures; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, the City of Kansas City, Missouri (the "City"), is authorized under the provisions of Article VI, Section 26 of the Constitution of Missouri, 1945, as amended, and its charter (the "General Obligation Bond Law") to incur indebtedness and issue and sell general obligation bonds of the City to evidence such indebtedness for lawful purposes, upon obtaining the approval of the required majority of the qualified electors of the City voting on the question to incur such indebtedness; and

WHEREAS, pursuant to General Obligation Bond Law, a special election was duly held in the City on Tuesday, April 4, 2017 (the "2017 Election"): (1) on the question of whether to issue general obligation bonds of the City in an amount not to exceed $600,000,000.00 for the purpose of paying for the construction and reconstruction of streets, bridges and sidewalks (the "Street, Sidewalk & Bridge Question"); (2) on the question of whether to issue general obligation bonds of the City in an amount not to exceed $150,000,000.00 for the purpose of paying for the acquisition, construction, equipping and reconstruction of flood control projects including, but not limited to, projects partially funded with federal grants (the "Flood Control Question"); and (3) on the question of whether to issue general obligation bonds of the City in an amount not to exceed $50,000,000.00 for the purpose of paying for the acquisition, construction, equipping and improvement of public buildings, facilities and structures including, but not limited to, the Animal Shelter and for Americans with Disabilities Act improvements to public buildings (the "Public Buildings Question"); and

WHEREAS, the votes cast at the 2017 Election were duly canvassed as provided by law, and it was found and declared that:

(1) not less than four-sevenths of the qualified voters of the City voting at the 2017 Election on said Street, Sidewalk & Bridge Question voted in favor of the issuance of said bonds, the vote on said Street & Bridge Question having been 40,496 votes for the issuance of said bonds and 20,730 votes against the issuance of said bonds; and

(2) not less than four-sevenths of the qualified voters of the City voting at the 2017 Election on said Flood Control Question voted in favor of the issuance of said bonds, the vote on said Flood Control Question having been 37,437 votes for the issuance of said bonds and 23,542 votes against the issuance of said bonds; and

(3) not less than four-sevenths of the qualified voters of the City voting at the 2017 Election on said Public Buildings Question voted in favor of the issuance of said bonds, the vote on said Public Buildings Question having been 41,022 votes for the issuance of said bonds and 20,108 votes against the issuance of said bonds; and

WHEREAS, the City has previously issued general obligation bonds authorized pursuant to the 2017 Election as follows:

(1) $178,950,000.00 aggregate principal amount of general obligation bonds so authorized at the 2017 Election by the approval of the Street, Sidewalk & Bridge Question have been previously issued by the City to finance a portion of the Street, Sidewalk and Bridge Project (defined herein); and

(2) $35,310,000.00 aggregate principal amount of general obligation bonds so authorized at the 2017 Election by the approval of the Flood Control Question have been previously issued by the City to finance a portion of the Flood Control Project (defined herein); and

(3) $38,850,000.00 aggregate principal amount of general obligation bonds so authorized at

the 2017 Election by the approval of the Public Buildings Question have been previously issued by the City to finance a portion of the Public Buildings Project (defined herein); and

WHEREAS, the City now proposes to issue additional general obligation bonds authorized pursuant to the 2017 Election as follows:

(1) general obligation bonds in the principal amount not to exceed $42,000,000.00 for the purpose of financing a portion of the Street, Sidewalk and Bridge Project (defined herein) as so authorized at the 2017 Election by the approval of the Street, Sidewalk & Bridge Question; and

(2) general obligation bonds in the principal amount not to exceed $13,000,000.00 for the purpose of financing a portion of the Flood Control Project (defined herein) as so authorized at the 2017 Election by the approval of the Flood Control Question; and

(3) general obligation bonds in the principal amount not to exceed $5,000,000.00 for the purpose of financing a portion of the Public Buildings Project (defined herein) as so authorized at the 2017 Election by the approval of the Public Buildings Question; and

WHEREAS, pursuant to General Obligation Bond Law, a special election was also duly held in the City on Tuesday, November 8, 2022 (the "2022 Election"), on the question of whether to issue general obligation bonds of the City in an amount not to exceed $125,000,000.00 for the purpose of paying for the acquisition, construction, renovation, improvement, equipping, and furnishing of City parks, recreation, and entertainment facilities (the "Parks and Entertainment Facilities Question"); and

WHEREAS, the votes cast at the 2022 Election were duly canvassed as provided by law, and it was found and declared that not less than four-sevenths of the qualified voters of the City voting at the 2022 Election on said Parks and Entertainment Facilities Question voted in favor of the issuance of said bonds, the vote on said Parks and Entertainment Facilities Question having been 102,950 votes for the issuance of said bonds and 42,582 votes against the issuance of said bonds; and

WHEREAS, the City has not previously issued any of the general obligation bonds authorized pursuant to the 2022 Election and now proposes to issue general obligation bonds in the principal amount not to exceed $40,000,000.00 for the purpose of financing a portion of the Parks and Entertainment Facilities Project (defined herein) as so authorized at the 2022 Election by the approval of the Parks and Entertainment Facilities Question: 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 at this time to authorize the issuance and delivery of said bonds for the purposes aforesaid; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

ARTICLE I

DEFINITIONS

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

"Bond Counsel" means Gilmore & Bell, P.C., Kansas City, Missouri, Hardwick Law Firm, LLC, Kansas City, Missouri, or

other attorneys or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

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

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

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

"Bonds" means the General Obligation Bonds, Series 2023A, authorized and issued by the City pursuant to this Ordinance.

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

"Cede & Co." means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

"Certificate of Final Terms" means **Exhibit B**, executed and delivered by the Mayor pursuant to **Section 211** hereof, in substantially the form attached as **Exhibit C**.

"**City"** means the City of Kansas City, Missouri, and any successors or assigns.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

"Costs of Issuance Fund" means the Costs of Issuance Fund created in **Section 501**.

"Debt Service Fund" means the Series 2023A Debt Service Fund created in **Section 501**.

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

"Defeasance Obligations" means any of the following obligations:

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

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

(1) the obligations are (i) not subject to redemption prior to maturity, or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

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

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

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

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

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

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"Director of Finance" means the Director, Deputy Director or any Acting Director of the Department of Finance of the City.

"Federal Tax Certificate" means the City's Federal Tax Certificate relating to the Bonds as the same may be amended or supplemented in accordance with the provisions thereof.

"Flood Control Project" means, without limitation, the acquisition, construction, equipping and reconstruction of flood control projects including, but not limited to, projects partially funded with federal grants and other projects authorized by the Flood Control Question approved by the voters of the City at the 2017 Election.

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

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

"Notice of Bond Sale" means the Notice of Bond Sale authorized by **Section 212** hereof.

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

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

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

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

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

"Parks and Entertainment Facilities Project" means, without limitation, the acquisition, construction, renovation, improvement, equipping, and furnishing of City parks, recreation, and entertainment facilities and other projects authorized by the Parks and Entertainment Facilities Question approved by the voters of the City at the 2022 Election.

"Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of participants exists at the time of such reference.

"Paying Agent" means the paying agent designated in **Section 203** hereof and any successors or assigns thereto.

"Permitted Investments" means any of the following securities, if and to the extent the same are at the time legal for investment of the moneys held in the funds and accounts listed in **Section 501** hereof:

(a) United States Treasury Securities (Bills, Notes, Bonds and Strips).

(b) United States Agency/GSE Securities. The City may invest in obligations issued or guaranteed by any agency of the United States Government and in obligations issued by any government sponsored enterprise (GSE) which have a liquid market and a readily determinable market value that are described as follows:

(1) U.S. Govt. Agency Coupon and Zero Coupon Securities.

(2) U.S. Govt. Agency Discount Notes.

(3) U.S. Govt. Agency Callable Securities. Restricted to securities callable at par only.

(4) U.S. Govt. Agency Step-Up Securities. The coupon rate is fixed for an initial term. At the step-up date, the coupon rate rises to a new, higher fixed interest rate.

(5) U.S. Govt. Agency Floating Rate Securities. Restricted to coupons with no interim caps that reset at least quarterly and that float off of only one index.

(6) U.S. Govt. Agency/GSE Mortgage Backed Securities (MBS, CMO, Pass-Thru Securities).

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Restricted to securities with final maturities of five (5) years or less or have the final projected payment no greater than five (5) years when analyzed in a +300 basis point interest rate environment.

(c) Collateralized Time Deposits. (Non-negotiable certificates of deposit.)

(d) Repurchase Agreements. The City may invest in contractual agreements between the City and commercial banks or primary government securities dealers. The Securities Industry & Financial Markets Association's (or any successor's) guidelines for the Master Repurchase Agreement will be used and will govern all repurchase agreement transactions. All repurchase agreement transactions will be either physical delivery or tri-party.

(e) Bankers' Acceptances. The City may invest in bankers' acceptances issued by domestic commercial banks possessing the highest credit rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation.

(f) Commercial Paper. The City may invest in commercial paper issued by domestic corporations, which has received the highest short-term credit rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that have total assets in excess of five hundred million dollars ($500,000,000.00) and are not listed on Credit Watch with negative implications by any nationally recognized credit rating agency at the time of purchase.

(g) Municipal Securities (State and Local Government Obligations). The City may invest in municipal obligations that are issued in either tax-exempt or taxable form.

(1) Any full faith and credit obligations of the State of Missouri rated at least A or A2 by Standard & Poor's or Moody's.

(2) Any full faith and credit obligations of any city, county or school district in the state of Missouri rated at least AA or Aa2 by Standard & Poor's or Moody's.

(3) Any full faith and credit obligations, revenue, or special obligation bonds of the City of Kansas City, Missouri rated at least A or A2 by Standard & Poor's or Moody's.

(4) Any full faith and credit obligation of any state or territory of the United States of America rated at least AA or Aa2 by Standard & Poor's or Moody's.

(5) Any full faith and credit obligations of any city, county or school district in any state or territory of the United States of America rated AAA or Aaa by Standard & Poor's or Moody's.

(6) Any revenue bonds issued by the Missouri Department of Transportation rated at least AA or Aa2 by Standard & Poor's or Moody's.

(7) Any municipal obligation that is pre-refunded or escrowed to maturity as to both principal and interest with escrow securities that are fully guaranteed by the United States Government, without regard to rating by Standard & Poor's or Moody's.

(8) Money market mutual funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, rated in either of the two highest categories by Moody's and Standard & Poor's (in either case without regard to any modifier).

(9) Such other investments not described above that are allowed pursuant to Missouri law and approved in the Charter.

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

"Project Fund" means the Series 2023A Project Fund created in **Section 501.**

"Public Buildings Project" means, without limitation, the acquisition, construction, equipping and improvement of public buildings, facilities and structures including, but not limited to, the Animal Shelter and for Americans with Disabilities Act improvements to public buildings and other projects authorized by the Public Buildings Question approved by the voters of the City at

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the 2017 Election.

"Purchase Contract" means, in the event the Bonds are sold pursuant to a Negotiated Sale as permitted by **Section 211(a)(2)** hereof, the Purchase Contract relating to the Bonds between the City and the Purchaser.

"Purchaser" means the original purchaser or purchasers of the Bonds selected by the City in accordance with **Section 211** hereof and specified in the Certificate of Final Terms.

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

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

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

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

"Replacement Bonds" means Bonds issued to the beneficial owners of the Bonds in accordance with **Section 210(b)**.

"Securities Depository" means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

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

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

"Street, Sidewalk and Bridge Project" means, without limitation, the construction and reconstruction of streets, bridges and sidewalks and other projects authorized by the Street, Sidewalk & Bridge Question approved by the voters of the City at the 2017 Election.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation).

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds, Series 2023A, of the City in the principal amount not to exceed $100,000,000.00 (the **"Bonds"**). The Bonds are being issued for the purpose of providing funds to (a) pay a portion of the costs of the Street, Sidewalk and Bridge Project, (b) pay a portion of the costs of the Flood Control Project, (c) pay a portion of the costs of the Public Buildings Project, (d) pay a portion of the costs of the Parks and Entertainment Facilities Project and (e) pay the costs of issuing the Bonds.

Section 202. Description of Bonds. The Bonds shall consist of fully registered bonds without coupons, numbered from 1 upward in denominations of $5,000.00 or any integral multiple thereof. The Bonds shall be substantially in the form set forth in **Section 202A** hereto, and shall be subject to registration, transfer and exchange as provided in **Section 205**. The Bonds shall be dated the date of their issuance, shall become due in the amounts on the Stated Maturities set forth therein, subject to redemption and payment prior to their Stated Maturities as provided in **Article III**, and 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.

At the election of the Purchaser, term Bonds may be issued in lieu of all or a portion of serial Bonds with Stated Maturities

with mandatory sinking fund redemption payments and final payments at maturity in the amounts set forth, subject to the following conditions: all Bonds selected as a term Bond shall bear the same rate of interest; and not less than all Bonds of the same Stated Maturity shall be converted to a term Bond with mandatory redemption requirements.

The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from the dated date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on February 1 and August 1 in each year, beginning on the date set forth in the Certificate of Final Terms.

Section 202A. Form of Bond. The Bonds will be in substantially the following form, with appropriate insertions and deletions as are approved by the Mayor, which approval will be conclusively evidenced by the Mayor's signature on the Bond:

FORM OF BOND

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

UNITED STATES OF AMERICA
STATE OF MISSOURI

Registered **Registered**
No. _____ **$_____**

CITY OF KANSAS CITY, MISSOURI

GENERAL OBLIGATION BOND
SERIES 2023A

Interest Rate	**Maturity Date**	**Dated Date**	**CUSIP Number**
	February 1, 20___	_____ ___, 2023	

REGISTERED OWNER: **CEDE & CO.**

PRINCIPAL AMOUNT: **_____ DOLLARS**

THE CITY OF KANSAS CITY, MISSOURI, for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown above on the Maturity Date shown above, unless called for redemption prior to said Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date shown above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on February 1 and August 1 in each year, beginning on [_____], until said Principal Amount has been paid.

The Principal Amount or Redemption Price of this Bond shall be paid at Maturity or upon earlier redemption by check or draft to the Person in whose name this Bond is registered at the Maturity or Redemption Date thereof, upon presentation and surrender of this Bond at the payment office of U.S. Bank National Association, St. Louis, Missouri (the **"Paying Agent"**). The interest payable on this Bond on any Interest Payment Date shall be paid to the Person in whose name this Bond is registered on the Bond Register maintained by the Paying Agent at the close of business on the Record Date for such interest by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or, in the case of an interest payment to any Registered Owner of $500,000.00 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Owner not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account number to which such Registered Owner wishes to have such transfer directed.

This Bond is one of an authorized series of bonds of the City designated "General Obligation Bonds, Series 2023A," aggregating the principal amount of $[_____] (the **"Bonds"**), issued by the City for the purpose of paying (a) a portion of the costs of the Street, Sidewalk and Bridge Project as authorized by the voters of the City at an election duly held in the City on April 4, 2017 (the **"2017 Election"**), (b) a portion of the costs of the Flood Control Project as duly authorized by the voters of the City at

the 2017 Election, (c) a portion of the costs of the Public Buildings Project as duly authorized by the voters of the City at the 2017 Election, (d) a portion of the costs of the Parks and Entertainment Facilities Project as authorized by the voters of the City at an election duly held in the City on November 8, 2022, and (e) the costs of issuing the Bonds, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, and pursuant to an Ordinance duly passed (the **"Ordinance"**) and proceedings duly and legally had by the Council of the City. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Ordinance.

At the option of the City, Bonds or portions thereof maturing on [February 1, 20___], and thereafter may be called for redemption and payment prior to their Stated Maturity on [February 1, 20___], and thereafter in whole or in part at any time in such amounts for each Stated 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.

[Bonds maturing on February 1, 20___, are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance on February 1, _____, and on each February 1 thereafter prior to maturity, at a redemption price equal to 100% of the Principal Amount thereof plus accrued interest to the Redemption Date.]

Notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by first class mail at least 30 days prior to the Redemption Date to the State Auditor of Missouri, the original purchaser of the Bonds and to each Registered Owner of each of the Bonds to be redeemed at the address shown on the Bond Register maintained by the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City defaults in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest.

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

The Bonds constitute general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

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

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

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be

performed precedent to and in the issuance of the Bonds have existed, happened and been performed in due time, form and manner as required by law; that a direct annual tax upon all taxable tangible property situated in the City has been levied for the purpose of paying the principal of and interest on the Bonds when due; and that the total indebtedness of the City, including this Bond and the series of which it is one, does not exceed any constitutional or statutory limitation.

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

CERTIFICATE OF AUTHENTICATION

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

Registration Date:

U.S. BANK NATIONAL ASSOCIATION,
Paying Agent

By:
Title: Authorized Officer or Signatory

CITY OF KANSAS CITY, MISSOURI

By:
Mayor

[SEAL]

ATTEST:

By:
City Clerk

ASSIGNMENT

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

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

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

Dated:

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

Signature Guaranteed By:

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

By:
Title:

Section 203. Designation of Paying Agent. The City shall designate from time to time by a certificate of the Director of Finance a paying agent for the payment of principal of and interest on the Bonds and as bond registrar with respect to the registration, transfer and exchange of Bonds. The City has designated U.S. Bank National Association, St. Louis, Missouri, as the paying agent and bond registrar for the Bonds (the **"Paying Agent"**).

The City will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent for any Paying Agent hereafter appointed by the Director of Finance by (1) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor, and (2) causing notice of the appointment of the successor Paying Agent to be given by first class mail to each Bondowner. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent.

Every Paying Agent appointed hereunder shall at all times be (1) a commercial banking association or corporation or trust company located in the State of Missouri organized and in good standing and doing business under the laws of the United States of America or of the State of Missouri and subject to supervision or examination by federal or state regulatory authority and (2) shall have a reported capital (exclusive of borrowed capital) plus surplus of not less than $100,000,000.00 or, consideration may be given by the City to a bank not meeting this amount if the bank submits an acceptable form of guarantee for its financial obligations to the City. If such institution publishes reports of conditions at least annually pursuant to law or regulation, then for the purposes of this Section the capital and surplus of such institution shall be deemed to be its capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent shall be paid fees and expenses for its services in connection therewith.

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

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

The interest payable on each Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or, in the case of an interest payment to any Registered Owner of $500,000.00 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner signed by such Registered Owner not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account number to which such Registered Owner wishes to have such transfer directed.

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

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

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

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal payment office of the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The City shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Ordinance and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. In the event any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

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

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

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

Section 206. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and shall have the official seal of the City affixed thereto or imprinted thereon. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

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

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

Section 207. Mutilated, Destroyed, Lost and Stolen Bonds. If (a) any mutilated Bond is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the City and the Paying Agent such security or indemnity as may be required by the Paying Agent, then, in the absence of notice to the City or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon the City's request, the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen

Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City, in its discretion, may pay such Bond instead of issuing a new Bond.

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

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

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent and applicable retention laws.

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

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

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

Section 210. Book-Entry Bonds; Securities Depository.

(a) The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interests in the Bonds, except in the event the Paying Agent issues Replacement Bonds as provided in subsection (b) hereof. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Paying Agent authenticates and delivers Replacement Bonds to the beneficial owners as described in subsection (b).

(b) (1) If the City determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (2) if the Paying Agent receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Bonds, then the Paying Agent shall notify the Owners of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Paying Agent shall register in the name of and authenticate and deliver Replacement Bonds to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (1)(A) or (1)(B) of this subsection (b), the City, with the consent of the Paying Agent, may select a successor securities depository in accordance with **Section 210(c)** hereof to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to

obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Paying Agent, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the City, the Paying Agent or Owners are unable to locate a qualified successor of the Securities Depository in accordance with **Section 210(c)** hereof, then the Paying Agent shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Paying Agent may rely on information from the Securities Depository and its Participants as to the names of the beneficial owners of the Bonds. The cost of printing, registration, authentication and delivery of Replacement Bonds shall be paid for by the City.

(c) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the City may appoint a successor Securities Depository provided the Paying Agent and the City receive written evidence with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Paying Agent upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 211. Sale and Terms of Bonds; Authorization and Execution of Purchase Contract and Certificate of Final Terms.

(a) Upon the advice and recommendation of Hilltop Securities Inc. and Moody Reid Financial Advisors, as the City's co-financial advisors (the **"Co-Financial Advisors"**), the City is hereby authorized to sell the Bonds utilizing one of the following methods:

(1) a competitive public sale (**"Competitive Sale"**) pursuant to which the City will sell the Bonds to the bidder offering to purchase the Bonds, based on the principal amounts and maturities set forth in the Notice of Bond Sale, submitting the lowest "true interest cost" as defined therein, subject to the limitations set forth in this Section and in **Exhibit A** hereto. If the City sells the Bonds via a Competitive Sale, the City is authorized to accept the best bid in accordance with the Certificate of Final Terms, and the Director of Finance is authorized to accept the best bid for and on behalf of and as the act and deed of the City; or

(2) a negotiated sale (**"Negotiated Sale"**) pursuant to which the City will sell the Bonds to the Purchaser to be selected by the City under the terms of the Purchase Contract. If the City sells the Bonds via a Negotiated Sale, the City is authorized to enter into the Purchase Contract in accordance with the Certificate of Final Terms, and 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.

(b) The Mayor is authorized and directed to approve the purchase price for the Bonds, the principal amounts by maturity, the interest rates, the terms of credit enhancement, if any, and the other final terms of the Bonds, including applicable redemption provisions, subject to the limitations set forth in this Section and **Exhibit A** hereto, and in connection therewith, 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 B**, and the City Clerk is hereby authorized to file the Certificate of Final Terms with this Ordinance.

Section 212. Notice of Bond Sale. In the event the City determines to sell the Bonds via a Competitive Sale as set forth in **Section 211(a)(1)** hereof, the Director of Finance is hereby authorized to execute the Notice of Bond Sale, and the use and public distribution of the Notice of Bond Sale in connection with a Competitive Sale of the Bonds is hereby authorized.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Optional and Mandatory Redemption of Bonds.

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

(b) *Mandatory Redemption.* In the event term Bonds are issued as provided in **Section 202,** such Bonds shall be subject to mandatory redemption and payment prior to their Stated Maturity pursuant to the mandatory redemption requirements of this Section and the Certificate of Final Terms on the dates of the Stated Maturities for serial Bonds at the principal amount thereof plus accrued interest to the Redemption Date, without premium. The taxes levied in **Article IV** which are to be deposited in the Debt Service Fund shall be sufficient to redeem any Bonds, and the City shall redeem on such dates the principal amounts set forth in **Section 202** and the remaining principal amount of Bonds shall be paid at their Stated Maturity.

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Paying Agent shall use its best efforts to expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection (b)) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection (b). Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for term Bonds of the same Stated Maturity in chronological order, and the principal amount of term Bonds of the same Stated Maturity to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with respect to such mandatory redemption payment and in the event that clause (1) is to be complied with, such written certificate shall be accompanied by the term Bonds to be cancelled.

Section 302. Selection of Bonds to be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 45 days prior to the Redemption Date of written instructions from the City specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. If the Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow agreement entered into by the City in connection with such refunding shall provide that such written instructions to the Paying Agent shall be given by the escrow agent on behalf of the City not more than 90 days prior to the Redemption Date. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** are met. The foregoing provisions of this paragraph shall not apply to any mandatory redemption of Bonds hereunder, and Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the City and whether or not the Paying Agent shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in the principal amount of $5,000.00 or any integral multiple thereof. Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in $5,000.00 units of principal amount in such equitable manner as the Paying Agent may determine.

(c) In the case of a partial redemption of Bonds at the time outstanding in denominations greater than $5,000.00, then for all purposes in connection with such redemption each $5,000.00 of face value shall be treated as though it were a separate Bond of the denomination of $5,000.00. If it is determined that one or more, but not all, of the $5,000.00 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such $5,000.00 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the Redemption Price and interest to the Redemption Date of such $5,000.00 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the $5,000.00 unit or units of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 30 days prior to the Redemption Date to the State Auditor of Missouri, the Purchaser of the Bonds and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

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

(a) the Redemption Date;

(b) the Redemption Price;

(c) if less than all Outstanding Bonds of a maturity are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;

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

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

With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Paying Agent on or prior to the Redemption Date in an amount sufficient to pay the Redemption Price on the Redemption Date. If such notice is conditional and either the Paying Agent receives written notice from the City that moneys sufficient to pay the Redemption Price will not be on deposit on the Redemption Date, or such moneys are not received on the Redemption Date, then such notice shall be of no force and effect, the Paying Agent shall not redeem such Bonds and the Paying Agent shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not or will not be so received and that such Bonds will not be redeemed.

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

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

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

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

For so long as the Securities Depository is affecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Paying Agent, the Securities Depository, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. Security for the Bonds. The Bonds shall be general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City in accordance with Article VI, Sections 26 and 28 of the Constitution of Missouri, 1945, as amended. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

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Section 402. Levy and Collection of Annual Tax. For the purpose of providing for the payment of the principal of and interest on the Bonds as the same become due, there is hereby authorized to be levied upon all of the taxable tangible property within the City a direct annual tax sufficient to produce the amounts necessary for the payment of such principal and interest as the same becomes due and payable in each year.

The taxes referred to above shall, to the extent that other funds of the City are not available and earmarked for the purpose of paying the principal of and interest on the Bonds, be levied upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the City are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the Director of Finance is hereby authorized and directed to pay said principal or interest out of the general municipal revenue funds of the City and to reimburse said general municipal revenue funds for money so expended when said taxes are collected.

ARTICLE V

ESTABLISHMENT OF FUNDS; DEPOSIT AND APPLICATION OF MONEYS

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

(a) Series 2023A Project Fund (the **"Project Fund"**) and within the Project Fund, four separate accounts known as the **"Street, Sidewalk and Bridge Project Account,"** the **"Flood Control Project Account,"** the **"Public Buildings Project Account,"** and the **"Parks and Entertainment Facilities Project Account."** Within the Public Buildings Project Account, there will also be a separate subaccount known as the **"Zoo Subaccount."**

(b) Series 2023A Debt Service Fund (the **"Debt Service Fund"**).

(c) Rebate Fund and within the Rebate Fund, a separate account known as the **"Series 2023A Compliance Account."**

(d) Costs of Issuance Fund.

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

(a) Proceeds of the Bonds in the amount set forth in the Certificate of Final Terms shall be deposited in the Debt Service Fund and applied in accordance with **Section 505**.

(b) Proceeds of the Bonds in the amount set forth in the Certificate of Final Terms shall be deposited in the Series 2023A Compliance Account within the Rebate Fund.

(c) Proceeds of the Bonds in the amount set forth in the Certificate of Final Terms shall be deposited in the Costs of Issuance Fund to pay the costs of issuing the Bonds as authorized by the Director of Finance.

(d) The remaining proceeds of the Bonds shall be deposited in the various accounts of the Project Fund as set forth in the Certificate of Final Terms.

With regard to the Kansas City Zoological Garden (the **"Zoo"**) component of the Public Buildings Project, costs and expenses of issuing such proportionate amounts of the Bonds paid from proceeds of the Bonds deposited in the Zoo Subaccount shall not exceed **2%** of the proportionate principal amount of such Bonds allocable to the Zoo component of the Public Buildings Project, since the portion of the proceeds of the Bonds allocable to the Zoo component of the Public Buildings Project is considered to be "private activity bonds" with the meaning of Internal Revenue Code Sections 141 and 145 and therefore are subject to the **2%** costs of issuance limitation contained in Internal Revenue Code Section 147(g).

Section 503. Application of Moneys in the Costs of Issuance Fund. Moneys in the Costs of Issuance Fund shall be

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used solely for the purpose of paying the costs and expenses incident to the issuance of the Bonds upon certification thereof by the Director of Finance. On the latest to occur of (i) the payment in full of such amounts (as certified by the Director of Finance) or (ii) the date which is six months following the date on which the Bonds are issued and authenticated, any moneys remaining in the Costs of Issuance Fund shall be transferred to the Debt Service Fund and applied in accordance with **Section 505** hereof.

Section 504. Application of Moneys in the Project Fund. Moneys in the Project Fund shall be used by the City solely and for the purpose of paying (a) a portion of the costs of the Street, Sidewalk and Bridge Project, (b) a portion of the costs of the Flood Control Project, (c) a portion of the costs of the Public Buildings Project, (d) a portion of the costs of the Parks and Entertainment Facilities Project, as applicable, for which the Bonds have been voted and authorized, as hereinbefore provided.

Upon completion of the purpose for which the Bonds have been issued, as applicable, any surplus remaining in any account of the Project Fund, respectively, shall be transferred to and deposited in the Debt Service Fund and applied to the next installment of principal and/or interest due on the Bonds.

Section 505. Application of Moneys in Debt Service Fund. All amounts paid and credited to the Debt Service Fund shall be expended and used by the City for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Paying Agent. The Director of Finance is authorized and directed to withdraw from the Debt Service Fund sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the business day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Registered Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the City. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance and shall be held in trust by the Paying Agent for the benefit of the Registered Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Fund after payment in full of the Bonds and all other general obligation indebtedness of the City shall be transferred and paid into the general fund of the City.

Section 506. Deposits and Investment of Moneys. Moneys in each of the funds created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions located in the State of Missouri that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the banks or financial institutions holding such deposits as provided by the laws of the State of Missouri. All moneys held in the funds created by this Ordinance shall be kept separate and apart from all other funds of the City so that there shall be no commingling of such funds with any other funds of the City.

Moneys held in any fund referred to in this Ordinance may be invested in accordance with this Ordinance and the Federal Tax Certificate in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. The interest earnings and any profit realized from Permitted Investments in any fund or account hereunder shall be credited to the Debt Service Fund and any loss resulting from Permitted Investments in any fund or account shall be charged to such fund or account.

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

Section 508. Application of Moneys in the Rebate Fund.

(a) There shall be deposited in the Series 2023A Compliance Account within the Rebate Fund (1) the amount required by **Section 502(b)** hereof, and (2) such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. Subject to the payment provisions provided in subsection (b) and (d) below, all money in the Rebate

Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the City nor the Registered Owner of any Bond shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Series 2023A Compliance Account within the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

(b) The City shall periodically determine the rebatable arbitrage under Section 148(f) of the Code in accordance with the Federal Tax Certificate, and the City shall make payments to the United States of America at the times and in the amounts determined under the Federal Tax Certificate. Except as provided in subsection (d) below with respect to moneys deposited in the Series 2023A Compliance Account within the Rebate Fund pursuant to **Section 502(b)** hereof, any moneys remaining in the Series 2023A Compliance Account within the Rebate Fund after redemption and payment of all of the Bonds and the interest thereon and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be released to the City.

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

(d) The moneys deposited in the Series 2023A Compliance Account within the Rebate Fund pursuant to **Section 502(b)** hereof shall be used to pay costs associated with retaining any rebate analyst or other expert to perform any rebate computations or other calculations necessary to ensure the City maintains compliance with the requirements for rebate under Section 148(f) of the Code or any of the City's duties with respect to the Series 2023A Compliance Account within the Rebate Fund (as defined in the Federal Tax Certificate). Any Bond proceeds or investment earnings thereon remaining in the Series 2023A Compliance Account five (5) years and 180 days after the date of issuance of the Bonds shall be disbursed as follows:

(1) If the Street, Bridge and Sidewalk Project, Flood Control Project, Public Buildings Project or Parks and Entertainment Facilities Project is not yet complete, Bond proceeds or investment earnings thereon remaining in the Series 2023A Compliance Account shall be transferred to the Project Fund; or

(2) If the Street, Bridge and Sidewalk Project, Flood Control Project, Public Buildings Project and Parks and Entertainment Facilities Project are each complete, Bond proceeds or investment earnings thereon remaining in the Series 2023A Compliance Account shall be transferred to the Debt Service Fund.

ARTICLE VI

REMEDIES

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

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Ordinance excluding **Section 806** or by the constitution and laws of the State of Missouri;

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

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

Section 602. Limitation on Rights of Bondowners. The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in this Ordinance. No one or more Bondowners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right

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hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

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

Section 604. Exception for Continuing Disclosure. This **Article VI** shall not apply to Se**ction 806** hereof regarding the City's continuing disclosure obligations, and the Registered Owners of the Bonds shall have no remedies for enforcement of said obligations other than the remedies provided for in **Section 806** hereof and the City's Continuing Disclosure Undertaking (hereinafter defined).

ARTICLE VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Ordinance and the pledge of the City's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State of Missouri and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned thereon, will be sufficient for the payment of the principal or Redemption Price of said Bonds and/or interest to accrue on such Bonds to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City shall have elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to redeem such Bonds in compliance with **Section 302(a)** of this Ordinance. Any moneys and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds or the interest payments thereon, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of such Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All moneys and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Ordinance.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801. Tax Covenants.

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

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

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

(d) A portion of the Bonds are being issued as "qualified 501(c)(3) bonds" under Section 145 of the Code, because proceeds of that portion (the **"Qualified 501(c)(3) Portion"**) will be used to pay a portion of the costs of the Zoo component of the Public Buildings Project, which will be owned by the City and operated by Friends of the Zoo, Inc. of Kansas City, Missouri, a Missouri nonprofit corporation (**"Friends of the Zoo, Inc."**). The City covenants that (1) with respect to the Qualified 501(c)(3) Portion of the Bonds, it will not use any portion of the proceeds of that portion, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Bond to lose its status as a "qualified 501(c)(3) bond" under Section 145 of the Code and (2) with respect to the remaining portion of the Bonds, it will not use any portion of the proceeds of that portion, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Bond of that portion to be a "private activity bond" within the meaning of Section 141 of the Code.

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

Section 802. Annual Audit. In accordance with the provisions of Section 836, Article VIII, of the City's Charter, the Council will provide that an independent certified audit of the City's books and records will be made annually by certified public accountants, experienced and qualified in municipal and governmental accounting. Each such audit shall be detailed in scope and said accountants shall certify as to the correctness of the schedules contained in the audit report. All such schedules shall be incorporated in the annual financial report relating to the City's finances, required by Section 838, Article VIII, of the City's Charter. A copy of each such annual report will be filed with the City Clerk and will be open for public inspection.

Section 803. Amendments. The Continuing Disclosure Undertaking (hereinafter defined) is exempt from the provisions of this **Section 803** and is subject to amendment and modification only as provided therein. The rights and duties of the City and the Bondowners, and the terms and provisions of the Bonds or of this Ordinance, may be amended or modified at any time in any respect by Ordinance of the City with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk, but no such modification or alteration shall:

(a) extend the maturity of any payment of principal or interest due upon any Bond;

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

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

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

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

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

Every amendment or modification of the provisions of the Bonds or of this Ordinance, to which the written consent of the

Bondowners is given, as above provided, shall be expressed in an ordinance adopted by the governing body of the City amending or supplementing the provisions of this Ordinance and shall be deemed to be a part of this Ordinance. A certified copy of every such amendatory or supplemental Ordinance, if any, and a certified copy of this Ordinance shall always be kept on file in the office of the City Clerk, and shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental Ordinance or of this Ordinance will be sent by the City Clerk to any such Bondowner or prospective Bondowner.

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

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

Section 804. Notices, Consents and Other Instruments by Bondowners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, other than the assignment of ownership of a Bond, if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

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

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

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

Section 805. Further Authority. The officers of the City, including the Mayor and City Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 806. Continuing Disclosure. The City covenants and agrees to enter into a Continuing Disclosure Undertaking (the **"Continuing Disclosure Undertaking"**) in order to satisfy the City's ongoing disclosure requirements promulgated by Securities and Exchange Commission Rule 15c2-12, as amended, in connection with the issuance of the Bonds. The Director of Finance is hereby authorized to execute and deliver the Continuing Disclosure Undertaking for and on behalf of the City, with such changes therein as he deems necessary or desirable. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered a default under this Ordinance. Remedies for a default under the Continuing Disclosure Undertaking shall be limited to those set forth in the Continuing Disclosure Undertaking.

Section 807. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 809. Approval of Contracts. The City hereby approves the selection (1) of Gilmore & Bell, P.C., and Hardwick Law Firm, LLC, as co-bond counsel and co-disclosure counsel to the City for the Bonds, and (2) of Hilltop Securities Inc. and Moody Reid Financial Advisors, as the City's co-financial advisors, and approves and ratifies all contracts in connection with

such selections.

Section 810. Estimated Revenue. That revenue of $2,500,000.00 is hereby increased in Fund No. 3523, the General Obligation Series 2023A Question 1 Bond Fund, in the following accounts in the following amounts:

AL-3523-120000-485100	Premium on Bonds Sold	$2,500,000.00

Section 811. Appropriations. That the sum of $2,500,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 3523 the General Obligation Series 2023A Question 1 Bond Fund, to the following accounts in the following amounts:

AL-3523-129632-G	Discount on Sale of Bonds	$1,000,000.00
AL-3523-129620-G	Cost of Issuance	250,000.00
AL-3523-129686-B	Arbitrage Rebate Calculation Expense	8,000.00
AL-3523-129631-G	Underwriter Discount	1,242,000.00
	TOTAL	$2,500,000.00

Section 812. Estimated Revenue. That revenue of $800,000.00 is hereby increased in Fund No. 3623, the General Obligation Series 2023A Question 2 Bond Fund, in the following accounts in the following amounts:

AL-3623-120000-485100	Premium on Bonds Sold	$800,000.00

Section 813. Appropriations. That the sum of $800,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 3623 the General Obligation Series 2023A Question 2 Bond Fund, to the following accounts in the following amounts:

AL-3623-129632-G	Discount on Sale of Bonds	$320,000.00
AL-3623-129620-G	Cost of Issuance	100,000.00
AL-3623-129686-B	Arbitrage Rebate Calculation Expense	2,000.00
AL-3623-129631-G	Underwriter Discount	378,000.00
	TOTAL	$800,000.00

Section 814. Estimated Revenue. That revenue of $300,000.00 is hereby increased in Fund No. 3723, the General Obligation Series 2023A Question 3 Bond Fund, in the following accounts in the following amounts:

AL-3723-120000-485100	Premium on Bonds Sold	$300,000.00

Section 815. Appropriations. That the sum of $300,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 3723 the General Obligation Series 2023A Question 3 Bond Fund, to the following accounts in the following amounts:

AL-3723-129632-G	Discount on Sale of Bonds	$100,000.00
AL-3723-129620-G	Cost of Issuance	50,000.00
AL-3723-129686-B	Arbitrage Rebate Calculation Expense	1,000.00
AL-3723-129631-G	Underwriter Discount	149,000.00
	TOTAL	$300,000.00

Section 816. Requisitioning Authority. That the Director of Finance is designated as the requisitioning authority for Accounts No. AL-3523-129620-G, AL-3523-129632-G, AL-3523-129686-B, AL-3523-129631-G, AL-3623-129620-G, AL-3623-129632-G, AL-3623-129686-B, AL-3623-129631-G, AL-3723-129620-G, AL-3723-129632-G, AL-3723-129686-B and AL-3723-129631-G.

Section 817. Reimbursement. That the City Council hereby declares its official intent to reimburse itself for certain expenditures made within sixty (60) days prior to or on and after the date of this Ordinance with respect to appropriations in **Section 811, Section 813** and **Section 815** (the **"Appropriations"**) with the proceeds of bonds expected to be issued by the City. The maximum principal amount of bonds expected to be issued for the Appropriations is not to exceed $3,600,000.00. This constitutes a declaration of official intent under Treasury Regulation 1.150-2.

Section 818. Modification of Accounts. That the Director of Finance is hereby authorized to modify the previously

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approved estimated revenues and appropriations in **Sections 810**, **811**, **812**, **813**, **814** and **815** as required to correctly record the budgetary amounts finalized through the sale of the Bonds into the marketplace.

Section 819. Closing of Accounts. That the Director of Finance is hereby authorized to close accounts, open encumbrances and retainage related to the accounts in **Sections 811**, **813** and **815**, and return the unspent portion to the Fund balance from which it came upon the earliest of: (i) the provisions of this ordinance; (ii) final maturity of financing or (iii) five years after issuance.

Section 820. Electronic Storage. The City agrees that the transactions described herein may be conducted and related documents may be sent, stored and received by electronic means.

Section 821. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 822. Accelerated Effective Date. This Ordinance is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter in that it appropriates money, and shall take effect in accordance with that section.

[*Remainder of this page intentionally left blank*.]

EXHIBIT A

TERMS OF BONDS

1. Purchase Price: Not less than 95% of the Principal Amount.

2. Weighted Average Maturity of the Bonds: Not less than 9.7 years and not more than 13.7 years.

3. Costs of Issuance, not including the Purchaser's Discount: Not to exceed $510,000.00.

4. True Interest Cost: Not to exceed 5.95%

5. Optional Redemption: The Bonds shall be subject to redemption at the option of the City prior to their Stated Maturities on a date that is not later than February 1, 2034, at a Redemption Price not to exceed 100%.

6. Final Maturity: Not later than February 1, 2043.

EXHIBIT B

CERTIFICATE OF FINAL TERMS

EXHIBIT C

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 General Obligation Bonds, Series 2023A (the **"Bonds"**), certifies pursuant to **Section 211** of Ordinance No. 23____:

1. Principal Amount. The Bonds are issued in the Principal Amount of $_____.

2. Maturity Schedule. The Bonds will mature on the dates and in the amounts and bear interest at the rates as follows:

Maturity February 1	Principal Amount	Interest Rate

3. Weighted Average Maturity of the Bonds. The weighted average maturity of the Bonds is _____ years, as shown on **Schedule 1** to this Certificate.

4. True Interest Cost. The True Interest Cost of the Bonds is _____%, as shown on **Schedule 2** to this Certificate.

5. Costs of Issuance (excluding underwriter's discount). The costs of issuing the Bonds, excluding any purchaser's/underwriter's discount, is $_____.

6. Purchaser. [*Pursuant to **Section 211(a)(1)** of this Ordinance, the Bonds are being sold to _____, as the bidder submitting the lowest "true interest cost" in accordance with the Notice of Bond Sale*] [**Pursuant to **Section 211(a)(2)** of the Ordinance, the Bonds are being sold to _____, as representative of the underwriters of the Bonds in accordance with the Purchase Contract.**]

7. Purchase Price. The purchase price of the Bonds is $_____, (representing the principal amount of $_____, plus a[n] [net] original issue premium of $_____, less the underwriter's discount of $_____) which purchase price is _____% of the Principal Amount.

8. Optional Redemption. At the option of the City, Bonds or portions thereof maturing on February 1, 20___, and thereafter may be called for redemption and payment prior to their Stated Maturity

on February 1, 20___, and thereafter in whole or in part at any time in such amounts for each Stated 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.

9. 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 301(b)** of the Ordinance on the dates and in the amounts as follows:**]

10. Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds in the amount of $[_____] shall be deposited simultaneously with the delivery of the Bonds as follows:

(a) $_____ of the net proceeds of the Bonds shall be deposited in the Series 2023A Compliance Account within the Rebate Fund.

(b) $_____ of the net proceeds of the Bonds shall be deposited in the Costs of Issuance Fund to pay the costs of issuing the Bonds as authorized by the Director of Finance.

(c) $_____ of the net proceeds of the Bonds shall be deposited in the Street, Sidewalk and Bridge Project Account of the Project Fund.

(d) $_____ of the net proceeds of the Bonds shall be deposited in the Flood Control Project Account of the Project Fund.

(e) $_____ of the net proceeds of the Bonds shall be deposited in the Public Buildings Project Account of the Project Fund.

(f) $_____ of the net proceeds of the Bonds shall be deposited in the Parks and Entertainment Facilities Project Account of the Project Fund.

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

Delivered this ____ day of _____, 2023.

CITY OF KANSAS CITY, MISSOURI

By:

Mayor

_____

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury,

to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

_____
Tammy L. Queen
Director of Finance

Approved as to form:

_____
Katherine Chandler
Assistant City Attorney