
TRANSCRIPT OF PROCEEDINGS

AUTHORIZING THE ISSUANCE

OF

\$2,094,000

**PUBLIC WATER SUPPLY DISTRICT NO. 13
OF JEFFERSON COUNTY, MISSOURI**

**COMMON SEWER TREATMENT FACILITIES REVENUE BOND
(LAKE TISHOMINGO SEWER PROJECT)**

SERIES A

Legal Opinion:

**Gilmore & Bell, P.C.
Kansas City, Missouri**

\$2,094,000

**PUBLIC WATER SUPPLY DISTRICT NO. 13
OF JEFFERSON COUNTY, MISSOURI**

**COMMON SEWER TREATMENT FACILITIES REVENUE BOND
(LAKE TISHOMINGO SEWER PROJECT)**

SERIES A

DOCUMENT LIST

**Document
Number**

ELECTION PROCEEDINGS

1. Minutes of August 15, 2006, Meeting of the Board of Directors calling bond election; Notice of Meeting; Certificate regarding Notice of Meeting.
2. Resolution calling bond election.
3. Election Authority's Certificate with the following items attached:
 - a. Official Ballot.
 - b. Abstract of Votes.
 - c. Affidavit of Publication of Notice of Bond Election.

CLOSING PROCEEDINGS AND DOCUMENTS

4. Letters of terms from U.S.D.A. Rural Development.
5. Minutes of April 24, 2012, Meeting of the Board of Directors showing passage of a Resolution authorizing the issuance of the Bond and Resolution authorizing Tax Compliance Procedure, with the following attached:
 - (a) Notice of Meeting.
 - (b) Certificate regarding Notice of Meeting.
6. Bond Resolution.
7. Resolution; Tax Compliance Procedure.
8. District's Closing Certificate.

**Document
Number**

9. Federal Tax Certificate.

Exhibit A - Debt Service Schedule and Proof of Bond Yield
Exhibit B - IRS Form 8038-G
Exhibit C - Resolution of Official Intent
Exhibit D - Description of Property Comprising the Financed Facility
Exhibit E – Form of Annual Compliance Checklist
10. Receipt for Purchase Price and Certificate of Authentication.
11. Receipt for Bond and Representation.
12. Specimen Bond.
13. Approving Opinion of Bond Counsel.

* * * *

EXCERPT OF MINUTES OF MEETING

The Board of Directors of Public Water Supply District No. 13 of Jefferson County, Missouri, met in regular session on August 15, 2006, at 7:00 P.M. at the Lake Tishomingo Community Center. The following officers were present or absent as indicated:

	<u>Present/Absent</u>
Larry Kimmel, President of the Board of Directors	Present
Lou Harting, Vice President and Director	Present
Rich Hirsch, Director and District Clerk	Present
Marilyn Meyer, Director	Present
Henry Brym, Director	Present

The President of the Board of Directors declared that a quorum was present and called the meeting to order.

*** * * (Other Proceedings) * * ***

The matter of calling a special election on a revenue bond question came on for consideration. Director Lou Harting introduced a resolution entitled as follows:

A RESOLUTION CALLING A SPECIAL ELECTION ON A REVENUE BOND QUESTION IN PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI.

On motion duly made and seconded for the passage of the Resolution, the Resolution was considered and discussed, and the President of the Board of Directors put the question of the passage of the Resolution to a roll call vote, and the vote thereon was as follows:

Aye: Marilyn Meyer, Lou Harting, Rich Hirsch, Larry Kimmel, Henry Brym.

Nay: None.

The President of the Board of Directors declared the motion carried and the Resolution duly passed.

*** * * (Other Proceedings) * * ***

There being no other business to come before the meeting, on motion duly made, seconded, and carried, the meeting was adjourned.


(SEAL)


District Clerk

CERTIFICATE REGARDING NOTICE OF MEETING

I hereby certify that the attached notice of the meeting held on Aug 15, 2006, by the Board of Directors of Public Water Supply District No. 13 of Jefferson County, Missouri (1) was posted at least 24 hours (excluding weekends and holidays) prior to the commencement of the meeting on a bulletin board or other prominent place which is easily accessible to the public and clearly designated for posting notices at the principal office and meeting place of the Board of Directors, and (2) was made available at least 24 hours (excluding weekends and holidays) prior to the commencement of said meeting to any representative of the news media who requested notice of the meeting.

DATED: August 15, 2006.


District Clerk

PUBLIC WATER DISTRICT #13
Jefferson County, Missouri
7:00 p. m.
Lake Tishomingo Community Center Building
MEETING AGENDA
August 15, 2006

Call to Order

Roll Call of Directors

Approval of Agenda

Approval of Minutes of Past Meetings

Treasurer's Report

Old Business:

Approval of district map

New Business:

A Resolution calling for an election on the question of whether to issue sewerage system revenue bonds.

Engineer's Report

Attorney's Report

Executive Session, under the Missouri Sunshine Law, as may be required to discuss personnel, litigation, property acquisitions and any other subjects authorized by Chapter 610, of the Revised Statutes of Missouri.

Adjournment

Dated this 15th day of August, 2006.

Rich Hirsch
Secretary to Board of Directors

A RESOLUTION CALLING A SPECIAL ELECTION ON A REVENUE BOND QUESTION IN PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI.

WHEREAS, pursuant to Section 247.035, RSMo, and a judgment and decree of the Circuit Court of Jefferson County dated June 20, 2006, the Board of Directors of Public Water Supply District No. 13 of Jefferson County, Missouri, is authorized to engage in the construction, maintenance and operation of common sewer treatment facilities to serve ten or more separate properties within the District and to provide for the issuance of special obligation bonds of the District payable solely from the revenues of such common sewer treatment facilities:

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI, AS FOLLOWS:

Section 1. The Board of Directors finds it necessary and hereby declares its intent to borrow \$ 8,000,000 for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve properties within the District (the "Project") and to evidence such borrowing by the issuance of sewerage system revenue bonds (the "Bonds") of the District in the amount of \$ 8,000,000.

Section 2. A special bond election is hereby ordered to be held in Public Water Supply District No. 13 of Jefferson County, Missouri, concurrently with the general election on Tuesday, November 7, 2006, on the following question:

QUESTION

Shall Public Water Supply District No. 13 of Jefferson County, Missouri issue its sewerage system revenue bonds in the amount of \$ 8,000,000 for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve properties within the District, the cost of operation and maintenance of said sewerage system and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the District from the operation of its sewerage system, including all future improvements and extensions thereto?

The authorization of the Bonds will authorize the District to fix, establish, maintain and collect rates and charges for the services provided by the District through its sewerage system, including all extensions and improvements thereto hereafter constructed or acquired by the District, in addition to the other rates and charges for such services provided by law, as will produce income and revenues sufficient to provide funds to pay the costs of operation and maintenance of said sewerage system and the principal of and interest on the Bonds as they become due and to provide for the establishment of reasonable reserves therefor.

Section 3. The form of Notice of Special Election showing said question, a copy of which is attached hereto and made a part hereof, is hereby approved.

Section 4. The District Clerk is hereby authorized and directed to notify the County Clerk of Jefferson County, Missouri, of the passage of this Resolution no later than 5:00 P.M. on Tuesday,

August 29, 2006, and to include in said notification all of the terms and provisions required by Chapter 115, RSMo, as amended.

Section 5. The District expects to make expenditures on and after the date of passage of this Resolution in connection with the Project, and the District intends to reimburse itself for such expenditures with the proceeds of the Bonds. The maximum principal amount of Bonds expected to be issued for the Project is \$ 8,000,000

Section 6. The District hereby engages the firm of Gilmore & Bell, P.C., Kansas City, Missouri, as bond counsel with respect to the Bonds.

Section 7. This Resolution shall be in full force and effect from and after its passage.

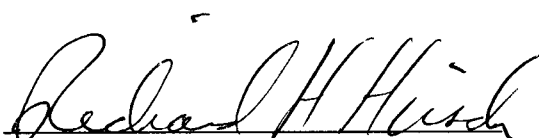
PASSED by the Board of Directors this 15 day of August, 2006.

(SEAL)



President of the Board of Directors

ATTEST:



District Clerk

NOTICE OF SPECIAL ELECTION

PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI

Notice is hereby given to the qualified voters of Public Water Supply District No. 13 of Jefferson County, Missouri, that the Board of Directors of the District has called a special election to be held in the District concurrently with the general election on Tuesday, November 7, 2006, commencing at 6:00 A.M. and closing at 7:00 P.M., on the question contained in the following sample ballot:

**OFFICIAL BALLOT
SPECIAL ELECTION
PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI**

TUESDAY, NOVEMBER 7, 2006

QUESTION

Shall Public Water Supply District No. 13 of Jefferson County, Missouri issue its sewerage system revenue bonds in the amount of \$ 8,000,000 for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve properties within the District, the cost of operation and maintenance of said sewerage system and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the District from the operation of its sewerage system, including all future improvements and extensions thereto?

YES

NO

INSTRUCTIONS TO VOTERS: If you are in favor of the question, place an X in the box opposite "YES." If you are opposed to the question, place an X in the box opposite "NO."

The election will be held at the following polling places in the District:

PRECINCT

POLLING PLACE

DATED: _____, 2006.

County Clerk of Jefferson County, Missouri

ELECTION AUTHORITY'S CERTIFICATE

I, the undersigned, hereby certify as follows:

1. Prior to 5:00 P.M. on August 29, 2006, and pursuant to Section 115.125, RSMo, this office received notification of the special election held in Public Water Supply District No. 13 of Jefferson County, Missouri on November 7, 2006.

2. The ballot used at said election is identical to the form published in the Notice of Election.

3. Attached hereto as **Exhibit A** is a full, true and correct copy of the abstract of votes cast at said election, said abstract of votes is the final and last abstract of votes for said election, and said abstract of votes constitutes the official returns of the election pursuant to Section 115.507(2), RSMo.

4. The election was duly and regularly held at the polling places specified in the Notice of Special Election, the polls were open from and between the hours of 6:00 A.M. and 7:00 P.M., the judges of said election were duly sworn and performed their duties as required by law, and the election was duly conducted and the returns of said election were duly canvassed in accordance with the statutes of the State of Missouri.

5. The Notice of Special Election was published in accordance with the requirements of Section 115.127(2), RSMo, in the *Jefferson County Watchman*, a daily Independent newspaper serving the District. No newspapers are published within the bounds of the District and no newspapers of different political affiliation serve the District. Attached hereto as **Exhibit B** is the affidavit of publication of the Notice of Special Election from such newspaper.

DATED: 1 - 25, 2007.

(SEAL)

Wes Wagner
County Clerk of Jefferson County, Missouri
by J. G. [Signature]

FOR COLLECTOR
Vote for ONE

BETH MAHN

DEM

Write-in

**OFFICIAL
JUDICIAL BALLOT**

Submitting to the voters whether the Judges named below, whose terms expire December 31, 2006, shall be retained in office for new terms.

VOTE ON EACH JUDGE

MISSOURI SUPREME COURT JUDGE

Shall Judge WILLIAM RAY PRICE of the Missouri Supreme Court be retained in office?

YES

NO

Shall Judge MARY RHODES RUSSELL of the Missouri Supreme Court be retained in office?

YES

NO

Shall Judge STEPHEN N. LIMBAUGH, JR. of the Missouri Supreme Court be retained in office?

YES

NO

**MISSOURI COURT OF APPEALS JUDGES,
EASTERN DISTRICT**

Shall Judge KENNETH M. ROMINES of the Eastern District Court of Appeals be retained in office?

YES

NO

Shall Judge NANNETTE A. BAKER of the Eastern District Court of Appeals be retained in office?

YES

NO

CONSTITUTIONAL AMENDMENT NO. 2
Proposed by Initiative Petition

Shall the Missouri Constitution be amended to allow and set limitations on stem cell research, therapies, and cures which will:

- ensure Missouri patients have access to any therapies and cures, and allow Missouri researchers to conduct any research, permitted under federal law;
- ban human cloning or attempted cloning;
- require expert medical and public oversight and annual reports on the nature and purpose of stem cell research;
- impose criminal and civil penalties for any violations; and
- prohibit state or local governments from preventing or discouraging lawful stem cell research, therapies and cures?

The proposed constitutional amendment would have an estimated annual fiscal impact on state and local governments of \$0-\$68,916.

YES

NO

CONSTITUTIONAL AMENDMENT NO. 3
Proposed by Initiative Petition

Shall the Missouri Constitution be amended to create a Healthy Future Trust Fund which will:

1. be used to reduce and prevent tobacco use, to increase funding for healthcare access and treatment for eligible low-income individuals and Medicaid recipients, and to cover administrative costs;
2. be funded by a tax of four cents per cigarette and twenty percent on other tobacco products; and
3. be kept separate from general revenue and annually audited?

Additional taxes of four cents per cigarette and twenty percent of the manufacturer's invoice price on other tobacco products generates an estimated \$351 - \$499 million annually for tobacco control programs, healthcare for low income Missourians, and payments for services provided to Missouri Medicaid beneficiaries and uninsured Missourians. Local governmental fiscal impact is unknown.

YES

NO

CONSTITUTIONAL AMENDMENT NO. 6
Proposed by 93rd General Assembly

CONSTITUTIONAL AMENDMENT NO. 7
*Proposed by 93rd General Assembly
(Second Regular Session) HJR 55*

Shall Article XIII, Section 3 of the Constitution be amended to require that legislators, statewide elected officials, and judges forfeit state pensions upon felony conviction, removal from office following impeachment or for misconduct, and to require that compensation for such persons be set by a citizens' commission subject to voter referendum?

It is estimated this proposal will have no costs to state or local governments.

YES

NO

**STATUTORY MEASURE
PROPOSITION B**

Proposed by Initiative Petition

Shall Missouri Statutes be amended to increase the state minimum wage rate to \$6.50 per hour, or to the level of the federal minimum wage if that is higher, and thereafter adjust the state minimum wage annually based on changes in the Consumer Price Index?

The proposed revisions to Missouri's wage rate laws generates an estimated \$3.3 million to \$4.3 million annually in state revenue. The impact on local government is unknown.

YES

NO

**PUBLIC WATER SUPPLY DISTRICT NO. 13
QUESTION**

Shall Public Water Supply District No. 13 of Jefferson County, Missouri issue its sewerage system revenue bonds in the amount of Eight Million Dollars (\$8,000,000.00) for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve properties within the District, the cost of operation and maintenance of said sewerage system and the principal of and interest on revenue bonds to be payable solely from the revenues derived by the District from the operation of its sewerage system, including all future improvements and extensions thereto?

YES

NO

ESSENTIAL A





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JUDGES' INITIALS

OFFICIAL BALLOT
GENERAL ELECTION - NOVEMBER 7, 2006
JEFFERSON COUNTY, MISSOURI

INSTRUCTIONS TO VOTERS

To vote, darken in the oval(s) completely next to your choice(s), like this:
Write-in: To vote for a valid write-in candidate, write the person's name on the line provided and darken in the oval.
If you are in favor of any question submitted upon this ballot, darken the oval to the left of the word "YES".
If you are opposed to any question submitted upon this ballot, darken the oval to the left of the word "NO".
If you tear, deface, or make a mistake and wrongfully mark any ballot, you must return it to the election judges and receive a new ballot.

   	REPUBLICAN PARTY - REP	FOR CIRCUIT JUDGE CIRCUIT 23, DIVISION 1 Vote for ONE <input type="radio"/> ROBERT G. (BOB) WILKINS DEM <input type="radio"/> Write-in	FOR ASSOCIATE CIRCUIT JUDGE CIRCUIT 23, DIVISION 14 Vote for ONE <input type="radio"/> NATHAN B. STEWART DEM <input type="radio"/> Write-in
	DEMOCRATIC PARTY - DEM	FOR CIRCUIT JUDGE CIRCUIT 23, DIVISION 4 Vote for ONE <input type="radio"/> MARK T. STOLL DEM <input type="radio"/> Write-in	FOR ASSOCIATE CIRCUIT JUDGE CIRCUIT 23, DIVISION 15 Vote for ONE <input type="radio"/> STAN SCHNAARE REP <input type="radio"/> SHANNON R. DOUGHERTY-LEE DEM <input type="radio"/> Write-in
	LIBERTARIAN PARTY - LIB	FOR CIRCUIT JUDGE CIRCUIT 23, DIVISION 5 Vote for ONE <input type="radio"/> LISA PAGE DEM <input type="radio"/> Write-in	FOR PRESIDING COMMISSIONER Vote for ONE <input type="radio"/> MARK MERTENS REP <input type="radio"/> CHUCK BANKS DEM <input type="radio"/> Write-in
	PROGRESSIVE PARTY - PRG	FOR U.S. SENATOR Vote for ONE <input type="radio"/> JIM TALENT REP <input type="radio"/> CLAIRE MCCASKILL DEM <input type="radio"/> FRANK GILMOUR LIB <input type="radio"/> LYDIA LEWIS PRG <input type="radio"/> Write-in	FOR CIRCUIT JUDGE CIRCUIT 23, DIVISION 6 Vote for ONE <input type="radio"/> TROY CARDONA DEM <input type="radio"/> Write-in
	FOR STATE AUDITOR Vote for ONE <input type="radio"/> SANDRA THOMAS REP <input type="radio"/> SUSAN MONTEE DEM <input type="radio"/> CHARLES W. BAUM LIB <input type="radio"/> TERRY BUNKER PRG <input type="radio"/> Write-in	FOR ASSOCIATE CIRCUIT JUDGE CIRCUIT 23, DIVISION 10 Vote for ONE <input type="radio"/> DARRELL E. MISSEY REP <input type="radio"/> DANIEL E. JAMES DEM <input type="radio"/> Write-in	FOR COUNTY CLERK Vote for ONE <input type="radio"/> JANET C. MCMILLIAN REP <input type="radio"/> WES WAGNER DEM <input type="radio"/> Write-in
	FOR U.S. REPRESENTATIVE DISTRICT 3 Vote for ONE <input type="radio"/> DAVID BERTELSEN REP <input type="radio"/> RUSS CARNAHAN DEM <input type="radio"/> R. CHRISTOPHEL LIB <input type="radio"/> DAVID SLADKY PRG <input type="radio"/> Write-in	FOR ASSOCIATE CIRCUIT JUDGE CIRCUIT 23, DIVISION 11 Vote for ONE <input type="radio"/> RAY DICKHANER DEM <input type="radio"/> Write-in	FOR RECORDER OF DEEDS Vote for ONE <input type="radio"/> SCOTT SAMPSON REP <input type="radio"/> MARLENE K. CASTLE DEM <input type="radio"/> Write-in
	FOR STATE SENATOR DISTRICT 22 Vote for ONE <input type="radio"/> BILL ALTER REP <input type="radio"/> RYAN MCKENNA DEM <input type="radio"/> Write-in	FOR ASSOCIATE CIRCUIT JUDGE CIRCUIT 23, DIVISION 12 Vote for ONE <input type="radio"/> MICHELE KAIDO SCHWENT REP <input type="radio"/> STEPHEN D. BOUCHARD DEM <input type="radio"/> Write-in	FOR PROSECUTING ATTORNEY Vote for ONE <input type="radio"/> JEFFREY T. COLEMAN REP <input type="radio"/> FORREST WEGGE DEM <input type="radio"/> Write-in
	FOR STATE REPRESENTATIVE DISTRICT 110 Vote for ONE <input type="radio"/> BELINDA HARRIS DEM <input type="radio"/> Write-in	FOR ASSOCIATE CIRCUIT JUDGE CIRCUIT 23, DIVISION 13 Vote for ONE <input type="radio"/> PATRICIA A. RIEHL DEM <input type="radio"/> Write-in	FOR AUDITOR Vote for ONE <input type="radio"/> GARY DAVIS REP <input type="radio"/> DOROTHY J. STAFFORD DEM <input type="radio"/> Write-in
			TURN OVER TO CONTINUE VOTING

FOR COLLECTOR
Vote for ONE

BETH MAHN DEM

Write-in _____

OFFICIAL JUDICIAL BALLOT
Submitting to the voters whether the Judges named below, whose terms expire December 31, 2006, shall be retained in office for new terms.
VOTE ON EACH JUDGE

MISSOURI SUPREME COURT JUDGE

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Shall Judge MARY RHODES RUSSELL of the Missouri Supreme Court be retained in office?

YES
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Shall Judge STEPHEN N. LIMBAUGH, JR. of the Missouri Supreme Court be retained in office?

YES
 NO

MISSOURI COURT OF APPEALS JUDGES, EASTERN DISTRICT

Shall Judge KENNETH M. ROMINES of the Eastern District Court of Appeals be retained in office?

YES
 NO

Shall Judge NANNETTE A. BAKER of the Eastern District Court of Appeals be retained in office?

YES
 NO

CONSTITUTIONAL AMENDMENT NO. 2
Proposed by Initiative Petition

Shall the Missouri Constitution be amended to allow and set limitations on stem cell research, therapies, and cures which will:

- ensure Missouri patients have access to any therapies and cures, and allow Missouri researchers to conduct any research, permitted under federal law;
- ban human cloning or attempted cloning;
- require expert medical and public oversight and annual reports on the nature and purpose of stem cell research;
- impose criminal and civil penalties for any violations; and
- prohibit state or local governments from preventing or discouraging lawful stem cell research, therapies and cures?

The proposed constitutional amendment would have an estimated annual fiscal impact on state and local governments of \$0-\$68,916.

YES
 NO

CONSTITUTIONAL AMENDMENT NO. 3
Proposed by Initiative Petition

Shall the Missouri Constitution be amended to create a Healthy Future Trust Fund which will:

- be used to reduce and prevent tobacco use, to increase funding for healthcare access and treatment for eligible low-income individuals and Medicaid recipients, and to cover administrative costs;
- be funded by a tax of four cents per cigarette and twenty percent on other tobacco products; and
- be kept separate from general revenue and annually audited?

Additional taxes of four cents per cigarette and twenty percent of the manufacturer's invoice price on other tobacco products generates an estimated \$351 - \$499 million annually for tobacco control programs, healthcare for low income Missourians, and payments for services provided to Missouri Medicaid beneficiaries and uninsured Missourians. Local governmental fiscal impact is unknown.

YES
 NO

CONSTITUTIONAL AMENDMENT NO. 6
Proposed by 93rd General Assembly (Second Regular Session) SJR 26

Shall the Missouri Constitution be amended to include a tax exemption for real and personal property that is used or held exclusively for nonprofit purposes or activities of veterans' organizations?

It is estimated this proposal will have a minimal cost to state government. The estimated costs to local governmental entities range from zero to approximately \$45,000.

YES
 NO

CONSTITUTIONAL AMENDMENT NO. 7
Proposed by 93rd General Assembly (Second Regular Session) HJR 55

Shall Article XIII, Section 3 of the Constitution be amended to require that legislators, statewide elected officials, and judges forfeit state pensions upon felony conviction, removal from office following impeachment or for misconduct, and to require that compensation for such persons be set by a citizens' commission subject to voter referendum?

It is estimated this proposal will have no costs to state or local governments.

YES
 NO

STATUTORY MEASURE PROPOSITION B
Proposed by Initiative Petition

Shall Missouri Statutes be amended to increase the state minimum wage rate to \$6.50 per hour, or to the level of the federal minimum wage if that is higher, and thereafter adjust the state minimum wage annually based on changes in the Consumer Price Index?

The proposed revisions to Missouri's wage rate laws generates an estimated \$3.3 million to \$4.3 million annually in state revenue. The impact on local government is unknown.

YES
 NO

PUBLIC WATER SUPPLY DISTRICT NO. 13 QUESTION

Shall Public Water Supply District No. 13 of Jefferson County, Missouri issue its sewerage system revenue bonds in the amount of Eight Million Dollars (\$8,000,000.00) for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve properties within the District, the cost of operation and maintenance of said sewerage system and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the District from the operation of its sewerage system, including all future improvements and extensions thereto?

YES
 NO

EXHIBIT A

TURN OVER TO CONTINUE VOTING

**CERTIFICATION OF ELECTION RESULTS
BY VERIFICATION BOARD**

The following is a complete return of the General Election held in Jefferson County on Tuesday, November 7, 2006.

PUBLIC WATER SUPPLY DISTRICT NO. 13

QUESTION (Simple Majority)

Shall Public Water Supply District No. 13 of Jefferson County, Missouri issue its sewerage system revenue bonds in the amount of Eight Million Dollars (\$8,000,000.00) for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve properties within the District, the cost of operation and maintenance of said sewerage system and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the District from the operation of its sewerage system, including all future improvements and extensions thereto?

YES	<u>138</u>
NO	<u>92</u>

STATE OF MISSOURI }
 } SS
COUNTY OF JEFFERSON }

We, the undersigned, appointed to verify for the General Election do hereby certify that the totals of said election appear on the Official Abstract to Jefferson County Clerks Office and that same are verified by the undersigned as being the true and accurate count as appeared on the electronic tabulation of the returns of the designated polling places at the election held on November 7, 2006.

Done at office in Hillsboro this 15th day of November, 2006.



Attest:

Janet C. McMillian
Janet C. McMillian, County Clerk

Republican	<u>David Young</u>
Republican	<u>Sylvia W. Butlock</u>
Democrat	<u>Vanessa M. Curtis</u>
Democrat	<u>Mary McKite</u>

JEFFERSON COUNTY

AFFIDAVIT OF PUBLICATION


STATE OF MISSOURI)
) ss.
COUNTY OF JEFFERSON)

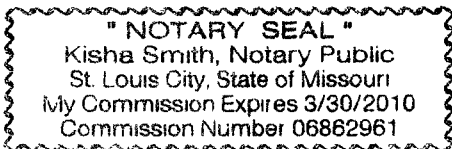
I, PATRICIA R. ROGERS, being duly sworn according to law, state that I am the publisher of the JEFFERSON WATCHMAN, a daily newspaper of general circulation in the County of Jefferson, which has been admitted to the Post Office as second-class matter in the City of Hillsboro and DeSoto, Missouri, the city of publication; which newspaper has been published regularly and consecutively for a period of three years and has a list of bona fide subscribers voluntarily engaged as such, who have paid or agreed to pay a stated price for a subscription for a definite period of time; that said newspaper has complied with the provisions of Section 493.050, Revised Statutes of Missouri, (Supp.2005). The affixed notice appears in said newspaper on the following consecutive days (issues).

FIRST October 24, 2006
SECOND October 31, 2006


PATRICIA R. ROGERS, Publisher

Subscribed and sworn to me before this 31st day
of October, 2006.


Notary Public



(SEAL) My Commission Expires 3/30/10

Filed and Recorded this _____ day of _____, 20____.

NOTICE OF ELECTION

NOTICE IS HEREBY GIVEN THAT A GENERAL ELECTION WILL BE HELD IN THE COUNTY OF JEFFERSON ON TUESDAY, NOVEMBER 7, 2006. THE POLLING PLACES WILL BE OPEN BETWEEN 6:00 A.M. UNTIL 7:00 P.M. THE BALLOT FOR THE ELECTION SHALL BE IN SUBSTANTIALLY THE FOLLOWING FORM:

REPUBLICAN PARTY



DEMOCRATIC PARTY



LIBERTARIAN PARTY



PROGRESSIVE PARTY



FOR U.S. SENATOR
JIM TALENT-REP
CLAIRE MCCASKILL -DEM
FRANK GILMOUR-LIB
LYDIA LEWIS-PRG

FOR STATE AUDITOR
SANDRA THOMAS-REP
SUSAN MONTEE-DEM
CHARLES W. BAUM-LIB
TERRY BUNKER-PRG

FOR U. S. REPRESENTATIVE-
DISTRICT 3
DAVID BERTELSEN-REP
RUSS CARNAHAN-DEM
R. CHRISTOPHEL-LIB
DAVID SLADKY-PRG

FOR STATE SENATE-DISTRICT 22
BILL ALTER-REP
RYAN MCKENNA-DEM

FOR STATE REPRESENTATIVE-
DISTRICT 90
SEAN C. KING-REP
SAM KOMO-DEM

FOR STATE REPRESENTATIVE-
DISTRICT 101
FLO PENROD-REP
TIMOTHY G. (TIM) MEADOWS-DEM

FOR STATE REPRESENTATIVE-
DISTRICT 102
MARVIN LUTES-REP
JEFF ROORDA-DEM

FOR STATE REPRESENTATIVE-
DISTRICT 103
RON CASEY-DEM
FOR STATE REPRESENTATIVE-
DISTRICT 104
BRUCE VALLE-REP
JOSEPH FALLERT JR.-DEM

FOR STATE REPRESENTATIVE-
DISTRICT 105
ED GROOM-REP
MICHAEL R. FRAME-DEM

FOR STATE REPRESENTATIVE-
DISTRICT 110
BELINDA HARRIS-DEM

FOR CIRCUIT JUDGE-CIRCUIT 23,
DIV. 1
ROBERT G. (BOB) WILKINS-DEM

FOR CIRCUIT JUDGE-CIRCUIT 23,
DIV. 4
MARK T. STOLL-DEM

FOR CIRCUIT JUDGE-CIRCUIT 23,
DIV. 5
LISA PAGE-DEM

FOR CIRCUIT JUDGE-CIRCUIT 23,
DIV. 6
TROY CARDONA-DEM

FOR ASSOCIATE CIRCUIT JUDGE-
CIRCUIT 23, DIV. 10
DARRELL E. MISSEY-REP
DANIEL E. JAMES-DEM

FOR ASSOCIATE CIRCUIT JUDGE-
CIRCUIT 23, DIV. 11
RAY DICKHANER-DEM

FOR ASSOCIATE CIRCUIT JUDGE-
CIRCUIT 23, DIV. 12
MICHELE KAIDO SCHWENT-REP
STEPHEN D. BOUCHARD-DEM

FOR ASSOCIATE CIRCUIT JUDGE-
CIRCUIT 23, DIV. 13
PATRICIA A. RIEHL-DEM

FOR ASSOCIATE CIRCUIT JUDGE-
CIRCUIT 23, DIV. 14
NATHAN B. STEWART-DEM

FOR ASSOCIATE CIRCUIT JUDGE-
CIRCUIT 23, DIV. 15
STAN SCHNAARE-REP
SHANNON R. DOUGHERTY-LEE-
DEM

FOR PRESIDING COMMISSIONER
MARK MERTENS-REP
CHUCK BANKS-DEM

FOR CLERK OF THE CIRCUIT
COURT
HOWARD L. WAGNER-DEM

FOR COUNTY CLERK
JANET C. MCMILLIAN-REP
WES WAGNER-DEM

FOR RECORDER OF DEEDS
SCOTT SAMPSON-REP
MARLENE K. CASTLE-DEM

FOR PROSECUTING ATTORNEY
JEFFREY T. COLEMAN-REP
FORREST WEGGE-DEM

FOR AUDITOR
GARY DAVIS-REP
DOROTHY J. STAFFORD-DEM

FOR COLLECTOR
BETH MAHN-DEM

0001 C

QUESTION

SHALL PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI ISSUE ITS SEWERAGE SYSTEM REVENUE BONDS IN THE AMOUNT OF EIGHT MILLION DOLLARS (\$8,000,000.00) FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING COMMON SEWER TREATMENT FACILITIES TO SERVE PROPERTIES WITHIN THE DISTRICT, THE COST OF OPERATION AND MAINTENANCE OF SAID SEWERAGE SYSTEM AND THE PRINCIPAL OF AND INTEREST ON SAID REVENUE BONDS TO BE PAYABLE SOLELY FROM THE REVENUES DERIVED BY THE DISTRICT FROM THE OPERATION OF ITS SEWERAGE SYSTEM, INCLUDING ALL FUTURE IMPROVEMENTS AND EXTENSIONS THERETO?

POLLS FOR THE 11-07-2006
GENERAL ELECTION ARE AS
FOLLOWS:

FOX C-6 ROY WILDE SERVICE CENTER, ARNOLD WARD-1; NEW HOPE UNITED METHODIST CHURCH, ARNOLD WARD-2; IMMACULATE CONCEPTION CHURCH PARISH HALL, ARNOLD WARD-3; JEFFERSON CO. LIBRARY-ARNOLD, ARNOLD WARD-4; GRANDVIEW MIDDLE SCHOOL, FLETCHER, WARE; CEDAR HILL FIRE STATION #2, GRUBVILLE 1, GRUBVILLE 2; FIRST BAPTIST CHURCH-DITTMER, MORSE MILL; CHRISTIAN OUTREACH SCHOOL, GOLDMAN 1; HILLSBORO CIVIC CENTER, GOLDMAN 2, HILLSBORO P-2, LAKE TISHOMINGO; HILLSBORO CHRISTIAN CHURCH, HILLSBORO P-1, HILLSBORO WARD 1-1 AND HILLSBORO WARD 2-2; HILLSBORO CITY HALL, HILLSBORO WARD 1-2, HILLSBORO WARD 2-1, HILLSBORO WARD-3, HILLSBORO WARD-4; FIRST BAPT. CHURCH-VICTORIA, VICTORIA; JEFFERSON CO. LIBRARY-NORTHWEST, BYRNES MILL WARD-1, BYRNES MILL WARD-2, BYRNES MILL WARD-3, HIGH RIDGE 3-2; HIGH RIDGE CIVIC CENTER, HIGH RIDGE 1, PARKDALE WARD-1, PARKDALE WARD-2, PARKDALE WARD-3; NORTH JEFFERSON INTER. SCHOOL, HIGH RIDGE 2; ST. MARTIN UNITED CHURCH OF CHRIST, HIGH RIDGE 3-1; CEDAR SPRINGS ELEM. SCHOOL, HIGH RIDGE 4, HOUSE SPRINGS 1-1; FAITH UNITED METH. CHURCH, HOUSE SPRINGS 1-2, SCOTSDALE; ANTONIA SCHOOL,

ANTONIA 1; ST. PAUL'S LUTHERAN CHURCH, ANTONIA 2; ROCK PRESBYTERIAN CHURCH, BARNHART 1; JEFFERSON CO. LIBRARY-WINDSOR BRANCH, BARNHART 2; SECKMAN ELEM. SCHOOL, IMPERIAL 1-1; SECKMAN MIDDLE SCHOOL, IMPERIAL 1-2; IMPERIAL BOWL, IMPERIAL 2; CLYDE HAMRICK SCHOOL, JEFFERSON HEIGHTS; FIRST CHRISTIAN CHURCH OF HEMATITE, HEMATITE; HERC. METHODIST CHURCH, HERCULANEUM WARD-1, HERCULANEUM WARD-2, HERCULANEUM WARD-3; FIRST BAPTIST CHURCH-HORINE, HORINE; MAPAVILLE FIREHOUSE, MAPAVILLE; ZION LUTHERAN SCHOOL, PEVELY WARD 1, PEVELY WARD-2, PEVELY WARD-3, PEVELY OUTSIDE 2; DUNKLIN FIREHOUSE, PEVELY OUTSIDE 1; CEDAR HILL LUTHERAN CHURCH, BYRNESVILLE, CEDAR HILL 1; NORTHWEST HIGH SCHOOL, CEDAR HILL 2, CEDAR HILL LAKES; EUREKA FIREHOUSE #3, HOENE SPRINGS; HOUSE SPRINGS INT. SCHOOL, HOUSE SPRINGS 2; PACIFIC FIREHOUSE #3, MERAMEC VALLEY MCNAMEE; ST. JOSEPH'S HILL INFIRMARY, R1 MCNAMEE, RW6 HOENE SPRINGS, RW6 MCNAMEE; ATHENA SCHOOL, ATHENA, OLYMPIAN VILLAGE WARD-1, OLYMPIAN VILLAGE WARD-2; DANBY RUSH TOWER SCHOOL, JEFFERSON R-7-1, RUSH TOWER; JEFF. R-7 PRIMARY SCHOOL, JEFFERSON R-7-2; PLATTIN METHODIST CHURCH, PLATTIN; FESTUS SPECIAL ROAD DISTRICT, AIRPORT 1-1; AMERICAN LEGION POST #253, AIRPORT 1-2, AIRPORT 2; SHEKINAH MASONIC LODGE, CRYSTAL CITY WARD-1; CRYSTAL CITY - CITY HALL, CRYSTAL CITY WARD-2; CRYSTAL CITY LIBRARY, CRYSTAL CITY WARD-3; CRYSTAL CITY HIGH SCHOOL, CRYSTAL CITY WARD-4, RIVERVIEW; K.C. HALL FESTUS, FESTUS WARD-1; FESTUS CITY HALL, FESTUS WARD-2; FESTUS PUBLIC WORKS BLDG., FESTUS WARD-3; FESTUS MIDDLE SCHOOL, FESTUS WARD-4; PIETROS BLUFFS RESTAURANT, MURPHY 1; MURPHY ELEM. SCHOOL, MURPHY 2, SALINE; FIRST BAPTIST CHURCH MURPHY, MURPHY 3; ST. JOHN CATHOLIC CHURCH, ROCK CREEK 1; GERMAN CULTURAL SOCIETY, ROCK CREEK 2; SHADY VALLEY FIREHOUSE, ROCK CREEK 3; GEORGE GUFFEY ELEM. SCHOOL, SPRINGDALE; DESOTO LIBRARY, DESOTO WARD1-1, DESOTO WARD-4; HOPSON LUMBER CO., DESOTO 1-2; MUELLER ELEC. CO., DESOTO WARD- 2; CARMENS HALL, DESOTO WARD-3; SUNRISE SCHOOL, SUNRISE,

VINELAND 1; K.C. HALL - DESOTO, VALLE 1; REDEEMER LUTHERAN CHURCH, VALLE 2; VINELAND SCHOOL, VINELAND 2; SALVATION ARMY WORSHIP CENTER, FLAMM CITY; AMERICAN LEGION POST #283, KIMMSWICK WARD-1, KIMMSWICK WARD-2, WINDSOR; LONEDELL SCHOOL, MAXVILLE 1; SIMPSON ELEM. SCHOOL, MAXVILLE 2; MERAMEC HEIGHTS SCHOOL, MERAMEC HEIGHTS.

DONE BY THE ORDER OF THE
COUNTY CLERK OF THE COUNTY
OF JEFFERSON, THIS 9th DAY OF
OCTOBER, 2006.



JANET C. MCMILLIAN
COUNTY CLERK/ELECTION
AUTHORITY



Committed to the future of rural communities

**United States Department of Agriculture
Rural Development
Missouri
www.rurdev.usda.gov/mo**

April 16, 2012

Subject: PWSD #13 of Jefferson County, Missouri
Final Loan Closing — \$2,094,000 Sewerage System Revenue Bonds

To: Area Director
Farmington, MO

Final loan closing with bond delivery is scheduled for the month of April 2012. A tentative date for loan closing is April 24, 2012.

The amount of the bond has been lowered \$2,094,000 from the amount of the bond at preliminary closing (\$2,243,000). Due to the lower amount of the bond, the following changes need to be made:

1. Annual Payment amount is \$115,401
2. Debt Service Annual Reserve Requirement is \$115,440. Monthly contribution until requirement is met is \$962
3. Replacement and Extension monthly contribution is \$962 once Debt Service Reserve Requirement is met
4. Annual Due date is anniversary date of the bond with the first two years being interest only followed by 33 amortized payments

By a copy of this memorandum to the project attorney and to bond counsel, we suggest that plans be made for closing on or about this date. The project attorney should advise you and the project officials of the time and place for the closing conference.

The project attorney will call bond counsel during the closing conference for his determination that loan closing was properly completed. Upon bond counsel's advice, you will accept the executed, dated, and registered bond. Add the case number to the top of the first page.

The association will execute the Supplementary Payment Agreement. One copy should be returned to this office, one copy furnished to the borrower, and the original retained in the Area Office case file.

601 Business Loop 70 West • Suite 235, Parkade Center • Columbia, MO 65203
Phone: (573) 876-0995 • Fax: (573) 876-0984 • TDD: (573) 876-9480

"USDA is an equal opportunity provider, employer and lender."

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Ave., S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

The original bond will be retained and stored at the Area Office. A copy of the bond will be sent to the Finance Office stapled to the original of the **CBP Guide 18**. If more than one obligation is combined, make a notation on the letter. The copy of the bond and the CBP Guide 18 are to be mailed to ATTN: Community Programs (FC-340-D) in the Finance Office. A copy of the letter should also be sent to the State Office.

The USDA, Rural Development address to be entered into the Bond Register for this bond will be:

State Director
USDA, Rural Development
601 Business Loop 70 West
Parkade Center, Suite 235
Columbia, MO 65203-2546

If you have any question, please contact us.



ANITA J. DUNNING
State Director

cc:
Bond Counsel
Project Attorney
Borrower



Committed to the future of rural communities

**United States Department of Agriculture
Rural Development
Missouri
www.rurdev.usda.gov/mo**

July 12, 2010

Al Wilken
Gilmore & Bell, P.C.
2405 Grand Boulevard
Suite 1100
Kansas City, MO 64108-2521

SUBJECT: PWS #13 or Jefferson County, Missouri
Repayment Letter — \$2,243,000 Sewerage System Revenue Bond

Dear Mr. Wilken:

The following information is for your use in preparation of the bond transcript. Preparation of the bond transcript should now be commenced, so the loan may be closed by or on August 3, 2010. If this is not possible, please notify us.

1. \$2,243,000 of insured funds at 4.0% interest rate has been obligated for this project.
2. A single bond will be issued subject to the multiple advance procedures.
3. Final loan closing, with bond delivery, is scheduled for November 2011. The annual payment due date will be November 1.
4. Principal will be deferred for two years, with the first two annual payments being interest only. Thirty-three amortized payments of \$123,612 will follow.
5. The Bond Reserve Fund will have a Debt Service Reserve Requirement (DSRR) established at \$123,720. The Debt Service Reserve Requirement will accumulate at the rate of at least \$1031 per month until the DSRR is reached.
6. The Replacement and Extension Fund Account will accumulate at the rate of at least \$1031 per month for life of the indebtedness, beginning after the DSRR has been accumulated in the Bond Reserve Fund.

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Phone: (573) 876-0995 • Fax: (573) 876-0984 • TDD: (573) 876-9480

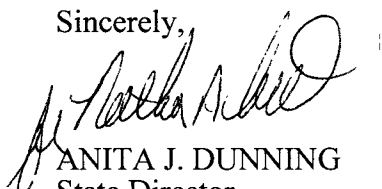
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To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Ave., S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

7. The bond will be a Sewerage System Revenue Bond to be held by USDA, Rural Development.
8. Officers and employees of the association handling the funds and accounts of the system shall each be bonded in each fiscal year in an amount not less than the total amount of principal and interest becoming due on all obligations of the association during the fiscal year. Language similar to this should be incorporated in the Bond Resolution/Ordinance.
9. The district has requested the lower of the Rural Development interest rates in effect at the time of obligation or loan closing (date the MO 1942-2 is entered into). The 4.0% interest rate represents the lower of the two rates if preliminary loan closing is held in August, 2010.
10. A copy of this letter is advising the project attorney, to pay particular attention to Bond Counsel's instruction regarding persons that need to be present at bond closing. It is the responsibility of the project attorney to notify those persons and insure that the applicant's seal is available for sealing the necessary documents.
11. If necessary, the resolutions or ordinances authorizing the outstanding issues may be amended to provide for specific deposits each month to the sinking fund and the bond reserve fund for each prior issue and to the replacement and extension fund.
12. **The Bond Resolution/Ordinance shall contain language requiring mandatory hook-ups to the sewerage system.**

If further information is needed, please advise.

Sincerely,



ANITA J. DUNNING
State Director

cc:
Area Director, Farmington, MO
Project Attorney
Project Engineer
Regional Attorney
Borrower

**PUBLIC WATER SUPPLY DISTRICT #13
Minutes of the April 24, 2012 Special Meeting
Regular Session of the Board of Trustees**

The Board of Directors of Public Water District #13, Jefferson County Missouri met in regular session at 9:45 a.m. on April 24, 2012 at 5706 N. Lakeshore Dr., Hillsboro, Missouri.

Roll Call of Directors

The following Directors being present or absent as indicated:

<u>Name</u>	<u>Present/Absent</u>
Marilyn Meyer	Present
Rich Hirsch	Present
Rick Lippitt	Present
John Hindrichs	Present
Ken Jost	Present

Also in attendance was Janet Hirsch (JWH, LTPOA Board member, Bank Administrator), Bob Sweeney (District attorney), Tim Robbs (Taylor Eng.) and Donna Martin (USDA-RD) *[arrived 10:00am -- rh]*.

Approval of Agenda

Motion was made by Rick Lippitt and seconded by John Hindrichs to accept the agenda. On voice vote, all Directors were in favor of accepting the agenda.

Old Business

There was no old business

New Business

1) A resolution repealing a resolution passed on August 3, 2010, and in place thereof authorizing the issuance of \$2,094,000 of Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A.

RH read the title of the resolution:

A RESOLUTION REPEALING THE RESOLUTION PASSED ON AUGUST 3, 2010, RELATING TO \$2,243,000 PRINCIPAL AMOUNT OF COMMON SEWER TREATMENT FACILITIES REVENUE BONDS (LAKE TISHOMINGO SEWER PROJECT), SERIES A, OF PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI, AND IN PLACE THEREOF AUTHORIZING THE ISSUANCE OF A \$2,094,000 PRINCIPAL AMOUNT COMMON SEWER TREATMENT FACILITIES REVENUE BOND (LAKE TISHOMINGO SEWER PROJECT), SERIES A, OF THE DISTRICT; PRESCRIBING THE FORM AND DETAILS OF SAID BOND AN]) THE COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AN]) SECURITY THEREOF; AN]) AUTHORIZING CERTAIN ACTIONS AM) DOCUMENTS AND PRESCRIBING OTHER MATTERS RELATING THERETO.

Motion to accept the resolution was made by John Hindrichs. Motion seconded by Rick Lippitt. Marilyn Meyer called for a roll call vote: John Hindrichs - Yes; Rich Hirsch - Yes; Ken Jost - Yes; Rick Lippitt - Yes; Marilyn Meyer - Yes. There were no nays. Marilyn declared that the Resolution had passed.

2) A resolution authorizing a Tax Compliance Procedure for the District.

RH read the title of the resolution:

A RESOLUTION AUTHORIZING A TAX COMPLIANCE PROCEDURE FOR FINANCIAL OBLIGATIONS OF PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI.

Motion to accept the resolution was made by John Hindrichs. Motion seconded by Rick Lippitt. Marilyn Meyer called for a roll call vote: John Hindrichs - Yes; Rich Hirsch - Yes; Ken Jost - Yes; Rick Lippitt - Yes; Marilyn Meyer - Yes. There were no nays. Marilyn declared that the Resolution had passed.

Next, there followed a discussion of who should be the Tax Compliance Officer. Bob explained that these are new requirements and that some training may be required. RH suggested that our bookkeeper, Jenny, be appointed Tax Compliance Officer, if there is not a conflict. Bob replied that there is no conflict with the district bookkeeper serving as Tax Compliance Officer and that she would be the logical choice.

Since the Treasurer's signature is required to execute the bond and the Treasurer was not available, the board acted to appoint an acting Treasurer.

Motion made by John Hindrichs to appoint Janet Hirsch as Acting Treasurer. Motion seconded by Rick Lippitt. Motion passed with four ayes and one abstention (R. Hirsch).

A check from the district for \$49,320.71 was written to USDA-RD to pay for accrued interest for money we previously borrowed.

DM gave us the following information:

- You will pay interest only for two yrs. The annual payment will be \$83,760 or \$6,980/month for 24 months.
- Then you will pay \$9,617/month beginning May 24, 2014.
- You will pay installments for 33 yrs with 2 yrs interest only.

DM: Three amounts must be transferred from the construction account into the O&M account: \$134,679.29, \$46,574.12, and \$7,000.00. And be sure to put the equal opportunity logo on any correspondence

DM: Whatever gets sent to DNR for reimbursement has to go to us also, even if we are not participating in the payment. For the generator, we must tell RD the price and how much DNR is contributing for the generator, the block heater, the extended warrantee, and the installation cost.

DM: We can't close the construction account until everyone is paid. Continue to send me your monthly report. Debt service reserve account should be a separate acct. DM's agenda for the loan closing is attached.

Numerous documents were signed and sealed. The legal documents will be forthcoming from Robt. Sweeney and put into the district's legal file.

3) Other matters:

a) Retainage reduction and Ways to get TGB to expend more resources to finish landscape work.

TR: The contractor is again telling us what we want to hear.

RS: The nuclear option is to take the retainage and hire someone else to finish the job. A less drastic measure is to send a letter to the contractor saying "This isn't getting done and we've had repeated promises that have gone unfulfilled and we feel at this point we need to report this to the bonding agency. Please respond."

TR said he talked to Sharon (TGB) and she wanted the district to release a major portion of the retainage it still holds. Sharon said that the district still has the bond and so does not need to keep all of the retainage. Sharon also said that holding the retainage will only delay completion of the project.

RS: If the district releases the retainage and the contractor does not fulfill their obligation, there will be no funds to complete the project. You would then have to sue the contractor.

RS: It would be beneficial from a legal standpoint to have a landscape company come in and give an estimate of how much it would cost them to finish up. If the estimate is relatively low, say \$50k, you'll want to get rid of your current contractor. If the estimate is \$500k, you'll probably want to stick with your current contractor. *[Current retainage is ca. \$200k -- rh]*

Marilyn asked Bob to write the letter to the contractor on behalf of the district board.

TR: Should I have Mike come up here to check out the yards the contractor has finished?

Consensus was that it would be beneficial to have Mike here to work with the contractor to make sure the quality of the yard restorations is acceptable.

b) An additional engineering contract

Tim proposed an additional engineering contract for \$12,500 to help pay for engineering administration. TR handed out three copies of an addendum to the engineering contract, where the district is only responsible for 40% of the amount we are billed up to \$12,500. The 40% would come from DNR.

RH asked if TR was saying that they would bill us for an amount (say \$10k) and then be willing to accept only 40% (\$4k).

TR said, "Yes."

RH: And Traci agrees with this?

TR: I ran this by Traci and she approved.

TR said he will send the contract to Traci and make sure she approves before the contract would go into effect.

It will work like this:

TR will submit the bill for the full amount (say \$10k) and the district will transfer 40% of the amount from the "grant" acct to the construction acct. Then the district will write a check to Taylor for 40% of the billed amount (\$4k). After the check is cashed, the dist will send to Traci a copy of the canceled check (for \$4k), the invoice, and bank statements.

Marilyn polled the Board to approve signing the contract. All Board members approved, pending Traci's approval.

c) Ordinance for new users regarding purchasing components from the District

RS: My advice is to modify an existing ordinance if needed and add a specification requirement.

RS felt what we have now is sufficient. Section 6 of the Sewer Rate Schedule ord. contains the text *"Application for sewerage services shall be made to the President or other person designated by the District by the owner or occupant of the property to be served, and upon the approval of such application, such applicant shall have the right to connect with the District sewerage system, all costs of such connection to be borne by such applicant."* and *"The District may hereafter prescribe a connection charge of Three-Thousand Dollars (\$3,000) to be paid by any such applicant at the time of his application."*

RS: There is no mention that a new owner needs to meet specs, but the district won't approve an application if the specs are not met. And you have your experts identify your specs as needed. Specs are a staff determination.

JH: If we just list specs for the new owners, we have to allow equivalent equipment and we really want specific brands and models.

RS: You don't have to specify "or equivalent" in the spec. Just say no equivalent or deviations will be acceptable. And you may want to add, "If you do deviate, all future maintenance and obligations remain with you." This may already be in the ordinance and restated in the policy manual. The policy manual could be handed out when the customer agrees to connect.

RS: Do we care if the new owner buys the equipment from us? Does the district want to be in the business of selling equipment? Since an ordinance is a law. If you say we will do this in an ordinance, then you must do it.

TR: The critical equipment is the pump, pump chamber, and control panel. The tank does not have to be from Roth. It just has to work with the pump chamber.

RS: There are operational elements that fall short of being laws that ought to be memorialized, so that there is continuity but need flexibility. That's why you need a policy book.

RH asked about the connection fee. RS replied that his other districts charge \$2500 to \$3500 per connection. The connection fee will be used for inspections and to fund the district's operation and maintenance costs and to provide for the replacement costs of district owned assets.

d) Change order to add additional stone around RSFs for \$7130.

The consensus was that CO #5 cannot extend the contract time beyond May 25 for the yard restoration, but we would allow a 30 day extension for work at the treatment plant.

There was a discussion of the markup the contractor used -- 15% on labor, material, and equipment. Some board members objected to this. The consensus was to accept CO #5 if we can get grant money to help pay for it.

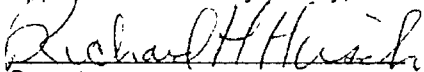
Adjournment

There being no other formal business to come before the Board, a motion to adjourn was made by John Hindrichs and seconded by Rich Hirsch. Motion passed with all Directors in approval. Meeting ended at 12:30 p.m.

Respectfully Submitted,

Rich Hirsch
Recording Secretary

Approved this 9th day of May, 2012.



Secretary
May 8, 2012

Chairman

**D. MARTIN: CLOSING AGENDA
4/24/2012**

Bond Closing – Execute bond/sign receipt

\$2,094,000 Loan @ 4.0% interest = \$83,760 interest annually
interest only payment through closing April 24, 2014 = \$49,320.71
interest only preauthorized debit beginning May 24th - \$6,980
principal and interest payment beginning May 24, 2014 - \$9,617

Supplemental Payment Agreement – Execute

Preauthorized Debit – Execute

Request for Funds – interest during construction \$49,320.71

Interest remaining - One year of interest only installments \$83,760
One year of O&M \$52,000

Checks

➤ USDA - accrued interest through April 24 th	\$ 49,320.71
➤ Jefferson #13 Remaining interest	\$ 134,679.29
➤ Jefferson #13 Remaining O&M	\$ 46,574.12
➤ Jefferson #13 Audit	\$ 7,000.00
Subtotal	\$ 237,574.12

Funding

➤ RD Grant \$237,574.12

Allocations remaining

➤ Contract	\$ 234,538.32
➤ Legal	\$ 528.31
➤ Basic Engineering	\$ 4,507.13
➤ Insp. Engineering	\$ 15,000.00
➤ Generator	\$ 9,000.00
➤ Contingency	\$ 588.18
	<u>\$ 264,161.94</u>

Remaining Funds

➤ RD Grant	\$154,087.34
➤ MoDNR Grant 40%	\$ 70,967.24
➤ MoDNR Rural Sewer Grant	\$ 11,516.00
➤ Jefferson #13 O&M	<u>\$????????</u>
	\$236570.58

Pending Invoices – Legal/Bond Counsel (should submit immediately)

Close out – need to finalize contracts

- once completed send final pay estimate, change orders and consultant's certification for Acceptance and Final Payment (liquidated damages?)

Reminder – Need monthly income and expense report beginning now

Reminder – Debt Service reserve requirements starts May 24th - \$962/mo

Pending Items –

- ❖ Authorized to purchase generator
- ❖ Remaining monies will be held until contract is finalized
- ❖ Contractual Time Frame – May 25th
- ❖ Audit is needed – funds allocated \$7,000 - will need A-133 (provide audit to us by due date of September 1, 2012)
- ❖ Attorney will need to give his opinion of adequate insurance once contracts are closed out or provide office with proof of insurance - insurance needs to be added as soon as contracts are closed
- ❖ Continue to send bank statements until account has zero balance and no remaining money to disburse in construction account
- ❖ Continue to send MoDNR requests as the construction ledger must include all funds disbursed on project and match MoDNR disbursements

CERTIFICATE REGARDING NOTICE OF MEETING

I hereby certify that the attached notice of the meeting held on April 24, 2012, by the Board of Directors of Public Water Supply District No. 13 of Jefferson County, Missouri, was posted at least 24 hours (excluding weekends and holidays) prior to the commencement of the meeting on a bulletin board or other prominent place which is easily accessible to the public and clearly designated for posting notices at the principal office and meeting place of the Board of Directors, and was made available at least 24 hours (excluding weekends and holidays) prior to the commencement of said meeting to any representative of the news media who requested notice of the meeting.

DATED: April 24, 2012.


District Clerk

PUBLIC WATER SUPPLY DISTRICT #13

Jefferson County, Missouri

10:00 a. m.

Lake Tishomingo Sewer Office, 5706 N. Lakeshore Dr., Hillsboro, MO 63050

SPECIAL MEETING AGENDA

April 24, 2012

Call to Order

Roll Call of Directors

Approval of Agenda

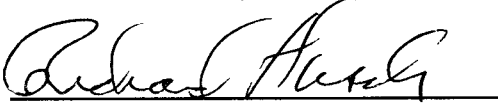
Old Business

New Business

1. A resolution repealing a resolution passed on August 3, 2010, and in place thereof authorizing the issuance of \$2,094,000 of Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A.
2. A resolution authorizing a Tax Compliance Procedure for the District.
3. Other matters.

Adjournment

Dated this 23rd day of April, 2012



Rich Hirsch
Secretary to Board of Directors

RESOLUTION

OF

**PUBLIC WATER SUPPLY DISTRICT NO. 13
OF JEFFERSON COUNTY, MISSOURI**

PASSED APRIL 24, 2012

AUTHORIZING

**\$2,094,000
COMMON SEWER TREATMENT FACILITIES REVENUE BOND
(LAKE TISHOMINGO SEWER PROJECT)**

SERIES A

(REPEALING RESOLUTION PASSED AUGUST 3, 2010)

RESOLUTION

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A RESOLUTION REPEALING THE RESOLUTION PASSED ON AUGUST 3, 2010, RELATING TO \$2,243,000 PRINCIPAL AMOUNT OF COMMON SEWER TREATMENT FACILITIES REVENUE BONDS (LAKE TISHOMINGO SEWER PROJECT), SERIES A, OF PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI, AND IN PLACE THEREOF AUTHORIZING THE ISSUANCE OF A \$2,094,000 PRINCIPAL AMOUNT COMMON SEWER TREATMENT FACILITIES REVENUE BOND (LAKE TISHOMINGO SEWER PROJECT), SERIES A, OF THE DISTRICT; PRESCRIBING THE FORM AND DETAILS OF SAID BOND AND THE COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN ACTIONS AND DOCUMENTS AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, Public Water Supply District No. 13 of Jefferson County, Missouri (the "District"), is a public water supply district and political subdivision duly organized and existing under the laws of the State of Missouri, and pursuant to Chapter 247, RSMo (the "Act"), and the District's Decree of Incorporation, as amended, the District is authorized to engage in the construction, maintenance and operation of common sewer treatment facilities which serve ten or more separate properties and are located wholly within the District and are not operated by another political subdivision or are not located within the certificated area of a sewer corporation as defined in Chapter 386, RSMo, or within a common sewer district as defined in Chapter 204, RSMo, and the operation and maintenance of all such existing sewer treatment facilities; and

WHEREAS, the District is authorized under the provisions of the Act to issue and sell revenue bonds for the purpose of providing funds for the purpose of acquiring, constructing and equipping common sewer treatment facilities meeting the conditions described above, provided that the principal of and interest on such revenue bonds shall be payable solely from the income and revenues derived from the ownership and operation of such common sewer treatment facilities; and

WHEREAS, a special bond election was duly held in the District on November 7, 2006, on the following question:

QUESTION

Shall Public Water Supply District No. 13 of Jefferson County, Missouri, issue its sewerage system revenue bonds in the amount of \$8,000,000 for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve properties within the District, the cost of operation and maintenance of said common sewer treatment facilities and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the District from the operation of such common sewer treatment facilities, including all future improvements and extensions thereto?

and it was found and determined a simple majority of the qualified electors of the District voting on the question had voted in favor of the issuance of said revenue bonds for the purpose aforesaid, the vote on said question having been 138 votes for said question to 92 votes against said question; and

WHEREAS, none of the bonds so authorized have heretofore been issued, and the District proposes to issue \$2,243,000 of the bonds so authorized to provide funds for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve the needs of the sewer area described in **Exhibit B** attached hereto (the "Project"), said Project meeting the qualifications of the Act contained in the opening paragraph in these Recitals; and

WHEREAS, plans and specifications for said Project and an estimate of the cost thereof have been prepared and made by the District's engineers and the same are hereby accepted and approved and are on file in the office of the District Clerk; and

WHEREAS, the District does not have outstanding any bonds or other obligations payable from the income and revenues derived from the ownership and operation of the Lake Tishomingo Sewer Treatment Facilities (as hereinafter defined); and

WHEREAS, by the adoption of a Resolution dated August 3, 2010, the Board of Directors of the District has heretofore authorized the issuance of an issue of Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project), Series A, of the District, in the aggregate principal amount of \$2,243,000; and

WHEREAS, none of the Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project), Series A, of the District authorized by said Resolution dated August 3, 2010, have been issued and delivered as of this date; and

WHEREAS, the Board of Directors hereby finds and determines that it is necessary and desirable to change the amount and terms of the Series A Bonds authorized by said Resolution dated August 3, 2010, and to do so by repealing said Resolution and adopting a new resolution authorizing a Series A Bond;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI, AS FOLLOWS:

ARTICLE I

DEFINITIONS

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

"Act" means Chapter 247, RSMo.

"Average Annual Debt Service" means the average of the Debt Service Requirements for the then current and all future fiscal years.

"Bond Counsel" means Gilmore & Bell, P.C., Kansas City, Missouri, or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the District.

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

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

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

“Bond” or **“Bonds”** means the Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A, of the District, in the principal amount of \$2,094,000, authorized and issued pursuant to this Resolution.

“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 operations.

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

“Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project)” means collectively the Series A Bond and all other revenue bonds or other obligations which are payable out of, or secured by an interest in, the Net Revenues.

“Consultant” means an independent engineer or engineering firm having a favorable reputation for skill and experience in the construction, financing and operation of public utilities and the preparation of management studies and financial feasibility studies in connection therewith, selected by the District for the purpose of carrying out the duties imposed on the Consultant by this Resolution.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and net interest or interest-like payments (net of any Subsidy Payments) on all Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project) for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with a commercial bank or trust company located in the State of Missouri and having full trust powers.

“Debt Service Reserve Requirement” means the sum of \$115,440.00.

“Defaulted Interest” means interest on the 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 serving as security for the 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 serving as security for the 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 Investors Service, Inc. (presently "Aaa") or Standard & Poor's Corporation (presently "AAA").

"District" means Public Water Supply District No. 13 of Jefferson County, Missouri, and any successors or assigns.

"Expenses" means all reasonable and necessary expenses of operation, maintenance and repair of the Lake Tishomingo Sewer Treatment Facilities and keeping the Lake Tishomingo Sewer Treatment Facilities in good repair and working order (other than interest paid on Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project) and depreciation and amortization charges during the period of determination), determined in accordance with generally accepted accounting principles, including without limiting the generality of the foregoing, current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, Paying Agent fees and expenses, annual audits, periodic Consultant's reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, if any, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term obligations incurred and payable within a particular fiscal year, other obligations or indebtedness incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the operation of the Lake Tishomingo Sewer Treatment Facilities.

“Federal Tax Certificate” means the District's Federal Tax Certificate relating to the Bond, as the same may be amended or supplemented in accordance with the provisions thereof.

“Government” means the United States of America, acting through the United States Department of Agriculture.

“Interest Payment Date” means the Stated Maturity of an installment of interest on the Bond.

“Lake Tishomingo Sewer Treatment Facilities” means (a) the Project and (b) all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the District that are specifically declared to be a part of the Lake Tishomingo Sewer Treatment Facilities. The Lake Tishomingo Sewer Treatment Facilities qualify as common sewer treatment facilities which serve ten or more separate properties and are located wholly within the District and are not operated by another political subdivision or are not located within the certificated area of a sewer corporation as defined in Chapter 386, RSMo, or within a common sewer district as defined in Chapter 204, RSMo.

“Lake Tishomingo Sewer Treatment Facilities Operation and Maintenance Account” means the account by that name created by Section 501 hereof.

“Lake Tishomingo Sewer Treatment Facilities Project Fund” means the fund by that name created by Section 501 hereof.

“Lake Tishomingo Sewer Treatment Facilities Replacement and Extension Account” means the account by that name created by Section 501 hereof.

“Lake Tishomingo Sewer Treatment Facilities Revenue Fund” means the fund by that name created by Section 501 hereof.

“Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Account” means the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Account for Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A, created by Section 501 hereof.

“Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account” means the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account for Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A, created by Section 501 hereof.

“Lake Tishomingo Sewer Treatment Facilities Surplus Account” means the account by that name created by Section 501 hereof.

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

“Net Revenues” means all Revenues less all Expenses.

“Net Revenues Available for Debt Service” means, for the period of determination, all Revenues less all Expenses.

“Original Issue Date” means the date on which the Bond is fully paid for and is delivered to the Purchaser.

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

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

(b) A Bond or installments of principal thereof deemed to be paid in accordance with the provisions of **Section 1101** hereof; and

(c) Any Bond in exchange for or in lieu of which another Bond has been registered and delivered hereunder.

“Parity Bonds” means any additional parity bonds or other obligations hereafter issued or incurred pursuant to **Section 902** hereof and standing on a parity and equality with the Bond with respect to the payment of principal and interest out of the Net Revenues of the Lake Tishomingo Sewer Treatment Facilities.

“Parity Resolutions” means the resolutions under which any additional Parity Bonds are hereafter issued pursuant to **Section 902** hereof.

“Paying Agent” means the party designated as Paying Agent pursuant to **Section 203** hereof and any successors and assigns.

“Permitted Investments” means any of the following securities and obligations, if and to the extent the same are at the time legal for investment of the District's moneys held in the funds and accounts referred to in **Section 501** hereof:

(a) United States Government Obligations;

(b) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clause (a) which shall have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such certificates of deposit or time deposits; and

(c) any other securities or investments that are lawful for the investment of moneys held in such funds or accounts under the laws of the State of Missouri.

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

“Project” means acquiring, constructing and equipping common sewer treatment facilities to serve the needs of all properties within the sewer area described in **Exhibit B** attached hereto.

“Purchaser” means (1) the Government, or (2) if and to the extent any rights, privileges or duties of the Government hereunder are assigned by the Government pursuant to an assignment of the District's Loan Resolution (Form RUS Bulletin 1780-27) applicable to the Bond herein authorized, the Government's assignee.

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

“Redemption Date” when used with respect to the Bond or installments of principal thereof to be redeemed means the date fixed for such redemption pursuant to the terms of this Resolution.

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

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

“Revenues” means all income and revenues derived from the ownership and operation of the Lake Tishomingo Sewer Treatment Facilities, including investment and rental income, net proceeds from business interruption insurance, and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of Lake Tishomingo Sewer Treatment Facilities to be applied during the period of determination to pay interest on Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project), but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

“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 the Bond or any installment of principal thereof or installment of interest thereon means the date specified in such Bond and this Resolution as the fixed date on which the principal or installment of principal of such Bond or such installment of interest is due and payable.

“Subsidy Payments” means funds received by the District that either (1) must be used, or (2) have been and are expected to continue to be used, to reduce the interest or principal payments on Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project). Such Subsidy Payments would include, but are not limited to (a) payments received by the District through a federal or State of Missouri program, or (b) payments related to an interest rate swap, exchange, hedge or similar agreement.

“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 BOND

Section 201. Repeal of Prior Resolution; Authorization of Bond. The Resolution of the District dated August 3, 2010, which authorized \$2,243,000 Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project), Series A, is hereby cancelled, repealed and rescinded and shall be of no further force and effect. There is hereby authorized and directed to be issued a Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A, of the District, in the principal amount of \$2,094,000 (the "Bond") for the purpose of providing funds for the Project, as provided in this Resolution.

Section 202. Description of Bond. The Bond shall consist of a fully registered bond without coupons in the principal amount of \$2,094,000. The Bond, as originally issued or issued upon transfer, exchange or substitution, shall be substantially in the form set forth in **Exhibit A** attached hereto, and shall be subject to registration, transfer and exchange as provided in **Section 205** hereof. The Bond shall be dated as of its Original Issue Date and shall bear interest from the Original Issue Date at the rate of 4.00% per annum.

The Bond shall be issued as a single fully registered Bond with principal and interest payable in annual installments of \$115,401.00 beginning on the third anniversary of the Original Issue Date, and annually thereafter on each anniversary of the Original Issue Date except that the entire remaining principal and interest on such Bond, if not sooner paid, shall become due and payable on the 35th anniversary of the Original Issue Date.

Section 203. Designation of Paying Agent. The Treasurer of the District is hereby designated as the District's paying agent for the payment of principal of and interest on the Bond and bond registrar with respect to the registration, transfer and exchange of the Bond (herein called the "Paying Agent"); provided, however, that upon the request of the Registered Owner the Bond, the District may by resolution authorize a bank or trust company having its principal office in Missouri to act as paying agent and bond registrar for the Bond.

The District will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The District reserves the right to appoint a successor Paying Agent by (1) filing with the party then performing such function a certified copy of the proceedings giving notice of the termination of such party and appointing a successor, and (2) causing notice to be given by first class mail to the Bondowner. No resignation or removal of the Paying Agent shall become effective until (i) a successor has been appointed and has accepted the duties of the Paying Agent and (ii) as long as the Bond is owned or insured by the Purchaser, such successor has been approved by the Purchaser.

Every Paying Agent appointed hereunder shall at all times be either (a) the Treasurer of the District or (b) 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.

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

Section 204. Method and Place of Payment of the Bond. The installments of principal or Redemption Price of and interest on the Bond 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 installments of principal, or Redemption Price of installments of principal, of the Bond shall be paid by check or draft mailed by the Paying Agent to the Person in whose name the Bond is registered on the Bond Register at the Maturity thereof, provided that the final installment of principal or the Redemption Price of all remaining principal shall be paid upon presentation and surrender of such Bond at the office of the Paying Agent.

The interest payable on the 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 such Registered Owner at the address shown on the Bond Register.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to the 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 District shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on the 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 District of such Special Record Date and, in the name and at the expense of the District, 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 the Registered Owner of the 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 the Bond and shall at least annually forward a copy or summary of such records to the District.

Section 205. Registration, Transfer and Exchange of the Bond. The District covenants that, as long as the Bond remains Outstanding, it will cause the Bond Register to be kept at the office of the Paying Agent for the registration, transfer and exchange of the Bond as herein provided.

The Bond may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of the Bond at the office of the Paying Agent, the Paying Agent shall transfer or

exchange such Bond for a new Bond in the principal amount of the outstanding and unpaid principal of the Bond that was presented for transfer or exchange. A Bond 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 the Bond is exercised, the Paying Agent shall authenticate and deliver a Bond in accordance with the provisions of this Resolution. The District shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of the Bond provided for by this Resolution. 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 Owner of the Bond. 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 Bond.

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

The District and the Paying Agent may deem and treat the Person in whose name the Bond is registered on the Bond Register as the absolute owner of such Bond, whether payments on such Bond are 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 effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the District 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 Owner (or a designated representative thereof) of the Bond or any designated representative of such Registered Owner to be evidenced to the satisfaction of the Paying Agent.

Section 206. Execution, Authentication and Delivery of the Bond. The Bond, including a Bond issued in exchange or as substitution for the Bond initially delivered, shall be signed by the manual or facsimile signature of the President of the Board of Directors, attested by the manual or facsimile signature of the District Clerk, and shall have the official seal of the District affixed thereto or imprinted thereon. In case any officer whose signature appears on the 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. The 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 President of the Board of Directors and District Clerk are hereby authorized and directed to prepare and execute the Bond as herein specified, and when duly executed, to deliver the Bond to the Paying Agent for authentication.

The Bond shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit A** attached hereto, which shall be manually executed by (i) the Treasurer of the District or (ii) if a bank or trust company is serving as Paying Agent, an authorized officer or employee of the Paying Agent. No Bond shall be entitled to any security or benefit under this Resolution 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 the Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. Upon authentication, the Paying Agent shall deliver the Bond to the Purchaser, upon payment of the purchase price of 100% of the principal amount of the Bond plus accrued interest thereon to the date of its delivery.

Section 207. Mutilated, Destroyed, Lost and Stolen Bond. If (a) a mutilated Bond is surrendered to the Paying Agent, or the District and the Paying Agent receive evidence to its satisfaction of the destruction, loss or theft of the Bond, and (b) there is delivered to the Paying Agent such security or indemnity as may be required by the Paying Agent, then, in the absence of notice to the Paying Agent that such Bond has been acquired by a bona fide purchaser, the District shall execute and, upon the District'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 the final installment of principal and interest of any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the District in its discretion may pay such Bond instead of issuing a new Bond.

Upon the issuance of a new Bond under this Section, the District 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 District, and shall be entitled to all the benefits of this Resolution.

Section 208. Cancellation and Destruction of Bond Upon Payment. When the Bond has been paid or redeemed or otherwise have been surrendered to the Paying Agent, either at or before Maturity, it 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. The Paying Agent shall execute a certificate in duplicate describing the Bond so cancelled and destroyed and shall file an executed counterpart of such certificate with the District.

ARTICLE III

REDEMPTION OF BOND

Section 301. Redemption of Bond. When the Bond is owned by the Purchaser, the Bond (including the respective installments of principal corresponding thereto) shall be subject to redemption and prepayment prior to Stated Maturity, in whole or in part at any time at the option of the District, upon payment of the principal amount of the Bond or of the installments of principal thereof to be redeemed or prepaid, plus accrued interest thereon to the Redemption Date, without premium.

When the Bond is not owned by the Purchaser, the Bond (including the respective installments of principal corresponding thereto) shall be subject to redemption or prepayment prior to Stated Maturity at the option of the District, as follows:

(a) The Bond or installments of principal thereof are not subject to redemption prior to the ninth anniversary of the Original Issue Date.

(b) All or a portion of the installments of principal of the Bond becoming due on and after the tenth anniversary of the Original Issue Date shall be subject to redemption and payment at the option of the District, on the ninth anniversary of the Original Issue Date, or at any time thereafter in whole or in part, at the principal amount thereof, plus accrued interest thereon to the Redemption Date, without premium.

In the event of partial redemption of the Bond, the installments of principal to be redeemed shall be in the inverse order of the Maturity dates of such principal installments. The redemption of a portion of the Bond shall not reduce the amount of each annual installment of principal and interest due on the Bond.

Section 302. Instructions to Redeem the Bond.

(a) The Paying Agent shall call the Bond or installments of principal thereof 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 of the District specifying the principal amount, Stated Maturities, Redemption Date and Redemption Price of the installments of principal of the Bond to be called for redemption. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** hereof are met.

(b) The Bond may be redeemed in such portion of outstanding principal as shall be determined by the District. When less than all of the Outstanding Bond is to be redeemed, the Bond shall be redeemed in inverse order of installments of principal thereof.

Section 303. Notice and Effect of Call for Redemption. Unless waived by any Registered Owner of a Bond to be redeemed, official notice of any redemption of all or any portion of such Bond shall be given by the Paying Agent on behalf of the District by mailing a copy of an official redemption notice by first class mail at least 30 days prior to the Redemption Date, to the Purchaser of the Bond and the Registered Owner of the Bond 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 principal of the Bond is to be redeemed, the portion of principal of the Bond to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon the Bond or portion thereof called for redemption and that interest on such Bond or portion thereof shall cease to accrue from and after the Redemption Date; and
- (e) if the Bond is to be fully redeemed and retired, the place where such Bond may be surrendered for payment of the Redemption Price, which shall be the office of the Paying Agent.

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

Prior to any Redemption Date, the District shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of the Bond or portion of the Bond that is to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bond or portion of the Bond to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the District defaults in the payment of the Redemption Price) such Bond or portion of the Bond shall cease to bear interest; provided, however, that the redemption of a portion of the Bond shall not reduce the amount of the annual installment of principal and interest on the Bond. Upon surrender of the Bond for redemption in accordance with such notice, the Redemption Price of such Bond shall be paid by the Paying Agent. Installments of principal and 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 the Bond, there shall, if requested by the Registered Owner thereof, be prepared for the Registered Owner a new Bond paying the same annual installment of principal and interest, in the principal amount of the unpaid principal. A Bond that has been redeemed 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 or voluntary standards established by the Securities and Exchange Commission 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 or installments of principal thereof.

ARTICLE IV

SECURITY FOR THE BOND

Section 401. Security for the Bond. The Bond shall be a special obligation of the District payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues of the Lake Tishomingo Sewer Treatment Facilities, and the District hereby pledges said Net Revenues to the payment of the principal of and interest on the Bond. The Bond shall not be or constitute

a general obligation of the District, nor shall it constitute an indebtedness of the District within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the District is not pledged to the payment of the Bond, either as to principal or interest.

The covenants and agreements of the District contained herein and in the Bond shall be for the equal benefit, protection and security of the legal owners of the Bond. The Bond shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with any Parity Bonds. The Bond shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Parity Bonds and the Parity Bonds shall not have any priority with respect to the payment of principal or interest from said Net Revenues or otherwise over the Bond.

ARTICLE V

CREATION OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF BOND PROCEEDS

Section 501. Establishment of Funds and Accounts. There are hereby created and ordered to be established and maintained in the treasury of the District the following separate funds and accounts to be known respectively as the:

- (a) Lake Tishomingo Sewer Treatment Facilities Project Fund.
- (b) Lake Tishomingo Sewer Treatment Facilities Revenue Fund.
- (c) Lake Tishomingo Sewer Treatment Facilities Operation and Maintenance Account.
- (d) Debt Service Account for Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A (the "Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Account").
- (e) Debt Service Reserve Account for Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A (the "Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account").
- (f) Lake Tishomingo Sewer Treatment Facilities Replacement and Extension Account.
- (g) Lake Tishomingo Sewer Treatment Facilities Surplus Account.

The funds and accounts referred to in paragraphs (a) through (g) of this Section shall be maintained and administered by the District solely for the purposes and in the manner as provided in the Act and in this Resolution so long as the Bond remains Outstanding within the meaning of this Resolution.

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

(a) Any premium and accrued interest on the Bond shall be deposited in the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Account and applied in accordance with **Section 602(b)** hereof.

(b) The remaining balance of the proceeds of the Bond shall be deposited in the Lake Tishomingo Sewer Treatment Facilities Project Fund and applied in accordance with **Section 503** hereof.

Section 503. Application of Moneys in the Lake Tishomingo Sewer Treatment Facilities Project Fund. Moneys in the Lake Tishomingo Sewer Treatment Facilities Project Fund shall be used solely for the purpose of (a) paying the cost of the Project as hereinbefore provided, in accordance with the plans and specifications therefor prepared by the Consultant for the Project and heretofore approved by the Board of Directors of the District and on file in the office of the District Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the Consultant and approved by the Board of Directors of the District, and (b) for paying the costs and expenses incident to the issuance of the Bond.

Withdrawals from the Lake Tishomingo Sewer Treatment Facilities Project Fund shall be made only when authorized by the Board of Directors and only on duly authorized and executed warrants or vouchers therefor accompanied by a certificate executed by the Consultant that such payment is being made for a purpose within the scope of this Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Nothing hereinbefore contained shall prevent the payment out of the Lake Tishomingo Sewer Treatment Facilities Project Fund of all costs and expenses incident to the issuance of the Bond and interest accruing on the Bond during the period of acquisition and construction of the Project or withdrawals of sums for investment or reinvestment purposes under the terms of this Resolution without a certificate from the Consultant.

Upon completion of the Project as hereinbefore provided, any surplus moneys remaining in the Lake Tishomingo Sewer Treatment Facilities Project Fund and not required for the payment of unpaid costs thereof shall be used either to pay part of the first installment of interest due on the Bond or for the prepayment of principal of the Bond.

ARTICLE VI

APPLICATION OF REVENUES

Section 601. Lake Tishomingo Sewer Treatment Facilities Revenue Fund. The District covenants and agrees that from and after the delivery of the Bond, and continuing as long as the Bond remains Outstanding hereunder, all of the Revenues shall as and when received be paid and deposited into the Lake Tishomingo Sewer Treatment Facilities Revenue Fund unless otherwise specifically provided in this Resolution. Said Revenues shall be segregated and kept separate and apart from all other moneys, revenues, funds and accounts of the District and shall not be commingled with any other moneys, revenues, funds and accounts of the District. The Lake Tishomingo Sewer Treatment Facilities Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in this Resolution.

Section 602. Application of Moneys in Funds and Accounts. The District covenants and agrees that from and after the delivery of the Bond and continuing so long as the Bond shall remain Outstanding, it will on the first day of each month, beginning in the month following the month in which the Project is placed into operation, administer and allocate all of the moneys then held in the Lake Tishomingo Sewer Treatment Facilities Revenue Fund as follows:

(a) Lake Tishomingo Sewer Treatment Facilities Operation and Maintenance Account. There shall first be paid and credited to the Lake Tishomingo Sewer Treatment Facilities Operation and Maintenance Account an amount sufficient to pay the estimated Expenses during the ensuing month. All amounts paid and credited to the Lake Tishomingo Sewer Treatment Facilities Operation and Maintenance Account shall be expended and used by the District solely for the purpose of paying the Expenses of the Lake Tishomingo Sewer Treatment Facilities.

(b) Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Account. There shall next be paid and credited monthly to the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Account, to the extent necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Bond due and payable, the following sums:

(1) Beginning with the first of said monthly deposits and continuing on the first day of each month thereafter to and including the month of the second anniversary of the Original Issue Date, an equal pro rata portion of the amount of interest becoming due on the Bond on the next succeeding Interest Payment Date; and

(2) Beginning on the first day of the month following the second anniversary of the Original Issue Date, and continuing on the first day of each month thereafter so long as the Bond remains Outstanding and unpaid, an amount not less than 1/12 of the amount of principal and interest that will become due on the Bond on the next succeeding Bond Payment Date.

The amounts required to be paid and credited to the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Account pursuant to this Section shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service accounts established for the payment of principal and interest on Parity Bonds under the provisions of the Parity Resolutions.

Any Subsidy Payments received by the District and applied to debt service or amounts deposited in the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Account as accrued interest or as capitalized interest in accordance with **Section 502(a)** hereof shall be credited against the District's payment obligations as set forth in this subsection (b) of this Section.

All amounts paid and credited to the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Account shall be expended and used by the District for the sole purpose of paying (i) the interest on and principal of the Bond as and when the same become due, and (ii) not more than twenty-four (24) months' interest on advance construction loans made by the Purchaser of the Bond prior to its delivery to the Purchaser and the receipt of full payment of the purchase price by the District.

If at any time the moneys in the Lake Tishomingo Sewer Treatment Facilities Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Account and to the debt service accounts established to pay the principal of and interest on any Parity Bonds, the available moneys in the Lake Tishomingo Sewer Treatment Facilities Revenue Fund shall be divided among such debt service accounts in proportion to the respective principal amounts of said series of bonds at the time outstanding which are payable from the moneys in said debt service accounts.

(c) Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account. There shall next be paid and credited to the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account the sum of \$962.00 each month until the amount on deposit in said Account aggregates the Debt Service Reserve Requirement. Except as hereinafter provided in this Section, all amounts paid and credited to the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account shall be expended and used by the District solely to prevent any default in the payment of interest on or principal of the Bond on any Maturity Date or Interest Payment Date if the moneys in the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Account are insufficient to pay the interest on or principal of said Bond as they become due. So long as the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account aggregates the Debt Service Reserve Requirement, no further payments into said Account shall be required, but if the District is ever required to expend and use a part of the moneys in said Account for the purpose herein authorized and such expenditure reduces the amount of said Account below the Debt Service Reserve Requirement, the District shall resume and continue said monthly payments into said Account until said Account shall again aggregate the Debt Service Reserve Requirement.

The amounts required to be paid and credited to the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account pursuant to this Section shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service reserve accounts established for the Parity Bonds under the provisions of the Parity Resolutions.

Moneys in the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account may be used to call the Bond for redemption and payment prior to its Stated Maturity, provided all principal of the Bond at the time Outstanding is called for payment and funds are available to pay the same according to its terms. Moneys in the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account shall be used to pay and retire the last Outstanding principal of the Bond unless such Bond and all interest thereon are otherwise paid. Any amounts in the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account in excess of the Debt Service Reserve Requirement on any valuation date shall be transferred (i) during the period of acquisition and construction of the Project, to the Lake Tishomingo Sewer Treatment Facilities Project Fund, and (ii) after such construction period, to the Lake Tishomingo Sewer Treatment Facilities Revenue Fund.

If at any time the moneys in the Lake Tishomingo Sewer Treatment Facilities Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account and to the debt service reserve accounts established to protect the payment of any Parity Bonds, the available moneys in the Lake Tishomingo Sewer Treatment Facilities Revenue Fund shall be

divided among such debt service reserve accounts in proportion to the respective principal amounts of said series of bonds at the time outstanding which are payable from the moneys in such debt service reserve accounts.

(d) Lake Tishomingo Sewer Treatment Facilities Replacement and Extension Account. After all payments and credits required at the time to be made under (1) the provisions of paragraphs (a), (b) and (c) of this Section and (2) the provisions of resolutions of the District authorizing additional Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project) relating to payments required to be made to debt service accounts and debt service reserve accounts for additional Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project) have been made, there shall next be paid and credited to the Lake Tishomingo Sewer Treatment Facilities Replacement and Extension Account, on the first day of each month in which no deposit is required to be made to the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account pursuant to subsection (c) above, the amount of \$962.00 each month so long as the Bond remains outstanding. Except as hereinafter provided in **Section 603**, moneys in the Lake Tishomingo Sewer Treatment Facilities Replacement and Extension Account shall be expended and used by the District, if no other funds are available therefor, solely (i) for the purpose of making unusual or extraordinary replacements and repairs in and to the Lake Tishomingo Sewer Treatment Facilities as may be necessary to keep the Lake Tishomingo Sewer Treatment Facilities in good repair and working order and to assure the continued effective and efficient operation thereof, including replacing or repairing portions of the Lake Tishomingo Sewer Treatment Facilities or major items of any plant or equipment which either have been fully depreciated and are worn out or have become inefficient, uneconomical or obsolete, or (ii) for the purpose of extending and improving the Lake Tishomingo Sewer Treatment Facilities.

(e) Lake Tishomingo Sewer Treatment Facilities Surplus Account. After all payments and credits required at the time to be made under the provisions of paragraphs (a), (b), (c) and (d) of this Section have been made, all moneys remaining in the Lake Tishomingo Sewer Treatment Facilities Revenue Fund shall be paid and credited to the Lake Tishomingo Sewer Treatment Facilities Surplus Account. Moneys in the Lake Tishomingo Sewer Treatment Facilities Surplus Account shall be expended and disbursed as follows:

(1) First, so long as either the balance on hand in the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account is less than the Debt Service Reserve Requirement or the balance on hand in the debt service reserve account for any issue of Parity Bonds is less than the debt service reserve requirement for such issue of Parity Bonds, all moneys in the Lake Tishomingo Sewer Treatment Facilities Surplus Account shall be allocated to the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account and the debt service reserve accounts for Parity Bonds in proportion to the original principal amount of the Bonds and of each issue of Parity Bonds, respectively. In no event, however, shall either (i) the balance on hand in the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account exceed the Debt Service Reserve Requirement or (ii) the balance on hand in the debt service reserve account for any issue of Parity Bonds exceed the debt service reserve requirement for such issue of Parity Bonds.

(2) Second, so long as the balance on hand in the debt service reserve account for any issue of junior lien Common Sewer Treatment Facilities Revenue Bonds

(Lake Tishomingo Sewer Project) is less than the debt service reserve requirement for such issue of junior lien Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project), all moneys in the Lake Tishomingo Sewer Treatment Facilities Surplus Account shall be allocated to the debt service reserve account(s) for each issue of junior lien Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project) according to the resolution(s) of the District authorizing each issue of junior lien Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project). In no event, however, shall the balance on hand in the debt service reserve account for any issue of junior lien Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project) exceed the debt service requirement for such issue of junior lien Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project).

(3) Third, after subparagraphs (1) and (2) have been complied with, in any month in which the payment and credit to the Lake Tishomingo Sewer Treatment Facilities Replacement and Extension Account is less than the amount required to be so paid by paragraph (d) of this Section plus the amount required to be paid into said account by the resolution(s) of the District authorizing all other outstanding Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project) (the "Total Monthly Lake Tishomingo Sewer Treatment Facilities Replacement and Extension Account Deposit"), all moneys in the Lake Tishomingo Sewer Treatment Facilities Surplus Account shall be used to make a transfer to the Lake Tishomingo Sewer Treatment Facilities Replacement and Extension Account in the amount required to make up the deficiency in the Total Monthly Lake Tishomingo Sewer Treatment Facilities Replacement and Extension Account Deposit for said month.

(4) Fourth, after subparagraphs (1), (2) and (3) have been complied with, moneys in the Lake Tishomingo Sewer Treatment Facilities Surplus Account may be expended and used for the following purposes as determined by the governing body of the District:

(i) Paying Expenses of the Lake Tishomingo Sewer Treatment Facilities to the extent that may be necessary after the application of the moneys held in the Lake Tishomingo Sewer Treatment Facilities Operation and Maintenance Account under the provisions of paragraph (a) of this Section;

(ii) Paying the cost of extending, enlarging or improving the Lake Tishomingo Sewer Treatment Facilities;

(iii) Preventing default in, anticipating payments into or increasing the amounts in the debt service accounts or the debt service reserve accounts for Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project) or in the Lake Tishomingo Sewer Treatment Facilities Replacement and Extension Account, or any one of them, or establishing or increasing the amount of any debt service account or debt service reserve account created by the District for the payment of any additional Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project); or

(iv) Calling, redeeming and paying prior to Stated Maturity, or, at the option of the District, purchasing in the open market at the best price obtainable not exceeding the redemption price (if any bonds are callable), the Bond or any other Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project), or portions thereof, including principal, interest and redemption premium, if any; provided, however, that so long as the Bond is owned or insured by the Purchaser, no moneys in the Lake Tishomingo Sewer Treatment Facilities Surplus Account shall be used to redeem or purchase any other Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project) without the written consent of the Purchaser.

(f) Deficiency of Payments into Funds and Accounts. If at any time the Revenues are insufficient to make any payment on the date or dates hereinbefore specified, the District will make good the amount of such deficiency by making additional payments or credits out of the first available Revenues thereafter received, such payments and credits being made and applied in the order hereinbefore specified in this Section.

Section 603. Transfer of Funds to Paying Agent. The Treasurer or other authorized officer of the District is hereby authorized and directed to withdraw from the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Bond, from the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account, the Lake Tishomingo Sewer Treatment Facilities Surplus Account and the Lake Tishomingo Sewer Treatment Facilities Replacement and Extension Account as provided in **Section 602** hereof, sums sufficient to pay the principal of and interest on the Bond as and when the same become due on any Bond Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding each Bond Payment Date. If, through lapse of time, or otherwise, the Registered Owner of the Bond is no longer entitled to enforce payment of its obligations, it shall be the duty of the Paying Agent forthwith to return said funds to the District. 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 Resolution.

Section 604. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 605. Nonpresentment of Bond. If the Bond is not presented for payment when the final installment of principal thereof becomes due at Maturity, if funds sufficient to pay such final installment of principal of and interest on the Bond have been made available to the Paying Agent all liability of the District 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 the Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution or on, or with respect to, said Bond. If the Bond is not presented for payment within four years following the date when the final installment of principal of and interest on such Bond becomes due at Maturity, the Paying Agent shall repay to the District 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 District, and the Registered Owner thereof shall be entitled to look only to the District for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the District shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE VII

DEPOSIT AND INVESTMENT OF MONEYS

Section 701. Deposit and Investment of Moneys.

(a) Money in each of the funds and accounts created by and referred to in this Resolution shall be deposited in a bank or banks 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 holding such deposits as provided by the laws of the State of Missouri.

(b) Money held in any fund or account referred to in this Resolution may be invested in Permitted Investments. No such investment shall be made for a period extending longer than the date when the money invested may be needed for the purpose for which such fund or account was created. All earnings on any investments held in any fund or account shall accrue to and become a part of such fund or account; provided, however, that all earnings on investments held in the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account shall accrue to and become a part of such Account until the amount on deposit in such Account shall aggregate the Debt Service Reserve Requirement, and thereafter, all such earnings shall be credited to the Lake Tishomingo Sewer Treatment Facilities Revenue Fund. In determining the amount held in any fund or account under any of the provisions of this Resolution, obligations shall be valued at the lower of the cost or the market value thereof; provided, however, that investments held in the Lake Tishomingo Sewer Treatment Facilities Series A Debt Service Reserve Account shall be valued at market value only. If and when the amount held in any fund or account shall be in excess of the amount required by the provisions of this Resolution, the District shall direct that such excess be paid and credited to the Lake Tishomingo Sewer Treatment Facilities Revenue Fund.

ARTICLE VIII

GENERAL COVENANTS AND PROVISIONS

The District covenants and agrees with each of the Registered Owners of the Bond that so long as the Bond remains Outstanding and unpaid it will comply with each of the following covenants:

Section 801. Corporate Existence; Efficient and Economical Operation; Lake Tishomingo Sewer Treatment Facilities Connections to be Required. The District will maintain its corporate identity and existence so long as the Bond remains Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities and duties of the District and is obligated by law to comply with the terms and provisions of this Resolution without materially adversely affecting at any time the privileges and rights of any Owner of the Bond.

The District will continuously own and will operate the Lake Tishomingo Sewer Treatment Facilities as a revenue producing facility in an efficient and economical manner and will keep and maintain the same in good repair and working order. The District will establish and maintain such rules and regulations for the use of the Lake Tishomingo Sewer Treatment Facilities as may be necessary to assure maximum utilization and most efficient operation of the Lake Tishomingo Sewer Treatment Facilities.

The District will, to the extent permitted by law, require that the owners of all houses, buildings or properties used for human occupancy, employment, recreation or other purposes, situated within the area served by the Lake Tishomingo Sewer Treatment Facilities and abutting on any street, alley, or right-of-way in which there is now located or may in the future be located a public sanitary or combined sanitary and storm sewer of the Lake Tishomingo Sewer Treatment Facilities, must, at the owner's expense, install suitable toilet facilities therein and connect such facilities directly with the proper part of the Lake Tishomingo Sewer Treatment Facilities within such reasonable time and pursuant to such regulations as shall be provided by the District.

Section 802. Rate Covenant. The District in accordance with and subject to applicable legal requirements will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the Lake Tishomingo Sewer Treatment Facilities as will produce Revenues sufficient to (a) pay the Expenses of the Lake Tishomingo Sewer Treatment Facilities; (b) pay the principal of and interest on the Bond as and when the same become due at the Maturity thereof or on any Interest Payment Date; and (c) provide reasonable and adequate reserves for the payment of the Bond and the interest thereon and for the protection and benefit of the Lake Tishomingo Sewer Treatment Facilities as provided in this Resolution. The District will require the prompt payment of accounts for service rendered by or through the Lake Tishomingo Sewer Treatment Facilities and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. The District will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Revenues will be sufficient to cover the obligations under this Section and otherwise under the provisions of this Resolution.

Section 803. Reasonable Charges for all Services. None of the facilities or services provided by the Lake Tishomingo Sewer Treatment Facilities will be furnished to any user (excepting the District itself) without a reasonable charge being made therefor. If the Revenues are at any time insufficient to pay the reasonable Expenses of the Lake Tishomingo Sewer Treatment Facilities and also to pay all interest on and principal of the Bond as and when the same become due, then the District will thereafter pay into the Lake Tishomingo Sewer Treatment Facilities Revenue Fund a fair and reasonable payment in accordance with effective applicable rates and charges for all services furnished to the District by the Lake Tishomingo Sewer Treatment Facilities, and such payments will continue so long as the same may be necessary in order to prevent or reduce the amount of any default in the payment of the interest on or principal of the Bond.

The District will serve any applicant within the service area of the Lake Tishomingo Sewer Treatment Facilities who desires the services of the Lake Tishomingo Sewer Treatment Facilities and who can feasibly and legally be served. So long as the Bond is owned or insured by the Purchaser, the District will obtain the concurrence of the Purchaser prior to refusing services to such applicant.

Section 804. Restrictions on Mortgage or Sale of Lake Tishomingo Sewer Treatment Facilities. The District will not mortgage, pledge or otherwise encumber the Lake Tishomingo Sewer

Treatment Facilities or any part thereof, nor will it sell, lease or otherwise dispose of the Lake Tishomingo Sewer Treatment Facilities or any material part thereof; provided, however, the District may, but only with the consent of the Purchaser so long as the Bond is owned or insured by the Purchaser:

(a) sell at fair market value any portion of the Lake Tishomingo Sewer Treatment Facilities which has been replaced by other similar property of at least equal value, or which ceases to be necessary for the efficient operation of the Lake Tishomingo Sewer Treatment Facilities, and in the event of sale, the District will apply the proceeds to either (1) redemption of Outstanding installments of principal of the Bond in accordance with the provisions governing repayment of installments of principal of the Bond in advance of Stated Maturity, or (2) replacement of the property so disposed of by other property the revenues of which shall be incorporated into the Revenues as hereinbefore provided;

(b) cease to operate, abandon or otherwise dispose of any property of the Lake Tishomingo Sewer Treatment Facilities which has become obsolete, nonproductive or otherwise unusable to the advantage of the District; or

(c) grant a security interest in equipment to be purchased with the proceeds of any loan, lease or other obligation undertaken in accordance with **Article IX** hereof.

Section 805. Insurance; Fidelity Bond Coverage. The District will carry and maintain insurance with respect to the Lake Tishomingo Sewer Treatment Facilities and its operations against such casualties, contingencies and risks (including but not limited to property and casualty, fire and extended coverage insurance upon all of the properties forming a part of the Lake Tishomingo Sewer Treatment Facilities insofar as the same are of an insurable nature, public liability, worker's compensation and employee dishonesty insurance), such insurance to be of the character and coverage and in such amounts as would normally be carried by other municipalities or public entities engaged in similar activities of comparable size and similarly situated. In the event of loss or damage, the District, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or in paying the claims on account of which such proceeds were received, or if such reconstruction or replacement is unnecessary or impracticable, then the District will pay and deposit the proceeds of such insurance into the Lake Tishomingo Sewer Treatment Facilities Revenue Fund. The District will annually review the insurance it maintains with respect to the Lake Tishomingo Sewer Treatment Facilities to determine that it is customary and adequate to protect its property and operations. The cost of all insurance obtained pursuant to the requirements of this Section shall be paid as an Expense out of the Revenues.

All officers and employees of the District handling the funds and accounts of the Lake Tishomingo Sewer Treatment Facilities shall be bonded in each fiscal year in an amount not less than the total amount of principal and interest becoming due on all obligations of the District during the fiscal year or, so long as the Bond is held or insured by the Purchaser, the amount required by the Purchaser.

As long as the Bond is owned or insured by the Purchaser, the District will annually submit a report of its insurance and fidelity bond coverage to the Purchaser for review and approval.

Section 806. Books, Records and Accounts. The District will install and maintain proper books, records and accounts for the Lake Tishomingo Sewer Project (entirely separate from all other records and accounts of the District) in which complete and correct entries will be made of all dealings and transactions of or in relation to the Lake Tishomingo Sewer Treatment Facilities. Such accounts shall

show the amount of Revenues received from the Lake Tishomingo Sewer Treatment Facilities, the application of such Revenues, and all financial transactions in connection therewith. Said books shall be kept by the District according to standard accounting practices as applicable to the operation of facilities comparable to the Lake Tishomingo Sewer Treatment Facilities.

Section 807. Annual Budget. Prior to the commencement of each fiscal year, the District will cause to be prepared and filed with the District Clerk a budget setting forth the estimated receipts and expenditures of the Lake Tishomingo Sewer Treatment Facilities for the next succeeding fiscal year. So long as the Bond is owned or insured by the Purchaser, the District Clerk, promptly upon the filing of said budget in the District Clerk's office, will mail a copy of said budget to the Purchaser of the Bond. Said annual budget shall be prepared in accordance with the requirements of the laws of Missouri and shall contain all information that is required by such laws.

Section 808. Audits. As long as the Bond is owned or insured by the Purchaser, audits of the Lake Tishomingo Sewer Treatment Facilities shall be made at such time and in such manner as the Purchaser shall require.

If the Bond is not owned or insured by the Purchaser, then annually, promptly after the end of the fiscal year, the District will cause an audit to be made of the Lake Tishomingo Sewer Treatment Facilities for the preceding fiscal year by a certified public accountant or firm of certified public accountants to be employed for that purpose and paid from the Revenues. Said annual audit shall cover in reasonable detail the operation of the Lake Tishomingo Sewer Treatment Facilities during such fiscal year.

Within 30 days after the completion of each audit, a copy thereof shall be filed in the office of the District Clerk, and, if the Bond is owned or insured by the Purchaser, a duplicate copy of the audit shall be mailed to the Purchaser of the Bond. Such audits shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any user of the services of the Lake Tishomingo Sewer Treatment Facilities, the Registered Owner of the Bond, or by anyone acting for or on behalf of such taxpayer, user or Registered Owner.

As soon as possible after the completion of each audit, the governing body of the District shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Resolution and the Act, the District will promptly cure such deficiency and will promptly proceed to increase the rates and charges to be charged for the use and services furnished by the Lake Tishomingo Sewer Treatment Facilities as may be necessary to adequately provide for such requirements.

Section 809. Right of Inspection. The Purchaser of the Bond and any Registered Owner of the Bond shall have the right at all reasonable times to inspect the Lake Tishomingo Sewer Treatment Facilities and all records, accounts and data relating thereto, and shall be furnished all such information concerning the Lake Tishomingo Sewer Treatment Facilities and the operation thereof which the Purchaser or such Registered Owner may reasonably request.

Section 810. Performance of Duties and Covenants. The District will faithfully and punctually perform all duties, covenants and obligations with respect to the operation of the Lake Tishomingo Sewer Treatment Facilities now or hereafter imposed upon the District by the Constitution and laws of the State of Missouri and by the provisions of this Resolution.

Section 811. Consultant's Report. Upon the request of the Purchaser, but in no event more often than once every three years, the District will cause a Consultant to make an examination of and report on the condition and operations of the Lake Tishomingo Sewer Treatment Facilities, such report to include recommendations as to any changes in such operations deemed desirable. Each such report shall also make reference to any unusual or extraordinary items of maintenance and repair and any extensions or improvements that may be needed in the ensuing three-year period. A copy of each such report shall be filed in the office of the District Clerk and, upon written request, sent to the Purchaser of the Bond or the Bondowner (at the expense of such Bondowner).

Section 812. Tax Covenants.

(a) The District covenants that (1) it will comply with all applicable provisions of the Code necessary to maintain the exclusion from federal gross income of the interest on the Bond, and (2) it will comply with all provisions and requirements of the Federal Tax Certificate. The President of the Board of Directors is hereby authorized and directed to execute the Federal Tax Certificate in a form that is approved by Bond Counsel, for and on behalf of and as the act and deed of the District. The District will also pass such other resolutions or ordinances and take such other actions as may be necessary to comply with the Code and with other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bond will remain excluded from federal gross income, to the extent any such actions can be taken by the District.

(b) The covenants contained in this Section and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bond pursuant to **Article XI** of this Resolution or any other provision of this Resolution, until the final Maturity of all installments of principal of the Bond Outstanding.

Section 813. Refinanced Bonds - When Required. The District hereby represents and covenants that it will refinance the unpaid balance, in whole or in part, of the Outstanding principal amount of the Bond upon the request of the Purchaser if at any time it should appear to the Purchaser that the District is able and authorized by law to refinance the Bond by obtaining a loan for such purposes from cooperatives or private sources at reasonable rates and terms.

ARTICLE IX

ADDITIONAL BONDS AND OBLIGATIONS

Section 901. Senior Lien Bonds. The District covenants and agrees that so long as the Bond remains Outstanding, the District will not issue any additional bonds or incur or assume any other debt obligations appearing as liabilities on the balance sheet of the District or the Lake Tishomingo Sewer Treatment Facilities for the payment of moneys determined in accordance with generally accepted accounting principles consistently applied, including capital leases as defined by generally accepted accounting principles, payable out of the Net Revenues or any part thereof which are superior to the Bond.

Section 902. Parity Lien Bonds and Other Obligations. The District covenants and agrees that so long as the Bond remains Outstanding, it will not issue any additional bonds or other long-term obligations payable out of the Net Revenues or any part thereof which stand on a parity or equality with the Bond unless **Section 905** hereof is complied with and the following conditions are met:

(a) The District shall not be in default in the payment of principal of or interest on the Bond or any Parity Bonds at the time outstanding or in making any payment at the time required to be made into the respective funds and accounts created by and referred to in this Resolution or any Parity Resolution (unless such additional revenue bonds or obligations are being issued to provide funds to cure such default).

(b) Either of the following:

(1) The Net Revenues Available for Debt Service, as determined by a certified public accountant or firm of certified public accountants, for the fiscal year immediately preceding the issuance of additional bonds shall have been equal to at least 120% of the Average Annual Debt Service for all Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project) of the District, including the additional bonds proposed to be issued. In determining the Net Revenues Available for Debt Service for the purpose of this subsection, such accountant(s) may adjust said Net Revenues Available for Debt Service by adding thereto, in the event the District has made any increase in rates for the use and services of the Lake Tishomingo Sewer Treatment Facilities and such increase has not been in effect during all of the fiscal year immediately preceding the issuance of additional bonds, the amount, as estimated by such accountant(s) or a Consultant, of the additional Net Revenues Available for Debt Service which would have resulted from the operation of the Lake Tishomingo Sewer Treatment Facilities during said preceding fiscal year had such rate increase been in effect for the entire period.

(2) The Net Revenues Available for Debt Service projected to be derived by the District from the operation of the Lake Tishomingo Sewer Treatment Facilities for the fiscal year immediately following the fiscal year in which the improvements to the Lake Tishomingo Sewer Treatment Facilities, the cost of which is being financed by such additional bonds, are to be in commercial operation, as determined by a Consultant, shall be equal to at least 120% of the average of the Debt Service Requirements in all fiscal years succeeding said fiscal year in which such improvements are expected to be placed in commercial operation. In determining the projected Net Revenues Available for Debt Service for the purpose of this subsection, the Consultant may adjust said projections by adding thereto any estimated increase in Net Revenues Available for Debt Service resulting from any increase in rates for the use and services of the Lake Tishomingo Sewer Treatment Facilities duly made by the District and which shall be in effect for the period of such projections which, in the opinion of the Consultant, are economically feasible and reasonably considered necessary based on projected operations of the Lake Tishomingo Sewer Treatment Facilities.

(c) So long as the Bond is owned or insured by the Purchaser, any resolution authorizing such additional parity bonds shall contain substantially the same terms, conditions, covenants and procedures as established in this Resolution and such resolution authorizing such additional revenue bonds shall acknowledge the fact that the Bond may be called for redemption and payment prior to the Stated Maturity thereof as a requirement of the Purchaser as contained in 7 U.S.C. 1983(3), 7 C.F.R. Part 1780, and any succeeding federal laws and regulations applicable thereto.

Additional revenue bonds of the District issued under the conditions set forth in this Section shall stand on a parity with the Bond and shall enjoy complete equality or lien on and claim against the Net Revenues with the Bond, and the District may make equal provision for paying said bonds and the interest thereon out of the Lake Tishomingo Sewer Treatment Facilities Revenue Fund and may likewise provide for the creation of reasonable debt service accounts and debt service reserve accounts for the payment of such additional bonds and the interest thereon out of moneys in the Lake Tishomingo Sewer Treatment Facilities Revenue Fund.

Section 903. Junior Lien Bonds and Other Obligations. Nothing in this Section contained shall prohibit or restrict the right of the District to issue additional revenue bonds or other revenue obligations for any lawful purpose in connection with the operation of the Lake Tishomingo Sewer Treatment Facilities and benefitting the Lake Tishomingo Sewer Treatment Facilities and to provide that the principal of and interest on said revenue bonds or obligations shall be payable out of the Net Revenues of the Lake Tishomingo Sewer Treatment Facilities, provided at the time of the issuance of such additional revenue bonds or obligations **Section 905** hereof is complied with and the District is not in default in the performance of any covenant or agreement contained in this Resolution (unless such additional revenue bonds or obligations are being issued to provide funds to cure such default), and provided further that such additional revenue bonds or obligations shall be junior and subordinate to the Bond so that if at any time the District shall be in default in paying either interest on or principal of the Bond, or if the District is in default in making any payments required to be made by it under the provisions of paragraphs (a), (b) and (c) of **Section 602** of this Resolution, the District shall make no payments of either principal of or interest on said junior and subordinate revenue bonds or obligations until said default or defaults be cured. In the event of the issuance of any such junior and subordinate revenue bonds or obligations, the District, subject to the provisions aforesaid, may make provision for paying the principal of and interest on said revenue bonds or obligations out of moneys in the Lake Tishomingo Sewer Treatment Facilities Revenue Fund.

Section 904. Refunding Bonds. Subject to the continuing obligation of the District to comply with the provisions of **Section 905** hereof and with 7 U.S.C. 1983(3) and regulations issued thereunder so long as the Bond is owned or insured by the Purchaser, the District shall have the right, if it shall find it desirable, without complying with the provisions of **Section 902** hereof to refund the Bond under the provisions of any law then available.

Section 905. Consent of Purchaser to Additional Bonds. Notwithstanding any provision in this Resolution to the contrary, as long as the Bond is owned or insured by the Purchaser, the District will not issue any additional bonds or other obligations having a claim on the Net Revenues or any part thereof without the prior written consent of the Purchaser.

ARTICLE X

DEFAULT AND REMEDIES

Section 1001. Acceleration of Maturity Upon Default. The District covenants and agrees that if it defaults in the payment of the principal of or interest on the Bond as the same become due on any Bond Payment Date, or if the District or its governing body or any of the officers, agents or employees thereof fail or refuse to comply with any of the provisions of this Resolution or of the constitution or statutes of the State of Missouri, and such default continues for a period of 60 days after written notice specifying such default has been given to the District by the Registered Owner of the Bond, then, at any

time thereafter and while such default continues, the Registered Owner of the Bond may, by written notice to the District filed in the office of the District Clerk or delivered in person to said District Clerk, declare the unpaid principal of the Bond then Outstanding to be due and payable immediately, and upon any such declaration given as aforesaid, the Bond shall become and be immediately due and payable, anything in this Resolution or in the Bond contained to the contrary notwithstanding. This provision, however, is subject to the condition that if at any time after the principal of the Bond has been so declared to be due and payable, all arrears of interest upon the Bond, except interest accrued but not yet due on the Bond, and all arrears of principal upon the Bond have been paid in full and all other defaults, if any, by the District under the provisions of this Resolution and under the provisions of the statutes of the State of Missouri have been cured, then and in every such case the Registered Owner of the Bond, by written notice to the District given as hereinbefore specified, may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

Section 1002. Other Remedies. The provisions of this Resolution, including the covenants and agreements herein contained, shall constitute a contract between the District and the Registered Owner of the Bond, and the Registered Owner of the Bond shall have the right:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner against the District and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Resolution 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 District, 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 Owner of the Bond.

Section 1003. Limitation on Rights of Bondowner. The Bondowner secured hereby shall have no right in any manner whatever by its action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided.

Section 1004. Remedies Cumulative. No remedy conferred herein upon the Bondowner 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 the 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 the 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 Owner of the Bond by this Resolution 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 the 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 District and the Registered Owner of the Bond shall be restored to its former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondowner shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 1005. No Obligation to Levy Taxes. Nothing contained in this Resolution shall be construed as imposing on the District any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Bond.

ARTICLE XI

DEFEASANCE

Section 1101. Defeasance. When the Bond or the interest payments thereon have been paid and discharged, then the requirements contained in this Resolution and the pledge of Net Revenues made hereunder and all other rights granted hereby shall terminate with respect to the Bond or interest payments so paid and discharged. The Bond or the interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Resolution if there has been deposited with a 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 Bond or interest payments thereon, in trust for and irrevocably appropriated thereto, money 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 Bond, and/or interest to accrue on such Bond to the Stated Maturity or Redemption Date, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments; provided, however, that if the Bond shall be redeemed prior to the Stated Maturity thereof, (1) the District shall have elected to redeem such Bond, and (2) either notice of such redemption shall have been given, or the District shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to redeem such Bond in compliance with **Section 302(a)** of this Resolution. Any money and Defeasance Obligations that at any time shall be deposited with a commercial bank or trust company by or on behalf of the District, for the purpose of paying and discharging the Bond or the interest payments thereon, shall be and are hereby assigned, transferred and set over to such bank or trust company in trust for the respective Registered Owner of the Bond, and such money shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All moneys and Defeasance Obligations deposited with such bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Resolution.

Notwithstanding any provision herein to the contrary, as long the Bond is owned or insured by the Purchaser, the District will not issue any additional Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project) or other obligations for the purpose of providing funds to refund all or part of the Bond unless either (i) the Bond is paid, retired and cancelled concurrently with the issuance of such refunding revenue bonds or other obligations or at the first interest and principal payment date for the Bond occurring after the issuance of the refunding revenue bonds or other obligations, or (ii) written consent to the issuance of such refunding revenue bonds or other obligations is given by the Purchaser.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1201. Amendments. Any provision of the Bond or of this Resolution may be amended or modified by resolution duly passed by the governing body of the District at any time in any respect with the written consent of the Registered Owner of the Bond.

Without notice to or the consent of the Bondowner, the District may amend or supplement this Resolution 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 Bondowner.

Every amendment or modification of the provisions of the Bond or of this Resolution, to which the written consent of the Bondowner is given shall be expressed in a resolution passed by the governing body of the District amending or supplementing the provisions of this Resolution and shall be deemed to be a part of this Resolution. A certified copy of every such amendatory or supplemental resolution, if any, and a certified copy of this Resolution shall always be kept on file in the office of the District Clerk, and shall be made available for inspection by the Registered Owner of the Bond or a prospective purchaser or owner of the Bond authorized by this Resolution, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental resolution or of this Resolution will be sent by the District 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 District Clerk a copy of the resolution of the District hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Registered Owner of the Bond. It shall not be necessary to note on the Outstanding Bond any reference to such amendment or modification.

The District shall furnish to the Paying Agent a copy of any amendment to the Bond or this Resolution made hereunder which affects the duties or obligations of the Paying Agent under this Resolution.

Section 1202. Notices, Consents and Other Instruments by Bondowner. Any notice, consent, request, direction, approval, objection or other instrument required by this Resolution to be signed and executed by the Bondowner may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowner 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 Bond, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be conclusive in favor of the District 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 Bond and the date of holding the same shall be proved by the Bond Register.

As long as the Bond is owned or insured by the Purchaser, the Purchaser shall be deemed to be a Bondowner for purposes of **Article X** and **Article XII** of this Resolution.

Section 1203. Further Authority. The officers of the District, including the President of the Board of Directors and District Clerk, shall be, and they hereby are, 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 Resolution 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 1204. Severability. If any section or other part of this Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Resolution.

Section 1205. Governing Law. This Resolution shall be governed exclusively by and constructed in accordance with the applicable laws of the State of Missouri.

Section 1206. Effective Date. This Resolution shall take effect and be in full force from and after its passage by the Board of Directors.

Section 1207. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

PASSED by the Board of Directors of Public Water Supply District No. 13 of Jefferson County, Missouri, this 24th day of April, 2012.

(SEAL)



ATTEST:

Rebecca Husk
District Clerk

Marilyn Meuser
President of the Board of Directors

**EXHIBIT A
TO RESOLUTION**

(FORM OF BOND)

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

Case No. _____

**Registered
No. R-1**

**Registered
\$2,094,000**

PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI

**COMMON SEWER TREATMENT FACILITIES REVENUE BOND
(LAKE TISHOMINGO SEWER PROJECT)
SERIES A**

**REGISTERED OWNER: UNITED STATES OF AMERICA,
UNITED STATES DEPARTMENT OF AGRICULTURE**

PRINCIPAL AMOUNT: TWO MILLION NINETY FOUR THOUSAND DOLLARS

PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI, a public water supply district and a political subdivision of the State of Missouri (the "District"), for value received, hereby promises to pay out of the funds hereinafter specified, to the registered owner shown above, or its registered assigns, but solely from the source and in the manner herein specified, the principal amount shown above and to pay interest thereon, but solely from the source and in the manner herein specified, from the effective date of registration of this Bond (which date is set forth on the last page of this Bond) at the rate of 4.00% per annum, payable April 24, 2013, and thereafter annually on April 24 in each year, on the unpaid principal balance until paid in full.

The principal or redemption price of and interest on this Bond shall be payable in installments as follows:

Interest only shall be payable annually on April 24, 2013, and April 24, 2014, and thereafter both principal of and interest on this Bond shall become due in installments of \$115,401.00 on April 24, 2015, and annually thereafter on April 24 until the principal and interest are fully paid except that the final installment of the entire remaining principal and interest on this Bond, if not sooner paid, shall be due and payable on April 24, 2047.

Every payment made on the obligation evidenced by this Bond shall be applied first to accrued interest and then to principal. Both principal of and interest on this Bond are hereby made payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of debts due the United States of America.

When this Bond is owned by the United States of America acting through the United States Department of Agriculture, this Bond or the respective installments or principal corresponding thereto shall be subject to redemption and prepayment prior to maturity, at the option of the District, in whole or in part at any time upon payment of the par value of the principal amount of the Bond or installments of principal thereof to be redeemed and prepaid, plus accrued interest thereon to the date fixed for redemption and prepayment, without premium.

When this Bond is not owned by the United States of America acting through the United States Department of Agriculture, this Bond or the respective installments of principal corresponding thereto are not subject to redemption prior to April 24, 2021. The installments of principal of the Bond maturing in the years 2022 to 2047, inclusive, are subject to redemption and payment at the option of the District on April 24, 2021, or at any time thereafter in whole or in part at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment, without premium.

If this Bond or any installment of principal of this Bond be called for redemption as aforesaid, interest on this Bond or on such installments of principal of this Bond will cease on the specified redemption date provided funds or securities in which such funds are invested for such redemption are on deposit with the hereinafter referred to Paying Agent prior to the redemption date. Redemption of less than all of the unpaid installments of principal of this Bond shall not reduce the annual installment of principal and interest payable each year. If all of the unpaid installments of principal of this Bond be called for redemption, this Bond shall no longer be entitled to the benefits and protection of the covenants contained in the Resolution authorizing this Bond and shall not be deemed to be outstanding under the provisions of said Resolution.

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 date fixed for redemption, to the Purchaser of the Bond and the registered owner of the Bond at the address shown on the Bond Register. Notice of redemption having been given as aforesaid, the Bond or portions of the Bond 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 District shall default in the payment of the redemption price) such Bond or portions of the Bond shall cease to bear interest.

During such time as this Bond is outstanding and unpaid, interest and principal installment payments accruing on this Bond, except for the final payment of the entire indebtedness, shall be payable by check or draft to the Registered Owner hereof without presentation of this Bond by the Treasurer of the District (the "Paying Agent"). Final payment of the entire obligation evidenced by this Bond shall be payable upon presentation and surrender of this Bond at the office of the Paying Agent.

This Bond is a duly authorized bond issue of the District designated the "Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A," in the principal amount of \$2,094,000 (the "Bond"), issued by the District for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve the needs of certain described properties within the District (said facilities, together with all future improvements and extensions thereto hereafter constructed or acquired by the District, being herein called the "Lake Tishomingo Sewer Treatment Facilities"), under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly Chapter 247 of the Revised Statutes of Missouri, as amended, and pursuant to an election duly held in the District and a resolution duly passed by the governing body of the District (herein called the "Resolution"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

The Bond is a special obligation of the District payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues of the Lake Tishomingo Sewer Treatment Facilities, and the taxing power of the District is not pledged to the payment of the Bond either as to principal or interest. The Bond shall not be or constitute a general obligation of the District, nor shall it constitute an indebtedness of the District within the meaning of any constitutional, statutory or charter provision, limitation or restriction. Under the conditions set forth in the Resolution, the District has the right to issue additional parity bonds payable from and secured by the Net Revenues; provided, however, that such additional bonds may be so issued only in accordance with and subject to the covenants, conditions and restrictions relating thereto set forth in the Resolution.

The District hereby covenants with the Registered Owner of this Bond that it will keep and perform all covenants and agreements contained in the Resolution, and will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the Lake Tishomingo Sewer Treatment Facilities, as will produce Revenues sufficient to pay the costs of operation and maintenance of the Lake Tishomingo Sewer Treatment Facilities, pay the principal of and interest on the Bond as and when the same become due, and provide reasonable and adequate reserve funds. Reference is made to the Resolution for a description of the covenants and agreements made by the District with respect to the collection, segregation and application of the Revenues of the Lake Tishomingo Sewer Treatment Facilities, the nature and extent of the security of the Bond, the rights, duties and obligations of the District with respect thereto, and the rights of the Registered Owner thereof.

This Bond may be transferred or exchanged, as provided in the Resolution, only on the Bond Register kept for that purpose at the office of the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond of the same maturity and in the outstanding principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution and upon payment of the charges therein prescribed. The District 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 Resolution until the Certificate of Authentication hereon shall have been executed by the Paying Agent.

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

IN WITNESS WHEREOF, PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI, has executed this Bond by causing it to be signed by the manual or facsimile signature of its President of the Board of Directors and attested by the manual or facsimile signature of its District Clerk and its official seal to be affixed hereto or imprinted hereon, and has caused the Original Issue Date of this Bond to be April 24, 2012.

CERTIFICATE OF AUTHENTICATION

PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI

This Bond is the Bond described in the within-mentioned Resolution.

By: _____
President of the Board of Directors

Effective Date of Registration: _____

(SEAL)

_____,
Treasurer of Public Water Supply District No. 13 of Jefferson County, Missouri,
as Paying Agent

ATTEST:

District Clerk

District's mailing address:

ASSIGNMENT

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

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

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

Dated: _____

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

Signature Guaranteed By:

(Name of Eligible Guarantor Institution)

By: _____

Title: _____

**EXHIBIT B
TO RESOLUTION**

LAKE TISHOMINGO SEWER PROJECT

Lake Tishomingo Subdivision, Jefferson County, Missouri, as recorded by plat in the office of the Recorder of Deeds of Jefferson County, Missouri, in Plat Book 9, Page 61.

**A RESOLUTION AUTHORIZING A TAX COMPLIANCE PROCEDURE FOR
FINANCIAL OBLIGATIONS OF PUBLIC WATER SUPPLY DISTRICT NO. 13
OF JEFFERSON COUNTY, MISSOURI**

WHEREAS, Public Water Supply District No. 13 of Jefferson County, Missouri, from time to time issues obligations to finance improvements for the District; and

WHEREAS, the Internal Revenue Service (“IRS”) has increased its requirements for compliance with federal tax laws and regulations for tax-advantaged governmental obligations, has expanded its enforcement of such federal tax laws and regulations and has shifted the burden of proof for compliance with such laws and regulation to the issuers of governmental obligations; and

WHEREAS, the Board of Directors of the District deems it to be necessary and in the best interests of said District to adopt policies and procedures for its financial obligations to evidence compliance with IRS laws and regulations;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI, AS FOLLOWS:

Section 1. It is hereby found, determined and declared to be necessary and in the best interests of Public Water Supply District No. 13 of Jefferson County, Missouri, to authorize and approve the “Tax Compliance Procedure” to be dated as of the date of this Resolution, attached hereto as **APPENDIX A**, for financial obligations issued by the District.

Section 2. Said Tax Compliance Procedure shall be amended and revised from time to time as may be necessary to comply with IRS laws and regulations relating to financial obligations of the District.

Section 3. This Resolution shall be in full force and effect from and after its passage.

PASSED by the Board of Directors this 24th day of April, 2012.

(SEAL)



ATTEST:

Marilyn Meyer
President of the Board of Directors

Richard Hill
District Clerk

**PUBLIC WATER SUPPLY DISTRICT NO. 13
OF JEFFERSON COUNTY, MISSOURI**

TAX COMPLIANCE PROCEDURE

Dated as of April 24, 2012

TAX COMPLIANCE PROCEDURE

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* * *

TAX COMPLIANCE PROCEDURE

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized words and terms used in this Compliance Procedure have the following meanings:

“Annual Compliance Checklist” means a questionnaire and/or checklist described in **Section 6.1** hereof that is completed each year for the Tax-Advantaged Bonds.

“Bond Compliance Officer” means the Issuer’s Bookkeeper or, if the position of Bookkeeper is vacant, the person filling the responsibilities of the Bookkeeper for the Issuer.

“Bond Counsel” means a law firm selected by the Issuer to provide a legal opinion regarding the tax status of interest on the Tax-Advantaged Bonds as of the issue date or the law firm selected to advise the Issuer on matters referenced in this Compliance Procedure.

“Bond Restricted Funds” means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the Tax-Advantaged Bonds.

“Bond Transcript” means the “transcript of proceedings” or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Tax-Advantaged Bonds.

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

“Compliance Procedure” means this Tax Compliance Procedure.

“Cost” or **“Costs”** means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Project Facility or costs of issuing Tax-Advantaged Bonds for a Project Facility.

“Final Written Allocation” means the Final Written Allocation of Tax-Advantaged Bond proceeds prepared pursuant to **Section 5.4** of this Compliance Procedure.

“Financed Assets” means that part of a Project Facility treated as financed with Tax-Advantaged Bond proceeds as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Issuer and the Tax Compliance Agreement for the Tax-Advantaged Bonds.

“Governing Body” means the Board of Directors of the Issuer.

“Intent Resolution” means a resolution of the Issuer stating (1) the intent of the Issuer to finance all or a portion of the Project Facility, (2) the expected maximum size of the financing and (3) the intent of the Issuer to reimburse Costs of the Project Facility paid by the Issuer from proceeds of the Tax-Advantaged Bonds.

“IRS” means the Internal Revenue Service.

“**Issuer**” means Public Water Supply District No. 13 of Jefferson County, Missouri.

“**Placed In Service**” means that date (as determined by the Bond Compliance Officer) when the Project Facility is substantially complete and in operation at substantially its design level.

“**Project Facility**” means all tangible or intangible property financed in whole or in part with Tax-Advantaged Bonds that are (1) functionally related or integrated in use, (2) located on the same physical site or proximate sites, and (3) expected to be Placed In Service within a one-year period of each other.

“**Rebate Analyst**” means the rebate analyst for the Tax-Advantaged Bonds selected pursuant to the Tax Compliance Agreement.

“**Regulations**” means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to tax-exempt obligations.

“**Tax Compliance Agreement**” means the Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Issuer setting out representations and covenants for satisfying the post-issuance tax compliance requirements for the Tax-Advantaged Bonds.

“**Tax-Advantaged Bonds**” means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Issuer or another political subdivision or government instrumentality, the proceeds of the which are to be loaned or otherwise made available to the Issuer, and the interest on which is excludable from gross income for federal income tax purposes or is subject to other advantages, requirements or limitations of the Code and Regulations or any other United States laws and regulations relating to taxation thereof. A list of all Tax-Advantaged Bonds outstanding and subject to this Compliance Procedure as of April 24, 2012, is attached as **Exhibit A**.

“**Tax-Advantaged Bond File**” means documents and records which may consist of paper and electronic medium, maintained for the Tax-Advantaged Bonds. Each Tax-Advantaged Bond File will include the following information if applicable:

- (a) Intent Resolution.
- (b) Bond Transcript.
- (c) Final Written Allocation and/or all available accounting records related to the Project Facility showing expenditures allocated to the proceeds of the Tax-Advantaged Bonds and expenditures (if any) allocated to other sources of funds.
- (d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculations.
- (e) Forms 8038-T together with proof of filing and payment of rebate.
- (f) Investment agreement bid documents (unless included in the Bond Transcript) including:
 - (1) bid solicitation, bid responses, certificate of broker;
 - (2) written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
 - (3) copies of the investment agreement and any amendments.

- (g) Any item required to be maintained by the terms of the Tax Compliance Agreement involving the use of the Project Facility or expenditures related to tax compliance for the Tax-Advantaged Bonds.
- (h) Any opinion of Bond Counsel regarding the Tax-Advantaged Bonds not included in the Bond Transcript.
- (i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript.
- (j) Any correspondence with the IRS relating to the Tax-Advantaged Bonds including all correspondence relating to an audit by the IRS of the Tax-Advantaged Bonds or any proceedings under the Tax-Advantaged Bonds Voluntary Closing Agreement Program (VCAP).
- (k) Any available questionnaires or correspondence substantiating the use of the Project Facility in accordance with the terms of the Tax Compliance Agreement for the Tax-Advantaged Bonds.
- (l) For refunding bond issues, the Tax-Advantaged Bond File for the refunded Tax-Advantaged Bonds.

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) The Issuer uses Tax-Advantaged Bonds to fund Costs of a Project Facility. The Issuer understands that in exchange for the right to issue Tax-Advantaged Bonds at favorable interest rates and terms, the Code and Regulations impose ongoing requirements related to the proceeds of the Tax-Advantaged Bonds and the Project Facility financed by the Tax-Advantaged Bonds. These requirements focus on the investment, use and expenditure of proceeds of the Tax-Advantaged Bonds and related funds as well as restrictions on the use of the Project Facility.

(b) The Issuer recognizes that the IRS has stated that all issuers of Tax-Advantaged Bonds should have separate written procedures regarding ongoing compliance with the federal tax requirements for Tax-Advantaged Bonds.

(c) The Issuer is committed to full compliance with the tax law requirements for all of its outstanding and future tax-exempt and taxable financings. This Compliance Procedure is adopted by the Governing Body to comply with the IRS directives and to improve tax law compliance and documentation.

Section 2.2. Scope of Compliance Procedure; Conflicts. This Compliance Procedure applies to all Tax-Advantaged Bonds currently outstanding and all Tax-Advantaged Bonds issued in the future. If the provisions of this Compliance Procedure conflict with a Tax Compliance Agreement or any other specific written instructions of Bond Counsel, the terms of the Tax Compliance Agreement or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Advantaged Bonds will be incorporated in the Tax Compliance Agreement for the future issue. Any requirements imposed on the Issuer in the Tax Compliance Agreement, will be noted by the Bond Compliance Officer and incorporated into the Annual Compliance Checklist.

Section 2.3. Amendments and Publication of Compliance Procedure. This Compliance Procedure may be amended from time-to-time by the Governing Body. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Issuer.

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with other employees that use the Project Facility to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Bond Counsel, legal counsel to the Issuer, accountants, tax return preparers and other outside experts to the extent necessary to carry out the purposes of this Compliance Procedure. The Bond Compliance Officer will report to the Governing Body as necessary, and at least annually, regarding implementation of this Compliance Procedure and any recommended changes or amendments to this Compliance Procedure.

Section 3.2. Training. When appropriate, the Bond Compliance Officer and/or other employees of the Issuer under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding tax-advantaged financing that are relevant to the Issuer. At the time the individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the outgoing Bond Compliance Officer is responsible for training the incoming individual acting as Bond Compliance Officer to ensure the Issuer's continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Advantaged Bonds.

ARTICLE IV

TAX-ADVANTAGED BONDS CURRENTLY OUTSTANDING

Section 4.1. Tax-Advantaged Bonds Covered by Article IV Procedures. This Article IV applies to all Tax-Advantaged Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Advantaged Bonds are listed on **Exhibit A**.

Section 4.2. Tax-Advantaged Bond File. As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Advantaged Bond File as is available for the Tax-Advantaged Bonds listed on **Exhibit A**.

Section 4.3. Annual Compliance Checklists. As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will work with Bond Counsel and/or legal counsel to the Issuer and cause Annual Compliance Checklists to be completed for all outstanding Tax-Advantaged Bonds and will follow the procedures specified in **Article VI** to complete the Annual Compliance Checklists and thereafter include each completed Annual Compliance Checklist in the Tax-Advantaged Bond File.

Section 4.4. Correcting Prior Deficiencies in Compliance. In the event the Bond Compliance Officer determines any deficiency in compliance with a Tax Compliance Agreement for an outstanding Tax-Advantaged Bond listed on **Exhibit A**, the Bond Compliance Officer will follow the procedures described in the Regulations or the Tax-Advantaged Bonds Voluntary Closing Agreement

Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Issuer to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Governing Body and obtaining its approval.

ARTICLE V

COMPLIANCE PROCEDURE FOR NEW TAX-ADVANTAGED BOND ISSUES

Section 5.1. Application. This Article V applies to Tax-Advantaged Bonds issued on or after the date of this Compliance Procedure.

Section 5.2. Prior to Issuance of Tax-Advantaged Bonds.

(a) Intent Resolution. The Governing Body will authorize and approve the issuance of Tax-Advantaged Bonds. Prior to or as a part of this authorizing resolution or ordinance, the Governing Body may adopt an Intent Resolution.

(b) Directions to Bond Counsel. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Advantaged Bonds so that they conform to the requirements of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Issuer's costs and expenses incurred to implement this Compliance Procedure.

(c) Tax Compliance Agreement. For each issuance of Tax-Advantaged Bonds, a Tax Compliance Agreement will be signed by the Bond Compliance Officer. The Tax Compliance Agreement will (1) describe the Project Facility and the anticipated Financed Assets, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings, require a Final Written Allocation, and (4) contain a form of the Annual Compliance Checklist for the Tax-Advantaged Bonds. The Bond Compliance Officer will confer with Bond Counsel and the Issuer's counsel regarding the meaning and scope of each representation and covenant contained in the Tax Compliance Agreement.

(d) Preliminary Cost Allocations. For each issuance of Tax-Advantaged Bonds, the Bond Compliance Officer in consultation with Bond Counsel, will prepare a preliminary cost allocation plan for the Project Facility. The preliminary cost allocation plan will identify the assets and expected costs for the Project Facility, and when necessary, will break-out the portions of Costs that are expected to be financed with proceeds of the Tax-Advantaged Bonds (the "Financed Assets") and the portions, if any, expected to be financed from other sources.

(e) Tax Review with Bond Counsel. Prior to the sale of Tax-Advantaged Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Compliance Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Compliance Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement, or must be supplemented to account for special issues or requirements for the Tax-Advantaged Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Compliance Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form

of Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Advantaged Bonds.

Section 5.3. Accounting and Recordkeeping.

(a) Accounting for New Money Projects. The Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the Tax-Advantaged Bonds. The Bond Compliance Officer will establish separate accounts or subaccounts to record expenditures for Costs of the Project Facility. Where appropriate, the Bond Compliance Officer may use accounts established as part of the Issuer's financial records for this purpose. In recording Costs for the Project Facility, the Bond Compliance Officer will ensure that the accounting system will include the following information: (1) identity of person or business paid, along with any other available narrative description of the purpose for the payment, (2) date of payment, (3) amount paid, and (4) invoice number or other identifying reference.

(b) Accounting for Refunded Bonds and Related Refunded Bond Accounts. For Tax-Advantaged Bonds that are issued to refund prior Tax-Advantaged Bonds, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced Tax-Advantaged Bonds.

(c) Tax-Advantaged Bond File. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Advantaged Bond File.

Section 5.4. Final Allocation of Bond Proceeds.

(a) Preparation of Final Written Allocation; Timing. The Bond Compliance Officer is responsible for making a written allocation of proceeds of Tax-Advantaged Bonds to expenditures and identifying the Financed Assets. This process will be memorialized in the Final Written Allocation. For a new money financing, the Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Tax-Advantaged Bond proceeds from any segregated Tax-Advantaged Bond funded account, (2) the date the Project Facility has been substantially completed or (3) four and one-half years following the issue date of the Tax-Advantaged Bonds. For Tax-Advantaged Bonds issued only to refund a prior issue of Tax-Advantaged Bonds, the Bond Compliance Officer will work with Bond Counsel to prepare and/or document the Final Written Allocation for the Project Facility financed by the refunded Tax-Advantaged Bonds and include it in the Tax Compliance Agreement.

(b) Contents and Procedure. The Bond Compliance Officer will consult the Tax Compliance Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Advantaged Bond proceeds and other money of the Issuer to the Costs of the Project Facility. If no special allocation is required or recommended, the Bond Compliance Officer will allocate Costs of the Project Facility to the proceeds of the Tax-Advantaged Bonds in accordance with the Issuer's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to Costs of the Project Facility, (2) the percentage of the cost of the Project Facility financed with proceeds of the Tax-Advantaged Bonds (sale proceeds plus any investment earnings on those sale proceeds), (3) the Project Facility's Placed in Service date, (4) the estimated economic useful life of the Project Facility, and (5) any special procedures to be followed in completing the Annual Compliance Checklist (e.g., limiting the Annual Compliance Checklist to specific areas of the Project Facility that the Final Written Allocation or the Tax Compliance Agreement treats as having been financed by Tax-Advantaged Bonds).

(c) Finalize Annual Compliance Checklist. As part of the preparation of the Final Written Allocation, the Bond Compliance Officer will update the draft Annual Compliance Checklist contained in

the Tax Compliance Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Advantaged Bonds in the Annual Compliance Checklist.

(d) Review of Final Written Allocation and Annual Compliance Checklist. Each Final Written Allocation and Annual Compliance Checklist will be reviewed by legal counsel to the Issuer or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

ARTICLE VI

ONGOING MONITORING PROCEDURES

Section 6.1. Annual Compliance Checklist. An Annual Compliance Checklist will be completed by the Bond Compliance Officer each year following completion of the Final Written Allocation. Each Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Tax Compliance Agreement or this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Project Facility) that are required to be incorporated in the Tax-Advantaged Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Compliance Agreement to legal counsel to the Issuer or Bond Counsel and, if recommended by counsel, will follow the procedure set out in **Section 4.4** hereof to remediate the non-compliance.

Section 6.2. Arbitrage and Rebate Compliance. The Bond Compliance Officer will monitor the investment of Bond Restricted Funds and provide investment records to the Rebate Analyst on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

ADOPTED BY THE BOARD OF DIRECTORS
OF PUBLIC WATER SUPPLY DISTRICT NO. 13
OF JEFFERSON COUNTY, MISSOURI
APRIL 24, 2012

EXHIBIT A

LIST OF TAX-ADVANTAGED BONDS COVERED BY THIS COMPLIANCE PROCEDURE

1. \$2,094,000 Common Sewer Treatment Facility Revenue Bond (Lake Tishomingo Sewer Project), Series A, dated April 24, 2012.

DISTRICT'S CLOSING CERTIFICATE

\$2,094,000

**Public Water Supply District No. 13 of Jefferson County, Missouri
Common Sewer Treatment Facilities Revenue Bonds
(Lake Tishomingo Sewer Project)
Series A**

We, the undersigned, are duly qualified and authorized officials of Public Water Supply District No. 13 of Jefferson County, Missouri (the "District"), and we hereby certify in connection with the issuance of the above-described bond issue (the "Bond"), as follows:

1. Meaning of Words and Terms. Capitalized words and terms used herein, unless otherwise defined herein or the context requires otherwise, shall have the same meanings ascribed to such words and terms in the Resolution of the District authorizing the Bond (the "Resolution").

2. Organization and Authority. The District is a legally constituted public water supply district and political subdivision organized and existing under the laws of the State of Missouri. The District has complied with all provisions of the Constitution and the laws of the State of Missouri, and has full power and authority to consummate all transactions contemplated by the Resolution and any and all other agreements relating thereto.

3. Transcript of Proceedings. The transcript of proceedings (the "Transcript") relating to the authorization and issuance of the Bond furnished to the purchaser of the Bond is to the best of our knowledge, information and belief full, correct and complete; none of such proceedings have been modified, amended or repealed; and such facts as are stated in the Transcript still exist.

4. Meetings. All meetings of the governing body of the District as shown in the Transcript were regular meetings, or meetings held pursuant to regular adjournment at the next preceding meeting, or special meetings called and held as shown in the Transcript. All such meetings were open to the public and a quorum was present and acted throughout, and proper notice of all such meetings was given in the manner required by law, including Chapter 610, RSMo.

5. Incumbency of Officers. The following named persons were and are the duly qualified and acting officials of the District at all times during which such persons participated in the proceedings authorizing the Bond as shown in the Transcript:

PRIOR OFFICERS (2006 ELECTION)

CURRENT OFFICERS

<u>Name</u>	<u>Title</u>	<u>Name</u>	<u>Title</u>
Larry Kimmel	President, Board of Directors	Marilyn Meyer	President, Board of Directors
Lou Harting	Director	Ken Jost	Director
Marilyn Meyer	Director	Rick Lippitt	Director
Henry Brym	Director	John Hindrichs	Director
Rich Hirsch	Director and District Clerk	Rich Hirsch	Director, District Clerk
		Janet Hirsch	Acting District Treasurer

6. **Execution of Bond.** The Bond in the principal amount of \$2,094,000, dated April 24, 2012, has been duly signed and executed by the President of the Board of Directors and District Clerk as the duly qualified, constituted and authorized officials of the District, and has been authenticated by the Treasurer of the District. On the date of the Bond, and on the date when the Bond was executed, such officials were and at the date hereof are the officials indicated by their signatures on the Bond and on this Certificate, respectively. The signatures of such officials on the Bond are their true and genuine signatures, and the seal affixed or imprinted on the Bond was and is the duly authorized seal of the District and was affixed on the Bond by the authority and direction of the governing body of the District, and is the seal affixed to this Certificate.

7. **Certification of Payment for Work Performed.** All contractors (and, where applicable, suppliers and subcontractors), engineers, architects, attorneys and others who have performed work with respect to the District's project which is being financed with the proceeds of the Bond have been paid to date in accordance with their contracts or other agreements.

8. **Non-litigation.** There is no litigation, suit or other proceeding of any kind pending, or to our knowledge threatened, (a) seeking to restrain or enjoin the issuance or delivery of the Bond, or (b) contesting, disputing or affecting in any way (1) the legal organization of the District or its boundaries, (2) the right or title of any of its officers to their respective offices, (3) the legality of any of its official acts shown to have been done in the Transcript, (4) the constitutionality or validity of the Bond or the obligation represented by the Bond, or any of the proceedings had in relation to the authorization, issuance or sale thereof, (5) the legality, validity or enforceability of the Resolution or any of the other proceedings had in relation to the authorization, issuance or sale of the Bond, (6) the levy and collection of rates and charges to pay the principal of and interest on the Bond or (7) the federal or state tax-exempt status of the interest on the Bond or (c) that could have a material adverse effect on the financial condition or operations of the District or its ability to make payments on the Bond or to perform its agreements and obligations under the Resolution.

9. **Outstanding Revenue Obligations.** The District does not have outstanding any bonds or other obligations payable out of the Net Revenues of its Lake Tishomingo Sewer Treatment Facilities other than the Bond.

DATED: April 24, 2012.

Signature

Official Title

Marilyn Meyer

President of the Board of Directors

Richard Hirsch

District Clerk

Jane Spruce

Heinig
Treasurer

(SEAL)



FEDERAL TAX CERTIFICATE

Dated as of April 24, 2012

OF

**PUBLIC WATER SUPPLY DISTRICT NO. 13
OF JEFFERSON COUNTY, MISSOURI**

**\$2,094,000
COMMON SEWER TREATMENT FACILITIES REVENUE BOND
(LAKE TISHOMINGO SEWER PROJECT)
SERIES A**

FEDERAL TAX CERTIFICATE

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* * *

FEDERAL TAX CERTIFICATE

THIS FEDERAL TAX CERTIFICATE (the “Tax Certificate”) is executed as of April 24, 2012, by **PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI**, a political subdivision organized and existing under the laws of the State of Missouri (the “Issuer”).

RECITALS

1. This Tax Certificate is being executed and delivered in connection with the issuance by the Issuer of its \$2,094,000 principal amount Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A, dated April 24, 2012 (the “Bond”), under a Resolution dated April 24, 2012 (the “Resolution”), for the purposes described in this Tax Certificate and in the Resolution.

2. The Internal Revenue Code of 1986, as amended (the “Code”), and the applicable Regulations and rulings issued by the U.S. Treasury Department (the “Regulations”), impose certain limitations on the uses and investment of the Bond proceeds and of certain other money relating to the Bond and set forth the conditions under which the interest on the Bond will be excluded from gross income for federal income tax purposes.

3. The Issuer is executing this Tax Certificate in order to set forth certain facts, covenants, representations, and expectations relating to the use of Bond proceeds and the property financed or refinanced with those proceeds and the investment of the Bond proceeds and of certain other related money, in order to establish and maintain the exclusion of the interest on the Bond from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of Code §148(f).

4. The Issuer adopted a Tax Compliance Procedure dated as of April 24, 2012 (the “Tax Compliance Procedure”), for the purpose of setting out general procedures for the Issuer to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

5. This Tax Certificate is entered into as required by the Tax Compliance Procedure to set out specific tax compliance procedures applicable to the Bonds.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Certificate, the Issuer represents, covenants and agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. Except as otherwise provided in this Tax Certificate or unless the context otherwise requires, capitalized words and terms used in this Tax Certificate have the same meanings as set forth in the Resolution, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. The following words and terms used in this Tax Certificate have the following meanings:

“**Annual Compliance Checklist**” means a checklist designed to measure compliance with the requirements of this Tax Certificate after the Issue Date as further described in **Section 4.2** and substantially in the form attached as **Exhibit E**.

“**Bona Fide Debt Service Fund**” means a fund, which may include Bond proceeds, that (a) is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; and (b) is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of (1) the earnings on the fund for the immediately preceding Bond Year, or (2) one-twelfth of the principal and interest payments on the Bond for the immediately preceding Bond Year.

“**Bond**” or “**Bonds**” means any bond or bonds described in the recitals, authenticated and delivered under the Resolution.

“**Bond Compliance Officer**” means the Issuer’s Bookkeeper or other person designated in the Tax Compliance Procedure.

“**Bond Counsel**” means Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel acceptable to the Issuer.

“**Bond Year**” means each 1-year period (or shorter period for the first Bond Year) ending April 24, or another 1-year period selected by the Issuer.

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

“**Computation Date**” means each date on which arbitrage rebate for the Bond is computed. The Issuer may treat any date as a Computation Date, subject to the following limits:

- (a) the first rebate installment payment must be made for a Computation Date not later than 5 years after the Issue Date;
- (b) any subsequent rebate installment payment must be made for a Computation Date not later than 5 years after the previous Computation Date for which an installment payment was made; and
- (c) the date the last Bond is discharged is the final Computation Date.

The Issuer selects April 24, 2017, as the first Computation Date but reserves the right to select a different date consistent with the Regulations.

“**Final Written Allocation**” means the Final Written Allocation of expenditures prepared by the Bond Compliance Officer in accordance with the Tax Compliance Procedure and **Section 4.2(b)** of this Tax Certificate and set forth in **Exhibit D**.

“**Financed Facility**” means any of the property financed or refinanced with the proceeds of the Bond and the Original Obligation as described on **Exhibit D**.

“**Gross Proceeds**” means (a) sale proceeds (any amounts actually or constructively received by the Issuer from the sale of the Bond, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest), (b) Investment proceeds (any amounts received from investing sale proceeds, other Investment proceeds or transferred proceeds), (c) any amounts held in a sinking fund for the Bond, (d) any amounts held in a pledged fund or reserve fund for the Bond, (e) any other

replacement proceeds and (f) any transferred proceeds. Specifically, Gross Proceeds includes (but is not limited) to amounts held in the following funds and accounts:

Project Fund.
Debt Service Account.
Debt Service Reserve Account.

“Guaranteed Investment Contract” is any Investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including any agreement to supply Investments on two or more future dates (*e.g.*, a forward supply contract).

“Investment” means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, Gross Proceeds. This term does not include a tax-exempt bond, except for “specified private activity bonds” as such term is defined in Code § 57(a)(5)(C), but does include the investment element of most interest rate caps.

“IRS” means the United States Internal Revenue Service.

“Issue Date” means April 24, 2012.

“Issuer” means Public Water Supply District No. 13 of Jefferson County, Missouri, and its successors and assigns, or any body, agency or instrumentality of the State of Missouri succeeding to or charged with the powers, duties and functions of the Issuer.

“Loan” means the advances of funds for the Financed Facility made by the United States Department of Agriculture pursuant to a Loan Agreement dated as of August 3, 2010.

“Management Agreement” means a legal agreement defined in Regulations § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Financed Facility, such as a contract to manage the entire Financed Facility or a portion of the Financed Facility. However, contracts for services that are solely incidental to the primary governmental function of the Financed Facility (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not treated as Management Agreements.

“Measurement Period” means the period beginning on the later of (i) the issue date of the Original Obligation or (ii) the date the property was or will be placed on service, and ending on the earlier of (A) the final maturity date of the Bond or (B) the expected economic useful life of the property.

“Minor Portion” means the lesser of \$100,000 or 5% of the sale proceeds of the Bond.

“Net Proceeds” means, when used in reference to the Bond, the sale proceeds (excluding pre-issuance accrued interest), less an allocable share of any proceeds deposited in a reasonably required reserve or replacement fund, plus an allocable share of all Investment earnings on such sale proceeds.

“Non-Qualified Use” means use of Bond proceeds or the Financed Facility in a trade or business carried on by any Non-Qualified User. The rules set out in Regulations § 1.141-3 determine whether Bond proceeds or the Financed Facility are “used” in a trade or business. Generally, ownership, a lease, or any other use that grants a Non-Qualified User a special legal right or entitlement with respect to the Financed Facility, will constitute use under Regulations § 1.141-3.

“Non Qualified User” means any person or entity other than a Qualified User.

“Opinion of Bond Counsel” means the written opinion of Bond Counsel to the effect that the action or proposed action or the failure to act or proposed failure to act for which the opinion is required will not adversely affect the exclusion of the interest on the Bond from gross income for federal income tax purposes.

“Original Obligation” means the Loan.

“Post-Issuance Tax Requirements” means those requirements related to the use of proceeds of the Bond, the use of the Financed Facility and the investment of Gross Proceeds after the Issue Date of the Bond.

“Project” means all of the property acquired, developed, constructed, renovated, and equipped by the Issuer using Bond proceeds and other money provided to or contributed by the Issuer, as described on **Exhibit D**.

“Proposed Regulations” means the proposed arbitrage regulations REG 106143-07 (published at 72 Fed. Reg. 54606 (Sept. 26, 2007)).

“Purchaser” means the United States of America, acting through the United States Department of Agriculture.

“Qualified Use Agreement” means any of the following:

(1) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 200 days in length pursuant to an arrangement whereby (a) the use of the Financed Facility under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business and (b) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed. Any Qualified User or Non Qualified User using all or any portion of the Financed Facility under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(2) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 100 days in length pursuant to arrangements whereby (a) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (b) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed, and (c) the Financed Facility was not acquired or constructed for a principal purpose of providing the property for use by that Qualified User or Non-Qualified User. Any Qualified User or Non Qualified User using all or any portion of the Financed Facility under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(3) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 50 days in length pursuant to a negotiated arm's-length arrangement at fair market value so long as the Financed Facility was not acquired or constructed for a principal purpose of providing the property for use by that person.

“Qualified User” means a State, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

“Rebate Analyst” means Gilmore & Bell, P.C. or any other nationally recognized firm of Bond Counsel selected by the Issuer to advise the Issuer with respect to its obligation to pay rebate on the Bonds pursuant to § 148(f) of the Code.

“Refunded Obligations” means the Original Obligation.

“Regulations” means all Regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to the Bond.

“Resolution” means the Resolution described in the recitals to this Tax Certificate as originally executed by the Issuer as amended and supplemented in accordance with the provisions of the Resolution.

“System” means the Lake Tishomingo Sewer Treatment Facilities, including (a) the Project and (b) all extensions and improvements thereto hereafter constructed or acquired that are specifically declared to be a part of the Lake Tishomingo Sewer Treatment Facilities.

“Tax Certificate” means this Federal Tax Certificate as it may from time to time be amended and supplemented in accordance with its terms.

“Tax Compliance Procedure” means the Issuer’s Tax Compliance Procedure dated April 24, 2012.

“Tax-Advantaged Bond File” means documents and records for the Bond and the Refunded Obligations maintained by the Bond Compliance Officer pursuant to this Tax Certificate.

“Transcript” means the Transcript of Proceedings relating to the authorization and issuance of the Bond.

“Yield” means yield on the Bond, computed under Regulations § 1.148-4, and yield on an Investment, computed under Regulations § 1.148-5.

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Issuer. The Issuer represents and covenants as follows:

- (a) *Organization and Authority.* The Issuer (1) is a political subdivision organized and existing under the laws of the State of Missouri, and (2) has lawful power and authority to issue the Bond for the purposes set forth in the Resolution, to enter into, execute and deliver the Resolution, the Bond, and this Tax Certificate and to carry out its obligations under this Tax Certificate and under such documents, and (3) by all necessary action has been duly authorized to execute and deliver the Resolution, the Bond, and this Tax Certificate, acting by and through its duly authorized officials.

- (b) *Tax-Exempt Status of Bond—General Covenant.* The Issuer (to the extent within its power or direction) will not use any money on deposit in any fund or account maintained in connection with the Bond, whether or not such money was derived from the proceeds of the sale of the Bond or from any other source, in a manner that would cause the Bond to be “arbitrage bonds,” within the meaning of Code § 148, and will not (to the extent within its power or direction) otherwise use or permit the use of any Bond proceeds or any other funds of the Issuer, directly or indirectly, in any manner, or take or permit to be taken any other action or actions, that would cause interest on the Bond to be included in gross income for federal income tax purposes.
- (c) *Governmental Obligations—Use of Proceeds.* Throughout the Measurement Period, all of the Financed Facility has been and is expected to be owned by the Issuer or another Qualified User. Throughout the Measurement Period, no portion of the Financed Facility has been or is expected to be used in a Non-Qualified Use. Throughout the Measurement Period, the Issuer will not permit any Non-Qualified Use of the Financed Facility without first obtaining an Opinion of Bond Counsel.
- (d) *Governmental Obligations—Private Security or Payment.* As of the Issue Date, the Issuer expects that none of the principal and interest on the Bond will be (and the payment of principal of and interest on the Refunded Obligations and on all other obligations which directly or indirectly refinanced the Original Obligation has not been) under the terms of the Bond or any underlying arrangement, directly or indirectly:
- (1) secured by (i) any interest in property used or to be used for a private business use, or (ii) any interest in payments in respect of such property; or
 - (2) derived from payments (whether or not such payments are made to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use.
- For purposes of the forgoing, taxes of general application, including payments in lieu of taxes, are not treated as private payments or as private security. The Issuer will not permit any private security or payment with respect to the Bond without first obtaining an Opinion of Bond Counsel.
- (f) *Management Agreements.* As of the Issue Date, the Issuer has no Management Agreements with Non-Qualified Users. During the Measurement Period, the Issuer has not and will not enter into or renew any Management Agreement with any Non-Qualified User without first obtaining an Opinion of Bond Counsel.
- (g) *Leases.* As of the Issue Date, the Issuer has not entered into any leases of any portion of the Financed Facility other than Qualified Use Agreements. During the Measurement Period, the Issuer has not and will not enter into or renew any lease or similar agreement or arrangement other than a Qualified Use Agreement without first obtaining an Opinion of Bond Counsel.
- (h) *Output Contracts.* As of the Issue Date, the Issuer does not have any “Output Contract” (defined below). During the Measurement Period, the Issuer has not and will not enter into any “Output Contract” (defined below) without first obtaining an Opinion of Bond Counsel. The term Output Contract is defined in Regulations § 1.141-7, and generally includes any contract with a Non-Qualified User that provides for the purchase of the

output of Financed Facility. A similar contract with a Qualified User is not an Output Contract.

- (i) *Limit on Maturity of Bond.* A list of the assets included in the Financed Facility and a computation of the “average reasonably expected economic life” is attached to this Tax Certificate as **Exhibit D**. Based on this computation, the “average maturity” of the Bond, as computed by Bond Counsel, does not exceed 120% of the average reasonably expected economic life of the Financed Facility.
- (j) *Reimbursement of Expenditures; Official Intent.* On August 15, 2006, the governing body of the Issuer adopted a resolution declaring the intent of the Issuer to finance the Financed Facility with tax-exempt bonds and to reimburse the Issuer for expenditures made for the Financed Facility prior to the issuance of such bonds. A copy of the resolution is attached to this Tax Certificate as **Exhibit C**. No portion of the Net Proceeds of the Original Obligation or of the Bond was or will be used to reimburse an expenditure paid by the Issuer more than 60 days prior to the date the resolution was adopted. The Issuer evidenced each allocation of the proceeds of the Original Obligation and the Bond to an expenditure in writing. No allocation was made for an expenditure made more than 3 years prior to the date of the allocation. In addition, no allocation was made more than 18 months following the later of (1) the date of the expenditure or (2) the date the Financed Facility was placed in service.
- (k) *Registered Bond.* The Resolution requires that the Bond will be issued and held in registered form within the meaning of Code § 149(a).
- (l) *Bond Not Federally Guaranteed.* The Issuer will not take any action or permit any action to be taken which would cause the Bond to be “federally guaranteed” within the meaning of Code § 149(b); provided, however, that the Purchaser may provide for the Bond to be sold out of the Agricultural Credit Insurance Fund or the Rural Development Insurance Fund as an insured loan pursuant to the provisions of Section 306(a)(1) [7 U.S.C. 1926(a)(1)] or Section 309A(h) [7 U.S.C. 1929a(h)] of the Consolidated Farm and Rural Development Act, in which event interest on the Bond will be included in gross income for Federal income tax purposes when paid to an insured holder.
- (m) *IRS Form 8038-G.* Bond Counsel will prepare Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) based on the representations and covenants of the Issuer contained in this Tax Certificate or otherwise provided by the Issuer. Bond Counsel will sign the return as a paid preparer following completion and will then deliver copies to the Issuer for execution and for the Issuer’s records. The Issuer agrees to timely execute and return to Bond Counsel the execution copy of Form 8038-G for filing with the IRS. A copy of the “as-filed” copy along with proof of filing will be attached as **Exhibit B**.
- (n) *Hedge Bonds.* At least 85% of the net sale proceeds of the Original Obligation were used to carry out the governmental purpose of the Original Obligation within 3 years after the issue date of the Original Obligation, and not more than 50% of the proceeds of the Original Obligation were invested in Investments having a substantially guaranteed Yield for 4 years or more.
- (o) *Compliance with Future Tax Requirements.* The Issuer understands that the Code and the Regulations may impose new or different restrictions and requirements on the Issuer in

the future. The Issuer will comply with such future restrictions that are necessary to maintain the exclusion of the interest on the Bond from gross income for federal income tax purposes.

- (p) *Single Issue; No Other Issues.* The Bond constitutes a single “issue” under Regulations § 1.150-1(c). No other debt obligations of the Issuer (1) are being sold within 15 days of the sale of the Bond, (2) are being sold under the same plan of financing as the Bond, and (3) are expected to be paid from substantially the same source of funds as the Bond (disregarding guarantees from unrelated parties, such as bond insurance).
- (q) *Interest Rate Swap.* As of the Issue Date, the Issuer has not entered into an interest rate swap agreement or any other similar arrangement designed to modify its interest rate risk with respect to the Bond or the Refunded Obligations. The Issuer will not enter into any such arrangement in the future without obtaining an Opinion of Bond Counsel.
- (r) *Guaranteed Investment Contract.* As of the Issue Date, the Issuer does not expect to enter into a Guaranteed Investment Contract for any Gross Proceeds of the Bond. The Issuer will be responsible for complying with **Section 4.4(d)** if it decides to enter into a Guaranteed Investment Contract at a later date.
- (s) *Bank Qualified Tax-Exempt Obligation.* The Issuer designates the Bond as a “qualified tax-exempt obligation” under Code § 265(b)(3), and with respect to said designation certifies as follows:
 - (1) the Issuer reasonably anticipates that the amount of tax-exempt obligations (other than private activity bonds which are not “qualified 501(c)(3) bonds”) which will be issued by or on behalf of the Issuer (and all subordinate entities of the Issuer) during the calendar year that the Bond is issued, including the Bond, will not exceed \$10,000,000; and
 - (2) the Issuer (including all subordinate entities of the Issuer) will not issue tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) during the calendar year that the Bond is issued, including the Bond, in an aggregate issue principal amount or aggregate issue price in excess of \$10,000,000, without first obtaining an Opinion of Bond Counsel that the designation of the Bond as a “qualified tax-exempt obligation” will not be adversely affected.

Section 2.2. Survival of Representations and Covenants. All representations, covenants and certifications contained in this Tax Certificate or in any certificate or other instrument delivered by the Issuer under this Tax Certificate, will survive the execution and delivery of such documents and the issuance of the Bond, as representations of facts existing as of the date of execution and delivery of the instruments containing such representations. The foregoing covenants of this Section will remain in full force and effect notwithstanding the defeasance of the Bond.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General. The purpose of this Article is to certify, under Regulations § 1.148-2(b), the Issuer's expectations as to the sources, uses and investment of Bond proceeds and other money, in order to support the Issuer's conclusion that the Bond is not an arbitrage bond. The person executing this Tax Certificate on behalf of the Issuer is an officer of the Issuer responsible for issuing the Bond.

Section 3.2. Reasonable Expectations. The facts, estimates and expectations set forth in this Article are based upon and in reliance upon the Issuer's understanding of the documents and certificates that comprise the Transcript, and the representations, covenants and certifications of the parties contained therein. To the Issuer's knowledge, the facts and estimates set forth in this Tax Certificate are accurate, and the expectations of the Issuer set forth in this Tax Certificate are reasonable. The Issuer has no knowledge that would cause it to believe that the representations, warranties and certifications described in this Tax Certificate are unreasonable or inaccurate or may not be relied upon.

Section 3.3. Purposes of the Financing. The Bond is being issued for the purpose of providing funds to refund the Refunded Obligations and provide long-term financing for the Financed Facility.

Section 3.4. Funds and Accounts. The following funds and accounts have been established under the Resolution:

- Project Fund.
- Revenue Fund.
- Operation and Maintenance Account.
- Debt Service Account.
- Debt Service Reserve Account.
- Replacement and Extension Account.
- Surplus Account.

Section 3.5. Amount and Use of Bond Proceeds and Other Money.

(a) *Amount of Bond Proceeds.* The total proceeds to be received by the Issuer from the sale of the Bond will be as follows:

Principal Amount	\$2,094,000.00
Accrued Interest	<u>0.00</u>
Total Proceeds Received by Issuer	\$2,094,000.00

(b) *Use of Bond Proceeds.* The Bond proceeds are expected to be used to refund and retire the Refunded Obligations on the Issue Date, including \$14,600 used to pay costs of issuance of the Bond.

(c) *Use of Other Money.* Other money contributed by the Issuer is expected to be allocated to expenditures as follows: \$1,676,774 from federal and state grants will be used to pay additional costs of the Financed Facility.

Section 3.6. Multipurpose Issue. Pursuant to Regulations § 1.148-9(h), the Issuer is applying the arbitrage rules to separate financing purposes of the issue that have the same initial temporary period as if they constitute a single issue for purposes of applying the arbitrage rules.

Section 3.7. No Advance Refunding. No proceeds of the Bond will be used more than 90 days following the Issue Date to pay principal or interest on any other debt obligation.

Section 3.8. Current Refunding.

- (a) *Proceeds Used For Current Refunding.* All of the proceeds of the Bond will be used to pay the principal of and interest on the Refunded Obligations. All of these proceeds will be spent on the Issue Date which is not later than 90 days after the Issue Date.
- (b) *Transferred Proceeds.* As of the Issue Date, there are no unspent proceeds of the Refunded Obligations. Therefore, there are no transferred proceeds of the Bond.

Section 3.9 Project Completion. The Financed Facility has been completed.

Section 3.10. Sinking Funds. The Issuer is required to make periodic payments in amounts sufficient to pay the principal of and interest on the Bond. These payments will be deposited into the Debt Service Account. Except for the Debt Service Account and the Debt Service Reserve Account, no sinking fund or other similar fund that is expected to be used to pay principal of or interest on the Bond has been established or is expected to be established. The Debt Service Account is used primarily to achieve a proper matching of revenues with principal and interest payments on the Bond within each Bond Year, and the Issuer expects that the Debt Service Account will qualify as a Bona Fide Debt Service Fund.

Section 3.11. Reserve, Replacement And Pledged Funds.

- (a) *Debt Service Reserve Account.* The Resolution establishes a Debt Service Reserve Account and requires the Issuer to make monthly deposits of \$962.00 until the amount in the Debt Service Reserve Account reaches \$115,440.00, the Debt Service Reserve Requirement. The amount to be held in the Debt Service Reserve Account will not exceed the sum of (1) the least of (i) 10% of the stated principal amount of the Bond, (ii) the maximum annual principal and interest requirements on the Bond (determined as of the Issue Date), or (iii) 125% of the average annual principal and interest requirements on the Bond (determined as of the Issue Date), plus (2) the Minor Portion. Any amounts in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirement will be transferred to the Debt Service Account.
- (b) *No Other Replacement or Pledged Funds.* None of the Bond proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Facility or refund the Refunded Obligations, and that instead has been or will be used to acquire higher yielding Investments. Except for the Debt Service Account and the Debt Service Reserve Account, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest on the Bond if the Issuer encounters financial difficulty.
- (c) *Other Funds.* The Revenue Fund, the Operation and Maintenance Account, the Replacement and Extension Account and the Surplus Account are expected to be used for the following purposes: to operate and maintain the System, to make improvements and

repairs to the System, and for such other purposes relating to the System and the Issuer's other obligations payable from the revenues of the System as the governing body of the Issuer determines, and therefore are not pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest on the Bond if the Issuer encounters financial difficulty.

Section 3.12. Purpose Investment Yield. The proceeds of the Bond will not be used to purchase an Investment for the purpose of carrying out the governmental purpose of the financing.

Section 3.13. Yield on Bond.

- (a) *Private Placement.* In the Receipt for Bond and Representation, the Purchaser has certified that it has purchased the Bond for its own account and has no intent to resell the Bond to any person. The aggregate issue price of the Bond is \$2,094,000.00, without accrued interest.
- (b) *Bond Yield.* Based on the issue price, the Yield on the Bond is 3.960781%, as computed by Bond Counsel as shown on **Exhibit A**. The Issuer has not entered into an interest rate swap agreement with respect to any portion of the proceeds of the Bonds.

Section 3.14. Miscellaneous Arbitrage Matters.

- (a) *No Abusive Arbitrage Device.* The Bond is not and will not be part of a transaction or series of transactions that has the effect of (1) enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (2) overburdening the tax-exempt bond market.
- (b) *No Over-Issuance.* The sale proceeds of the Bond, together with expected Investment earnings thereon and other money contributed by or provided to the Issuer, do not exceed the cost of the governmental purpose of the Bond as described above.

Section 3.15. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Certificate, the Issuer does not expect that the Bond proceeds will be used in a manner that would cause any Bond to be an "arbitrage bond" within the meaning of Code § 148 and the Regulations.

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1. General.

- (a) *Purpose of Article.* The purpose of this Article is to supplement the Tax Compliance Procedure and to set out specific policies and procedures governing compliance with the federal income tax requirements that apply after the Bond is issued. The Issuer recognizes that interest on the Bond will remain excludable from gross income only if the Post-Issuance Tax Requirements are followed after the Issue Date. The Issuer further acknowledges that written evidence substantiating compliance with the Post-Issuance Tax Requirements must be retained in order to permit the Bond to be refinanced with tax-

exempt obligations and substantiate the position that interest on the Bond is exempt from gross income in the event of an audit of the Bond by the IRS.

- (b) *Written Policies and Procedures of the Issuer.* The Issuer intends for the Tax Compliance Procedure as supplemented by this Tax Certificate to be its primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Bond and to supplement any other formal policies and procedures related to tax compliance that the Issuer has established or establishes in the future. The provisions of this Tax Certificate are intended to be consistent with the Tax Compliance Procedure. In the event of any inconsistency between the Tax Compliance Procedure and this Tax Certificate, the terms of this Tax Certificate will govern.
- (c) *Bond Compliance Officer.* The Issuer, when necessary to fulfill the Post-Issuance Tax Requirements, will, through its Bond Compliance Officer, sign Form 8038-T in connection with the payment of arbitrage rebate or Yield reduction payments, participate in any federal income tax audit of the Bond or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake a remedial action procedure pursuant to Regulations §§ 1.141-12 and 1.145-2. In each case, all costs and expenses incurred by the Issuer shall be treated as a reasonable cost of administering the Bond and the Issuer shall be entitled to reimbursement and recovery of its costs to the same extent as provided in the Resolution or State law.

Section 4.2. Record Keeping; Use of Bond Proceeds and Use of Financed Facilities.

- (a) *Record Keeping.* The Bond Compliance Officer will maintain the Tax-Advantaged Bond File for the Bond. Unless otherwise specifically instructed in a written Opinion of Bond Counsel or to the extent otherwise provided in this Tax Certificate, the Bond Compliance Officer shall retain records related to the Post-Issuance Tax Requirements until 3 years following the final maturity of (i) the Bond or (ii) any obligation issued to refund the Bond. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and records of the Issuer and (5) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the Issuer's premises.
- (b) *Accounting and Allocation of Bond Proceeds to Expenditures.* The Bond Compliance Officer will account for the investment and expenditure of the remainder of the Bond proceeds in the level of detail required by the Tax Compliance Procedure. The Bond Compliance Officer will supplement the expected allocation of Bond proceeds to expenditures with a Final Written Allocation as required by the Tax Compliance Procedure using the same form shown in **Exhibit D**. The Bond Compliance Officer will maintain accounting records showing the investment and expenditure of this money as part of the Tax-Advantaged Bond File. The Bond Compliance Officer has prepared written substantiation records of the allocation of proceeds of the Original Obligation to the Financed Facility.

- (c) *Annual Compliance Checklist.* Attached as **Exhibit E** is a sample Annual Compliance Checklist for the Bond. The Bond Compliance Officer will prepare and complete an Annual Compliance Checklist for the Financed Facility at least annually in accordance with the Tax Compliance Procedure. In the event the Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Certificate, the Bond Compliance Officer will take the actions identified in an Opinion of Bond Counsel or the Tax Compliance Agreement to correct any deficiency.
- (d) *Opinions of Bond Counsel.* The Bond Compliance Officer is responsible for obtaining and delivering to the Issuer any Opinion of Bond Counsel required under the provisions of this Tax Certificate or the Annual Compliance Checklist.

Section 4.3. Temporary Periods/Yield Restriction. Except as described below, Gross Proceeds must not be invested at a Yield greater than the Yield on the Bond:

- (a) *Bond Proceeds Allocable to Current Refunding.* Bond proceeds deposited in the Project Fund or otherwise allocable to a current refunding of the Original Obligation (see **Section 3.8**) may be invested without Yield restriction for up to 90 days after the Issue Date.
- (b) *Debt Service Account.* To the extent that the Debt Service Account qualifies as a Bona Fide Debt Service Fund, money in the account may be invested without Yield restriction for 13 months after the date of deposit. Earnings on such amounts may be invested without Yield restriction for 1 year after the date of receipt of such earnings.
- (c) *Debt Service Reserve Account.* Money in the Debt Service Reserve Account may be invested without Yield restriction up to the least of (i) 10% of the stated principal amount of the Bond, (ii) the maximum annual principal and interest requirements on the Bond (determined as of the Issue Date), or (iii) 125% of the average annual principal and interest requirements on the Bond (determined as of the Issue Date).
- (d) *Minor Portion.* In addition to the amounts described above, Gross Proceeds not exceeding the Minor Portion may be invested without Yield restriction.
- (e) *Other Funds.* In addition to the Funds discussed in subsections (a)-(d) of this **Section 4.3**, the Ordinance also establishes the Revenue Fund, the Operation and Maintenance Account, the Replacement and Extension Account and the Surplus Account. Money other than sale proceeds or Investment proceeds of the Bond on deposit in these accounts may be invested without Yield restriction.

Section 4.4. Procedure for Establishing Fair Market Value.

- (a) *General.* No Investment may be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment, or sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment. The fair market value of any Investment is the price a willing buyer would pay to a willing seller to acquire the Investment in a bona fide, arm's-length transaction. Fair market value will be determined in accordance with Regulations § 1.148-5.
- (b) *Established Securities Market.* Except for Investments purchased for a Yield-restricted defeasance escrow, if an Investment is purchased or sold in an arm's-length transaction

on an established securities market (within the meaning of Code § 1273), the purchase or sale price constitutes the fair market value. Where there is no established securities market for an Investment, market value must be established using 1 of the paragraphs below. The fair market value of Investments purchased for a Yield-restricted defeasance escrow must be determined in a bona fide solicitation for bids that complies with § 1.148-5 of the Regulations.

- (c) *Certificates of Deposit.* The purchase price of a certificate of deposit (a “CD”) is treated as its fair market value on the purchase date if (1) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (2) the Yield on the CD is not less than the Yield on reasonably comparable direct obligations of the United States, and (3) the Yield is not less than the highest Yield published or posted by the CD issuer to be currently available on reasonably comparable CDs offered to the public.

- (d) *Guaranteed Investment Contracts.* The Issuer is applying to the Bond Regulations § 1.148-5(d)(6)(iii)(A) as amended by the Proposed Regulations (relating to electronic bidding of Guaranteed Investment Contracts). The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:
 - (1) Bona Fide Solicitation for Bids. The Issuer makes a bona fide solicitation for the Guaranteed Investment Contract, using the following procedures:
 - (A) The bid specifications are in writing and are timely forwarded to potential providers, or are made available on an internet website or other similar electronic media that is regularly used to post bid specifications to potential bidders. A writing includes a hard copy, a fax, or an electronic e-mail copy.
 - (B) The bid specifications include all “material” terms of the bid. A term is material if it may directly or indirectly affect the Yield or the cost of the Guaranteed Investment Contract.
 - (C) The bid specifications include a statement notifying potential providers that submission of a bid is a representation (i) that the potential provider did not consult with any other potential provider about its bid, (ii) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the bond issue), and (iii) that the bid is not being submitted solely as a courtesy to the Issuer or any other person, for purposes of satisfying the requirements of the Regulations.
 - (D) The terms of the bid specifications are “commercially reasonable.” A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the Guaranteed Investment Contract.
 - (E) The terms of the solicitation take into account the Issuer’s reasonably expected deposit and draw-down schedule for the amounts to be invested.
 - (F) All potential providers have an equal opportunity to bid. If the bidding process affords any opportunity for a potential provider to review other bids before

providing a bid, then providers have an equal opportunity to bid only if all potential providers have an equal opportunity to review other bids. Thus, no potential provider may be given an opportunity to review other bids that is not equally given to all potential providers (that is no exclusive “last look”).

(G) At least 3 “reasonably competitive providers” are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased.

(2) Bids Received. The bids received must meet all of the following requirements:

(A) At least 3 bids are received from providers that were solicited as described above and that do not have a “material financial interest” in the issue. For this purpose, (i) a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the Issue Date of the issue, (ii) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue, and (iii) a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(B) At least 1 of the 3 bids received is from a reasonably competitive provider, as defined above.

(C) If an agent or broker is used to conduct the bidding process, the agent or broker did not bid to provide the Guaranteed Investment Contract.

(3) Winning Bid. The winning bid is the highest yielding bona fide bid (determined net of any broker’s fees).

(4) Fees Paid. The obligor on the Guaranteed Investment Contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the Guaranteed Investment Contract.

(5) Records. The Issuer retains the following records with the bond documents until 3 years after the last outstanding Bond is redeemed:

(A) A copy of the Guaranteed Investment Contract.

(B) The receipt or other record of the amount actually paid for the Guaranteed Investment Contract, including a record of any administrative costs paid by the Issuer, and the certification as to fees paid, described in paragraph (d)(4) above.

(C) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

- (D) The bid solicitation form and, if the terms of Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.
- (e) *Other Investments.* If an Investment is not described above, the fair market value may be established through a competitive bidding process, as follows:
 - (1) at least 3 bids on the Investment must be received from persons with no financial interest in the Bond (e.g., as underwriters or brokers); and
 - (2) the Yield on the Investment must be equal to or greater than the Yield offered under the highest bid.

Section 4.5. Computation and Payment of Arbitrage Rebate.

- (a) *Bond Subject to Rebate; Rebate Fund.* The Bond is subject to rebate because the final maturity date of the Bond is more than 30 years after the issue date of the Original Obligation. All sale proceeds of the Bond are expected to be applied within 6 months of the Issue Date to refund the Refunded Obligations, and to pay costs of issuing the Bond. In addition, the Debt Service Account is expected to qualify as a Bona Fide Debt Service Fund. Therefore, the sale proceeds of the Bond will be exempt from rebate pursuant to the 6-month spending exception and the only fund expected to contain Investments that will be subject to rebate is the Debt Service Reserve Account.
- (b) *Investment Records.* The Issuer will retain records related to the Investments held in the Debt Service Reserve Account sufficient to determine (1) the amounts invested in the fund and (2) the earnings thereon, including gains and losses from sales of securities. These records must be retained for the period the Bond remains outstanding plus 3 years.
- (c) *Computation of Rebate Amount.* Not later than 60 days prior to the first Computation Date, the Issuer will engage the Rebate Analyst to compute rebate on the Bond. Thereafter, the Issuer shall follow the direction of the Rebate Analyst with respect to the calculation and payment of rebate on the Bond. The Issuer shall pay rebate to the United States pursuant to Code § 148(f) and as required by the Regulations at such times and in such amounts as directed in writing by the Rebate Analyst. In performing its obligations the Rebate Analyst may rely on other professionals to perform the mathematical calculations related to the determination of rebate pursuant to Code § 148(f).
- (d) *Circumstances Under Which No Computation of Rebate is Required.* **No computation of arbitrage rebate will be required unless the earnings in the Debt Service Reserve Account in any year exceed approximately \$6,000 (Debt Service Reserve Requirement X Bond Yield + \$1,550 annual allowance, equal to 5% of Debt Service Reserve Requirement) in any year.**
- (e) *Filing Requirements.* The Issuer will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with an Opinion of Bond Counsel.

- (f) *Survival after Defeasance.* Notwithstanding anything in the Resolution to the contrary, the obligation to pay arbitrage rebate to the United States will survive the payment or defeasance of the Bond.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Certificate. This Tax Certificate will be effective concurrently with the issuance and delivery of the Bond and will continue in force and effect until the principal of, redemption premium, if any, and interest on the Bond has been fully paid and the Bond is cancelled; provided that, the provisions of **Article IV** of this Tax Certificate regarding payment of arbitrage rebate and all related penalties and interest will remain in effect until all such amounts are paid to the United States and the provisions of **Section 4.2** relating to record keeping shall continue in force for the period described therein for records to be retained.

Section 5.2. Amendments. This Tax Certificate may be amended from time to time by the parties to this Tax Certificate without notice to or the consent of any of the Bondowners, but only if such amendment is in writing and is accompanied by an Opinion of Bond Counsel to the effect that, under then existing law, assuming compliance with this Tax Certificate as so amended such amendment will not cause interest on any Bond to be included in gross income for federal income tax purposes. No such amendment will become effective until the Issuer receives this Opinion of Bond Counsel.

Section 5.3. Opinion of Bond Counsel. The Issuer may deviate from the provisions of this Tax Certificate if furnished with an Opinion of Bond Counsel to the effect that the proposed deviation will not adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes. The Issuer will comply with any further or different instructions provided in an Opinion of Bond Counsel to the effect that the further or different instructions need to be complied with in order to maintain the validity of the Bond or the exclusion from gross income of interest on the Bond.

Section 5.4. Reliance. In delivering this Tax Certificate the Issuer is making only those certifications, representations and agreements as are specifically attributed to them in this Tax Certificate. The Issuer is not aware of any facts or circumstances which would cause it to question the accuracy of the facts, circumstances, estimates or expectations of any other party providing certifications as part of this Tax Certificate and, to the best of its knowledge, those facts, circumstances, estimates and expectations are reasonable. The Issuer understands that its certifications will be relied upon by the law firm of Gilmore & Bell, P.C., in rendering its opinion as to the validity of the Bond and the exclusion from federal gross income of the interest on the Bond.

Section 5.5. Severability. If any provision in this Tax Certificate or in the Bond is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

Section 5.6. Benefit of Agreement. This Tax Certificate is binding upon the Issuer its respective successors and assigns, and inures to the benefit of the parties to this Tax Certificate and the owners of the Bond. Nothing in this Tax Certificate or in the Resolution or the Bond, express or implied, gives to any person, other than the parties to this Tax Certificate, their successors and assigns, and the owners of the Bond, any benefit or any legal or equitable right, remedy or claim under this Tax Certificate.

Section 5.7. Default; Breach and Enforcement. Any misrepresentation of a party contained herein or any breach of a covenant or agreement contained in this Tax Certificate may be pursued by the Bondowners pursuant to the terms of the Resolution or any other document which references this Tax Certificate and gives remedies for a misrepresentation or breach thereof.

Section 5.8. Governing Law. This Tax Certificate will be governed by and construed in accordance with the laws of the State of Missouri.

Section 5.9. Electronic Transactions. The transaction described in this Tax Certificate may be conducted, and related documents may be stored, by electronic means.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned President of the Board of Directors of the Issuer, by their execution of this Tax Certificate hereby makes the foregoing certifications, representations, and agreements contained in this Tax Certificate on behalf of the Issuer, as of the Issue Date of the Bond.

**PUBLIC WATER SUPPLY DISTRICT NO. 13 OF
JEFFERSON COUNTY, MISSOURI**

By: *Marilyn Meyer*
Title: President of the Board of Directors

Federal Tax Certificate
Public Water Supply District No. 13 of Jefferson County, Missouri
Common Sewer Treatment Facilities Revenue Bond
(Lake Tishomingo Sewer Project)
Series A

EXHIBIT A

DEBT SERVICE SCHEDULE AND PROOF OF BOND YIELD

EXHIBIT A TO FEDERAL TAX CERTIFICATE

\$2,094,000.00

**Public Water Supply District No. 13 of Jefferson County, Missouri
Common Sewer Treatment Facilities Revenue Bond, (Lake Tishomingo Sewer Project), Series A**

Schedule of Bond Payments

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance	Bond Years
			Interest	Principal	Total		
4/24/2012						\$ 2,094,000.00	-
4/24/2012	-						
4/24/2013	-	4.000%	83,760.00	-	83,760.00	2,094,000.00	-
4/24/2014	-	4.000%	83,760.00	-	83,760.00	2,094,000.00	-
4/24/2015	1	4.000%	83,760.00	31,641.00	115,401.00	2,062,359.00	94.923
4/24/2016	2	4.000%	82,494.36	32,906.64	115,401.00	2,029,452.36	131.627
4/24/2017	3	4.000%	81,178.09	34,222.91	115,401.00	1,995,229.45	171.115
4/24/2018	4	4.000%	79,809.18	35,591.82	115,401.00	1,959,637.63	213.551
4/24/2019	5	4.000%	78,385.51	37,015.49	115,401.00	1,922,622.14	259.108
4/24/2020	6	4.000%	76,904.89	38,496.11	115,401.00	1,884,126.03	307.969
4/24/2021	7	4.000%	75,365.04	40,035.96	115,401.00	1,844,090.07	360.324
4/24/2022	8	4.000%	73,763.60	41,637.40	115,401.00	1,802,452.67	416.374
4/24/2023	9	4.000%	72,098.11	43,302.89	115,401.00	1,759,149.78	476.332
4/24/2024	10	4.000%	70,365.99	45,035.01	115,401.00	1,714,114.77	540.420
4/24/2025	11	4.000%	68,564.59	46,836.41	115,401.00	1,667,278.36	608.873
4/24/2026	12	4.000%	66,691.13	48,709.87	115,401.00	1,618,568.49	681.938
4/24/2027	13	4.000%	64,742.74	50,658.26	115,401.00	1,567,910.23	759.874
4/24/2028	14	4.000%	62,716.41	52,684.59	115,401.00	1,515,225.64	842.953
4/24/2029	15	4.000%	60,609.03	54,791.97	115,401.00	1,460,433.67	931.463
4/24/2030	16	4.000%	58,417.35	56,983.65	115,401.00	1,403,450.02	1,025.706
4/24/2031	17	4.000%	56,138.00	59,263.00	115,401.00	1,344,187.02	1,125.997
4/24/2032	18	4.000%	53,767.48	61,633.52	115,401.00	1,282,553.50	1,232.670
4/24/2033	19	4.000%	51,302.14	64,098.86	115,401.00	1,218,454.64	1,346.076
4/24/2034	20	4.000%	48,738.19	66,662.81	115,401.00	1,151,791.83	1,466.582
4/24/2035	21	4.000%	46,071.67	69,329.33	115,401.00	1,082,462.50	1,594.575
4/24/2036	22	4.000%	43,298.50	72,102.50	115,401.00	1,010,360.00	1,730.460
4/24/2037	23	4.000%	40,414.40	74,986.60	115,401.00	935,373.40	1,874.665
4/24/2038	24	4.000%	37,414.94	77,986.06	115,401.00	857,387.34	2,027.638
4/24/2039	25	4.000%	34,295.49	81,105.51	115,401.00	776,281.83	2,189.849
4/24/2040	26	4.000%	31,051.27	84,349.73	115,401.00	691,932.10	2,361.792
4/24/2041	27	4.000%	27,677.28	87,723.72	115,401.00	604,208.38	2,543.988
4/24/2042	28	4.000%	24,168.34	91,232.66	115,401.00	512,975.72	2,736.980
4/24/2043	29	4.000%	20,519.03	94,881.97	115,401.00	418,093.75	2,941.341
4/24/2044	30	4.000%	16,723.75	98,677.25	115,401.00	319,416.50	3,157.672
4/24/2045	31	4.000%	12,776.66	102,624.34	115,401.00	216,792.16	3,386.603
4/24/2046	32	4.000%	8,671.69	106,729.31	115,401.00	110,062.85	3,628.797
4/24/2047	33	4.000%	4,402.51	110,062.85	114,465.36	-	3,852.200
Total			1,880,817.36	2,094,000.00	3,974,817.36		47,020.434

Schedule of Bond Payments

Payment Date	Amort. Pmt. No.	Interest Rate	Payments			Principal Balance	Bond Years
			Interest	Principal	Total		
Bond Statistics							
Principal amount			\$ 2,094,000.00		Day-Count Method		30/360
Interest rate			4.000%		Computed Payment Amount	\$115,386.87	
Dated date			4/24/2012		Actual Payment Amount	\$115,401.00	
Issue date			4/24/2012		Days of accrued interest	-	
First interest payment			4/24/2013		Accrued interest	\$0.00	
First principal payment			4/24/2015		Bond years	47,020.434	
Last payment			4/24/2047				
No. of principal payments per year				1	Weighted avg. maturity (years)	22.4548	
Total no. of principal payments				33	Bond yield	3.960781%	
Denomination			0.01		Net interest cost	4.000000%	

EXHIBIT A TO FEDERAL TAX CERTIFICATE

\$2,094,000.00

**Public Water Supply District No. 13 of Jefferson County, Missouri
Common Sewer Treatment Facilities Revenue Bond, (Lake Tishomingo Sewer Project), Series A**

Proof of Arbitrage Yield

Payment Date	Days After Closing	Bond Payments	Pres. Val. Factor 3.96078%	Present Value to 4/24/2012
4/24/2012				
4/24/2012	-	-	1.0000000	-
4/24/2013	360	83,760.00	0.9615385	80,538.46
4/24/2014	720	83,760.00	0.9245562	77,440.83
4/24/2015	1,080	115,401.00	0.8889964	102,591.07
4/24/2016	1,440	115,401.00	0.8548042	98,645.26
4/24/2017	1,800	115,401.00	0.8219271	94,851.21
4/24/2018	2,160	115,401.00	0.7903145	91,203.09
4/24/2019	2,520	115,401.00	0.7599178	87,695.28
4/24/2020	2,880	115,401.00	0.7306902	84,322.38
4/24/2021	3,240	115,401.00	0.7025867	81,079.21
4/24/2022	3,600	115,401.00	0.6755642	77,960.78
4/24/2023	3,960	115,401.00	0.6495809	74,962.29
4/24/2024	4,320	115,401.00	0.6245970	72,079.12
4/24/2025	4,680	115,401.00	0.6005741	69,306.85
4/24/2026	5,040	115,401.00	0.5774751	66,641.20
4/24/2027	5,400	115,401.00	0.5552645	64,078.08
4/24/2028	5,760	115,401.00	0.5339082	61,613.54
4/24/2029	6,120	115,401.00	0.5133732	59,243.79
4/24/2030	6,480	115,401.00	0.4936281	56,965.18
4/24/2031	6,840	115,401.00	0.4746424	54,774.21
4/24/2032	7,200	115,401.00	0.4563869	52,667.51
4/24/2033	7,560	115,401.00	0.4388336	50,641.84
4/24/2034	7,920	115,401.00	0.4219554	48,694.07
4/24/2035	8,280	115,401.00	0.4057263	46,821.22
4/24/2036	8,640	115,401.00	0.3901215	45,020.41
4/24/2037	9,000	115,401.00	0.3751168	43,288.85
4/24/2038	9,360	115,401.00	0.3606892	41,623.90
4/24/2039	9,720	115,401.00	0.3468166	40,022.98
4/24/2040	10,080	115,401.00	0.3334775	38,483.63
4/24/2041	10,440	115,401.00	0.3206514	37,003.49
4/24/2042	10,800	115,401.00	0.3083187	35,580.28
4/24/2043	11,160	115,401.00	0.2964603	34,211.81
4/24/2044	11,520	115,401.00	0.2850579	32,895.97
4/24/2045	11,880	115,401.00	0.2740942	31,630.74
4/24/2046	12,240	115,401.00	0.2635521	30,414.17
4/24/2047	12,600	114,465.36	0.2534155	29,007.29
Total		3,974,817.36		2,094,000.00

Proof of Arbitrage Yield

Payment Date	Days After Closing	Bond Payments	Pres. Val. Factor 3.96078%	Present Value to 4/24/2012
Yield Target Amount:				
Principal			2,094,000.00	
Original issue premium/discount			-	
Sale proceeds			2,094,000.00	
Accrued interest			-	
Total				2,094,000.00
Difference				(0.00)
Bond yield				3.9607806%

EXHIBIT B

IRS FORM 8038-G

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
► See separate instructions.

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Public Water Supply District No. 13 of Jefferson County, Missouri		2 Issuer's employer identification number (EIN) 83-0514710	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Alvin D. Wilken, Bond Counsel		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2405 Grand Boulevard, Suite 1100		5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Kansas City, Missouri 64108		7 Date of issue April 24, 2012	
8 Name of issue Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project) Series A		9 CUSIP number None	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Richard Hirsch, Secretary of the Board of Directors		10b Telephone number of officer or other employee shown on 10a 636-285-0813	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	2,094,000
16 Housing	16	
17 Utilities	17	
18 Other. Describe ►	18	
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>		
If obligations are BANs, check only box 19b <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	04/24/2047	\$ 2,094,000	\$ 2,094,000	22.4548 years	3.9607 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest	22	0
23	Issue price of entire issue (enter amount from line 21, column (b))	23	2,094,000
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	14,600
25	Proceeds used for credit enhancement	25	0
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0
27	Proceeds used to currently refund prior issues	27	2,079,400
28	Proceeds used to advance refund prior issues	28	0
29	Total (add lines 24 through 28)	29	2,094,000
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	0

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the bonds to be currently refunded	►	NA	years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	►	NA	years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	NA	
34	Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►	NA	

Part VI Miscellaneous

- 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35**
- 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) **36a**
- b Enter the final maturity date of the GIC ▶ _____
- c Enter the name of the GIC provider ▶ _____
- 37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37**
- 38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
 - b Enter the date of the master pool obligation ▶ _____
 - c Enter the EIN of the issuer of the master pool obligation ▶ _____
 - d Enter the name of the issuer of the master pool obligation ▶ _____
- 39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶
- 40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶
- 41a If the issuer has identified a hedge, check here and enter the following information:
 - b Name of hedge provider ▶ _____
 - c Type of hedge ▶ _____
 - d Term of hedge ▶ _____
- 42 If the issuer has superintegrated the hedge, check box ▶
- 43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶
- 44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶
- 45a If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
 - b Enter the date the official intent was adopted ▶ _____

Signature and Consent Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative: Marilyn Meyer Date: 7-21-12 Type or print name and title: Marilyn Meyer, President

Paid Preparer Use Only

Print/Type preparer's name Alvin D. Wilken	Preparer's signature <u>Alvin D. Wilken</u>	Date <u>7/12/12</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>[REDACTED]</u>
Firm's name ▶ Gilmore & Bell, P.C.			Firm's EIN ▶ 43-1611738	
Firm's address ▶ 2405 Grand Boulevard, Suite 1100, Kansas City, MO 64108			Phone no. 816-221-1000	

GILMORE & BELL

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

2405 GRAND BOULEVARD, SUITE 1100

KANSAS CITY, MISSOURI 64108-2521

816-221-1000
FAX: 816-221-1018
WWW.GILMOREBELL.COM

ST. LOUIS, MISSOURI
WICHITA, KANSAS
LINCOLN, NEBRASKA

July 30, 2012

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Internal Revenue Service Center
Ogden, UT 84201

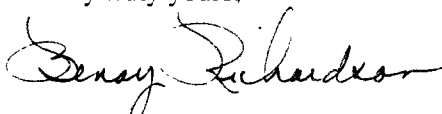
Re: \$2,094,000 Public Water Supply District No. 13 of Jefferson County, Missouri, Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project), Series A

Dear Madam or Sir:

On behalf of the issuer of the above-referenced obligation, the enclosed Form 8038-G is submitted for filing pursuant to Section 149(e) of the Internal Revenue Code of 1986.

Should additional information be required, please contact the undersigned.

Very truly yours,



Benay Richardson
Legal Assistant

Enclosures



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature <input checked="" type="checkbox"/> RECEIVED B. Received by (Printed Name) C. Date of Delivery AUG 08 2012 Does delivery address differ from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below OGDEN, UT	
1. Article Addressed to: Internal Revenue Service Ogden UT 84201		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811, February 2004		Domestic Return Receipt JEFFERSON 13 102595-02-M-1540	

EXHIBIT C

RESOLUTION OF OFFICIAL INTENT

A RESOLUTION CALLING A SPECIAL ELECTION ON A REVENUE BOND QUESTION IN PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI.

WHEREAS, pursuant to Section 247.035, RSMo, and a judgment and decree of the Circuit Court of Jefferson County dated June 20, 2006, the Board of Directors of Public Water Supply District No. 13 of Jefferson County, Missouri, is authorized to engage in the construction, maintenance and operation of common sewer treatment facilities to serve ten or more separate properties within the District and to provide for the issuance of special obligation bonds of the District payable solely from the revenues of such common sewer treatment facilities:

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI, AS FOLLOWS:

Section 1. The Board of Directors finds it necessary and hereby declares its intent to borrow \$ 8,000,000 for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve properties within the District (the "Project") and to evidence such borrowing by the issuance of sewerage system revenue bonds (the "Bonds") of the District in the amount of \$ 8,000,000.

Section 2. A special bond election is hereby ordered to be held in Public Water Supply District No. 13 of Jefferson County, Missouri, concurrently with the general election on Tuesday, November 7, 2006, on the following question:

QUESTION

Shall Public Water Supply District No. 13 of Jefferson County, Missouri issue its sewerage system revenue bonds in the amount of \$ 8,000,000 for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve properties within the District, the cost of operation and maintenance of said sewerage system and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the District from the operation of its sewerage system, including all future improvements and extensions thereto?

The authorization of the Bonds will authorize the District to fix, establish, maintain and collect rates and charges for the services provided by the District through its sewerage system, including all extensions and improvements thereto hereafter constructed or acquired by the District, in addition to the other rates and charges for such services provided by law, as will produce income and revenues sufficient to provide funds to pay the costs of operation and maintenance of said sewerage system and the principal of and interest on the Bonds as they become due and to provide for the establishment of reasonable reserves therefor.

Section 3. The form of Notice of Special Election showing said question, a copy of which is attached hereto and made a part hereof, is hereby approved.

Section 4. The District Clerk is hereby authorized and directed to notify the County Clerk of Jefferson County, Missouri, of the passage of this Resolution no later than 5:00 P.M. on Tuesday,

August 29, 2006, and to include in said notification all of the terms and provisions required by Chapter 115, RSMo, as amended.

Section 5. The District expects to make expenditures on and after the date of passage of this Resolution in connection with the Project, and the District intends to reimburse itself for such expenditures with the proceeds of the Bonds. The maximum principal amount of Bonds expected to be issued for the Project is \$ 8,000,000

Section 6. The District hereby engages the firm of Gilmore & Bell, P.C., Kansas City, Missouri, as bond counsel with respect to the Bonds.

Section 7. This Resolution shall be in full force and effect from and after its passage.

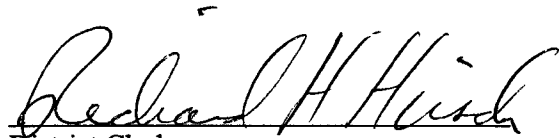
PASSED by the Board of Directors this 15 day of August, 2006.

(SEAL)



President of the Board of Directors

ATTEST:



District Clerk

NOTICE OF SPECIAL ELECTION

PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI

Notice is hereby given to the qualified voters of Public Water Supply District No. 13 of Jefferson County, Missouri, that the Board of Directors of the District has called a special election to be held in the District concurrently with the general election on Tuesday, November 7, 2006, commencing at 6:00 A.M. and closing at 7:00 P.M., on the question contained in the following sample ballot:

**OFFICIAL BALLOT
SPECIAL ELECTION
PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI**

TUESDAY, NOVEMBER 7, 2006

QUESTION

Shall Public Water Supply District No. 13 of Jefferson County, Missouri issue its sewerage system revenue bonds in the amount of \$ 8,000,000 for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve properties within the District, the cost of operation and maintenance of said sewerage system and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the District from the operation of its sewerage system, including all future improvements and extensions thereto?

YES

NO

INSTRUCTIONS TO VOTERS: If you are in favor of the question, place an X in the box opposite "YES." If you are opposed to the question, place an X in the box opposite "NO."

The election will be held at the following polling places in the District:

PRECINCT

POLLING PLACE

DATED: _____, 2006.

County Clerk of Jefferson County, Missouri

EXHIBIT D

DESCRIPTION OF PROPERTY COMPRISING THE FINANCED FACILITY

[See Spreadsheet]

EXHIBIT D TO FEDERAL TAX CERTIFICATE
Description of Property Comprising the Financed Facility

1 Series A Project

Asset Description	Original Economic Life	Estimated Placed in Service Date	Elapsed Time from Issue Date	Estimated Remaining Economic Life	Cost	Cost Paid from Bond Proceeds	Cost Paid from Other Sources	Economic Life x Financed Cost
Land & Rights					81,400	81,400	-	-
Acquiring, Constructing and Equipping Common Sewer Treatment Facilities								
Total Development	25	April-12	0.00	25.00	2,967,429	1,455,433	1,511,996	36,385,825
Bond Counsel Fees	25	April-12	0.00	25.00	15,000	15,000	-	375,000
Legal	25	April-12	0.00	25.00	42,000	42,000	-	1,050,000
Engineering (Basic)	25	April-12	0.00	25.00	213,120	127,872	85,248	3,196,800
Engineering (PER) Brun	25	April-12	0.00	25.00	10,000	10,000	-	250,000
Engineering (Insp)	25	April-12	0.00	25.00	159,840	95,904	63,936	2,397,600
Engineering Testing	25	April-12	0.00	25.00	20,000	12,000	8,000	300,000
Geotechnical Eval	25	April-12	0.00	25.00	1,735	1,041	694	26,025
Initial O&M	25	April-12	0.00	25.00	52,000	52,000	-	1,300,000
Interest	25	April-12	0.00	25.00	184,000	184,000	-	4,600,000
Audit	25	April-12	0.00	25.00	7,000	7,000	-	175,000
Construction Permit	25	April-12	0.00	25.00	750	450	300	11,250
Environmental Report	25	April-12	0.00	25.00	3,500	2,100	1,400	52,500
Electric Connection	25	April-12	0.00	25.00	13,000	7,800	5,200	195,000
					3,770,774	2,094,000	1,676,774	50,315,000
Less land costs					(81,400)	(81,400)	-	
Net costs, excluding land					3,689,374	2,012,600	1,676,774	
Average, Reasonably Expected Economic Life:			25.00	years				
120% of Original Economic Life	120%		30.00	years				

EXHIBIT E

FORM OF ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt obligation (the "Bond") financing the Financed Facility:	Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A
Issue Date of Bonds:	April 24, 2012
Financed Facility:	Lake Tishomingo Sewer Project
Placed in service date of Financed Facility:	2012
Name of Bond Compliance Officer:	
Period covered by request ("Annual Period"):	

Item	Question	Response
1 Ownership	Was the entire Financed Facility owned by the Issuer during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "No," was an Opinion of Bond Counsel obtained prior to the transfer? If Yes, include a copy of the Opinion in the Tax-Advantaged Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Advantaged Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2 Management or Service Agreements	During the Annual Period, has the management of all or any part of the operations of the Financed Project been assumed by or transferred to another entity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the management agreement? If Yes, include a copy of the Opinion in the Tax-Advantaged Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Advantaged Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights to the Financed Facility (i.e., a cell phone tower or advertisement on a water tower)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the agreement? If Yes, include a copy of the Opinion in the Tax-Advantaged Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Advantaged Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

4 Arbitrage & Rebate	Have all rebate and yield reduction calculations required by Sections 4.3 and 4.5 of the Tax Certificate been prepared for the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Advantaged Bond File.	

Bond Compliance Officer: _____

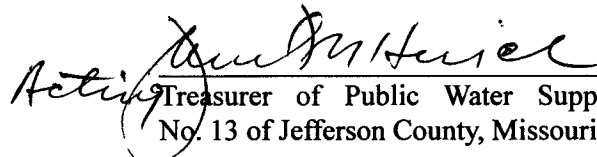
Date Completed: _____

**RECEIPT FOR PURCHASE PRICE
AND CERTIFICATE OF AUTHENTICATION**

I, the undersigned, Treasurer of Public Water Supply District No. 13 of Jefferson County, Missouri, do hereby certify that I have received from the United States of America acting through the United States Department of Agriculture (the "Purchaser"), the full purchase price of a single Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A, of the District, in the principal amount of \$2,094,000, dated April 24, 2012 (the "Bond"), bearing interest at the rate of 4.00% per annum, the purchase price of the Bond being hereby acknowledged to be not less than 100% of the principal amount thereof plus accrued interest to date of delivery.

I further certify that I have signed and dated, as of this date, the Certificate of Authentication on the Bond so delivered to the Purchaser.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the District this 24th day of April, 2012.



Acting Treasurer of Public Water Supply District
No. 13 of Jefferson County, Missouri

RECEIPT FOR BOND AND REPRESENTATION

\$2,094,000

**Public Water Supply District No. 13 of Jefferson County, Missouri
Common Sewer Treatment Facilities Revenue Bonds
(Lake Tishomingo Sewer Project)
Series A**

The undersigned, as Representative of the Purchaser of the above-referenced Bond (the "Bond"), of Public Water Supply District No. 13 of Jefferson County, Missouri (the "District"), hereby acknowledges receipt on the date hereof of the Bond, consisting of a single fully registered Bond in the denomination of \$2,094,000. Said Bond has been signed by the manual signature of the President of the Board of Directors and attested by the manual signature of the District Clerk, with the District's official seal affixed or imprinted thereon, and has been authenticated by the manual signature of the Treasurer of the District as Paying Agent. The Bond has been purchased for the Purchaser's account, with no intent to resell the Bond to other parties.

DATED: April 24, 2012.

**UNITED STATES OF AMERICA,
UNITED STATES DEPARTMENT OF
AGRICULTURE**

By

Title

Donna E. Martin

Donna E. Martin

Area Specialist

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**Registered
No. R-1**

Case No. _____

**Registered
\$2,094,000**

PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI

**COMMON SEWER TREATMENT FACILITIES REVENUE BOND
(LAKE TISHOMINGO SEWER PROJECT)
SERIES A**

**REGISTERED OWNER: UNITED STATES OF AMERICA,
UNITED STATES DEPARTMENT OF AGRICULTURE**

PRINCIPAL AMOUNT: TWO MILLION NINETY FOUR THOUSAND DOLLARS

PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI, a public water supply district and a political subdivision of the State of Missouri (the "District"), for value received, hereby promises to pay out of the funds hereinafter specified, to the registered owner shown above, or its registered assigns, but solely from the source and in the manner herein specified, the principal amount shown above and to pay interest thereon, but solely from the source and in the manner herein specified, from the effective date of registration of this Bond (which date is set forth on the last page of this Bond) at the rate of 4.00% per annum, payable April 24, 2013, and thereafter annually on April 24 in each year, on the unpaid principal balance until paid in full.

The principal or redemption price of and interest on this Bond shall be payable in installments as follows:

Interest only shall be payable annually on April 24, 2013, and April 24, 2014, and thereafter both principal of and interest on this Bond shall become due in installments of \$115,401.00 on April 24, 2015, and annually thereafter on April 24 until the principal and interest are fully paid except that the final installment of the entire remaining principal and interest on this Bond, if not sooner paid, shall be due and payable on April 24, 2047.

Every payment made on the obligation evidenced by this Bond shall be applied first to accrued interest and then to principal. Both principal of and interest on this Bond are hereby made payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of debts due the United States of America.

When this Bond is owned by the United States of America acting through the United States Department of Agriculture, this Bond or the respective installments or principal corresponding thereto shall be subject to redemption and prepayment prior to maturity, at the option of the District, in whole or in part at any time upon payment of the par value of the principal amount of the Bond or installments of principal thereof to be redeemed and prepaid, plus accrued interest thereon to the date fixed for redemption and prepayment, without premium.

When this Bond is not owned by the United States of America acting through the United States Department of Agriculture, this Bond or the respective installments of principal corresponding thereto are not subject to redemption prior to April 24, 2021. The installments of principal of the Bond maturing in the years 2022 to 2047, inclusive, are subject to redemption and payment at the option of the District on April 24, 2021, or at any time thereafter in whole or in part at the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment, without premium.

If this Bond or any installment of principal of this Bond be called for redemption as aforesaid, interest on this Bond or on such installments of principal of this Bond will cease on the specified redemption date provided funds or securities in which such funds are invested for such redemption are on deposit with the hereinafter referred to Paying Agent prior to the redemption date. Redemption of less than all of the unpaid installments of principal of this Bond shall not reduce the annual installment of principal and interest payable each year. If all of the unpaid installments of principal of this Bond be called for redemption, this Bond shall no longer be entitled to the benefits and protection of the covenants contained in the Resolution authorizing this Bond and shall not be deemed to be outstanding under the provisions of said Resolution.

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 date fixed for redemption, to the Purchaser of the Bond and the registered owner of the Bond at the address shown on the Bond Register. Notice of redemption having been given as aforesaid, the Bond or portions of the Bond 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 District shall default in the payment of the redemption price) such Bond or portions of the Bond shall cease to bear interest.

During such time as this Bond is outstanding and unpaid, interest and principal installment payments accruing on this Bond, except for the final payment of the entire indebtedness, shall be payable by check or draft to the Registered Owner hereof without presentation of this Bond by the Treasurer of the District (the "Paying Agent"). Final payment of the entire obligation evidenced by this Bond shall be payable upon presentation and surrender of this Bond at the office of the Paying Agent.

This Bond is a duly authorized bond issue of the District designated the "Common Sewer Treatment Facilities Revenue Bond (Lake Tishomingo Sewer Project), Series A," in the principal amount of \$2,094,000 (the "Bond"), issued by the District for the purpose of acquiring, constructing and equipping common sewer treatment facilities to serve the needs of certain described properties within the District (said facilities, together with all future improvements and extensions thereto hereafter constructed or acquired by the District, being herein called the "Lake Tishomingo Sewer Treatment Facilities"), under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly Chapter 247 of the Revised Statutes of Missouri, as amended, and pursuant to an election duly held in the District and a resolution duly passed by the governing body of the District (herein called the "Resolution"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

The Bond is a special obligation of the District payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues of the Lake Tishomingo Sewer Treatment Facilities, and the taxing power of the District is not pledged to the payment of the Bond either as to principal or interest. The Bond shall not be or constitute a general obligation of the District, nor shall it constitute an indebtedness of the District within the meaning of any constitutional, statutory or charter provision, limitation or restriction. Under the conditions set forth in the Resolution, the District has the right to issue additional parity bonds payable from and secured by the Net Revenues; provided, however, that such additional bonds may be so issued only in accordance with and subject to the covenants, conditions and restrictions relating thereto set forth in the Resolution.

The District hereby covenants with the Registered Owner of this Bond that it will keep and perform all covenants and agreements contained in the Resolution, and will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by or through the Lake Tishomingo Sewer Treatment Facilities, as will produce Revenues sufficient to pay the costs of operation and maintenance of the Lake Tishomingo Sewer Treatment Facilities, pay the principal of and interest on the Bond as and when the same become due, and provide reasonable and adequate reserve funds. Reference is made to the Resolution for a description of the covenants and agreements made by the District with respect to the collection, segregation and application of the Revenues of the Lake Tishomingo Sewer Treatment Facilities, the nature and extent of the security of the Bond, the rights, duties and obligations of the District with respect thereto, and the rights of the Registered Owner thereof.

This Bond may be transferred or exchanged, as provided in the Resolution, only on the Bond Register kept for that purpose at the office of the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond of the same maturity and in the outstanding principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution and upon payment of the charges therein prescribed. The District 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 Resolution until the Certificate of Authentication hereon shall have been executed by the Paying Agent.

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

IN WITNESS WHEREOF, PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI, has executed this Bond by causing it to be signed by the manual or facsimile signature of its President of the Board of Directors and attested by the manual or facsimile signature of its District Clerk and its official seal to be affixed hereto or imprinted hereon, and has caused the Original Issue Date of this Bond to be April 24, 2012.

CERTIFICATE OF AUTHENTICATION

PUBLIC WATER SUPPLY DISTRICT NO. 13 OF JEFFERSON COUNTY, MISSOURI

This Bond is the Bond described in the within-mentioned Resolution.

By: _____
President of the Board of Directors

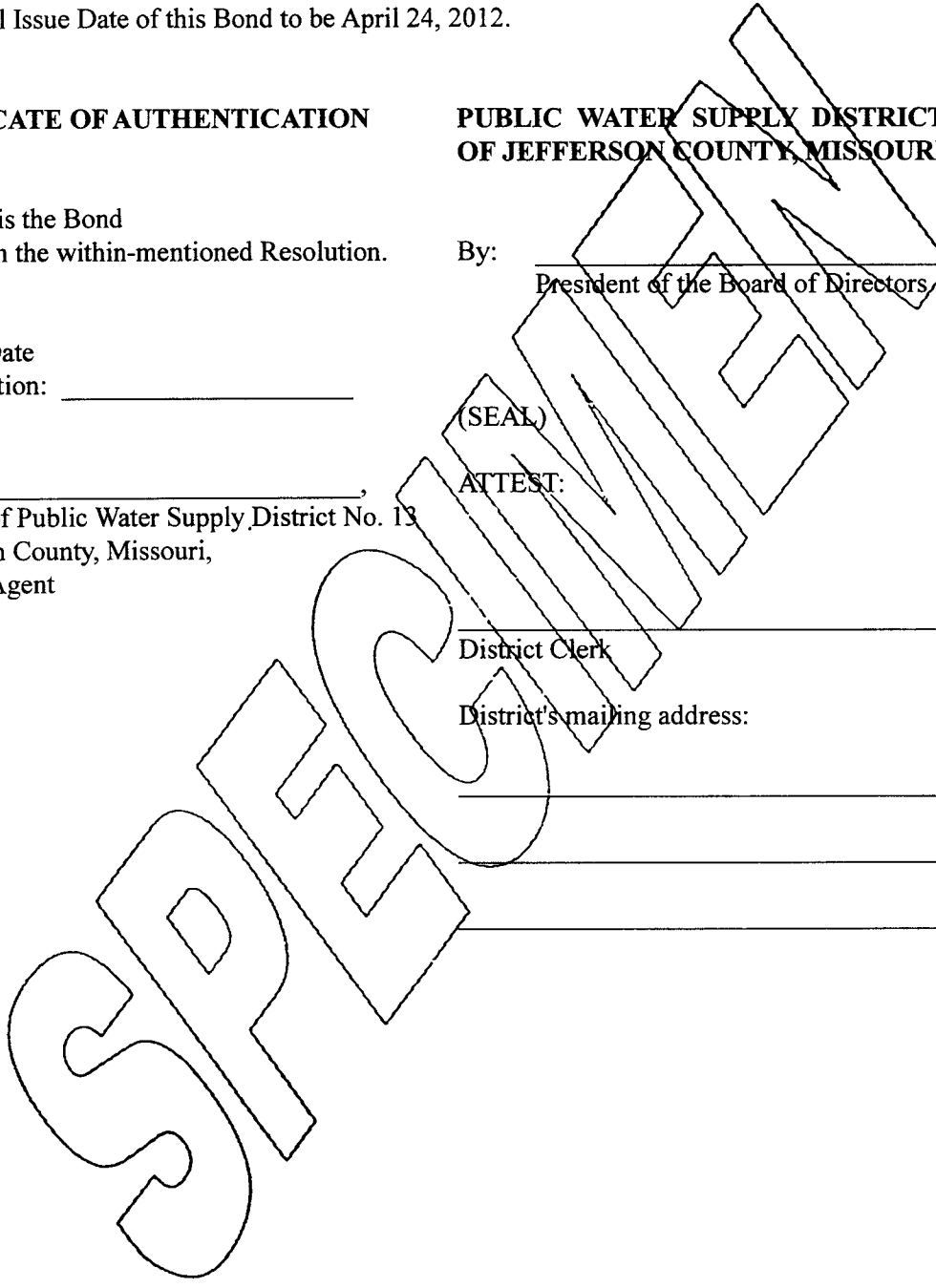
Effective Date of Registration: _____

_____,
Treasurer of Public Water Supply District No. 13 of Jefferson County, Missouri,
as Paying Agent

(SEAL)
ATTEST:

District Clerk

District's mailing address:



ASSIGNMENT

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

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

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

Dated: _____

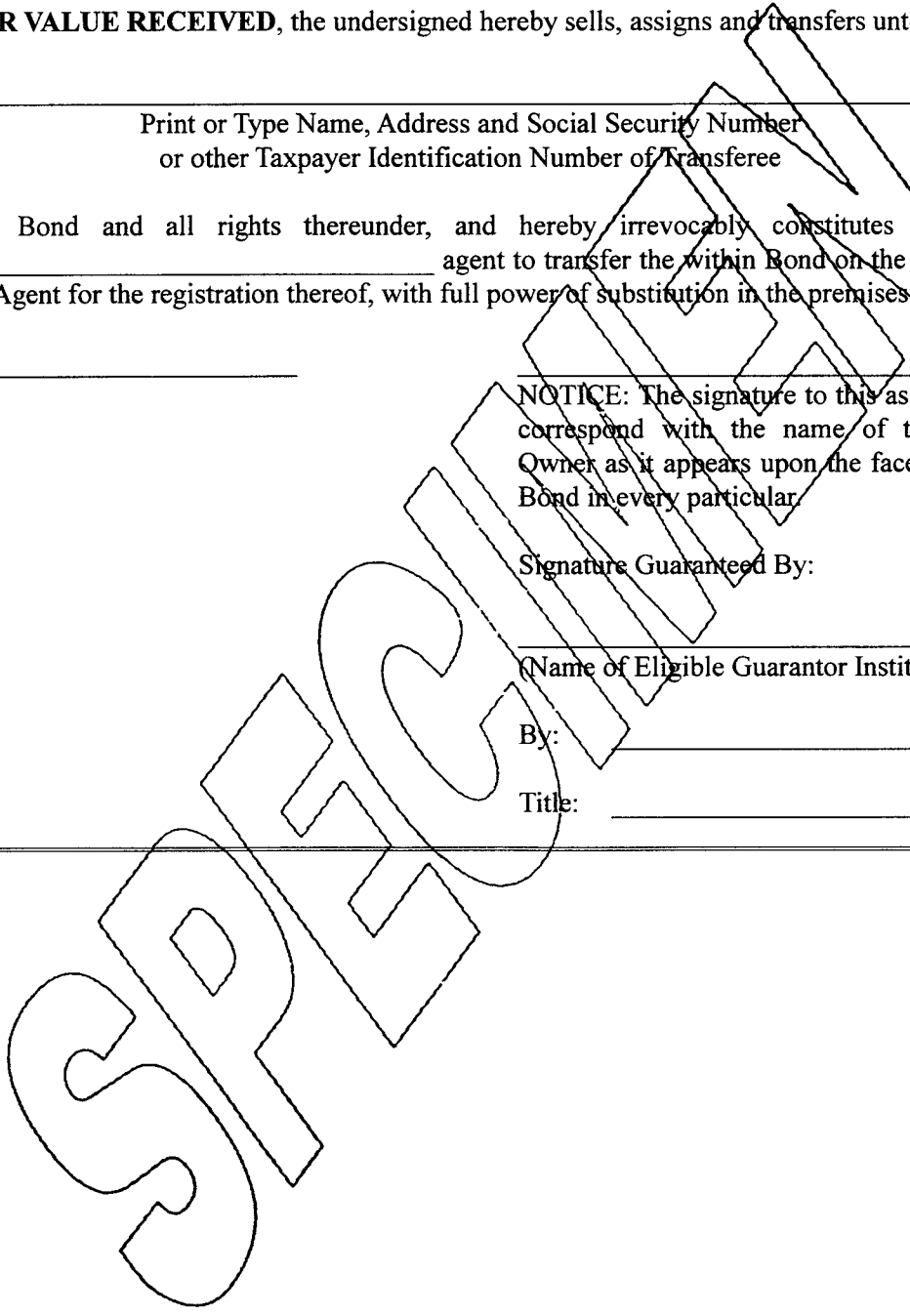
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution)

By: _____

Title: _____



GILMORE & BELL

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

2405 GRAND BOULEVARD, SUITE 1100

KANSAS CITY, MISSOURI 64108-2521

816-221-1000
FAX: 816-221-1018
WWW.GILMOREBELL.COM

ST. LOUIS, MISSOURI
WICHITA, KANSAS
LINCOLN, NEBRASKA

April 24, 2012

Public Water Supply District No. 13 of Jefferson County, Missouri
Hillsboro, Missouri

U.S. Department of Agriculture
601 Business Loop 70 West
Parkade Center, Suite 235
Columbia, Missouri 65203

Re: \$2,094,000 Public Water Supply District No. 13 of Jefferson County, Missouri, Common Sewer Treatment Facilities Revenue Bonds (Lake Tishomingo Sewer Project), Series A, dated April 24, 2012, bearing interest at the rate of 4.00% per annum

Ladies and Gentlemen:

This opinion replaces our opinion dated August 3, 2010, relating to the above-captioned Bond (the "Bond"), which has been authorized and issued by Public Water Supply District No. 13 of Jefferson County, Missouri (the "District"), pursuant to a Resolution passed by the governing body of the District (the "Resolution"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

Pursuant to the Resolution, the Bond has been issued to the original purchaser as a single Bond on which interest only is payable annually on April 24, 2013, and April 24, 2014, and thereafter both principal and interest will become due in installments of \$115,401.00 on April 24, 2015, and annually thereafter on April 24 until the principal and interest are fully paid except that the final installment of the entire remaining principal and interest on such Bond, if not sooner paid, will be due and payable on April 24, 2047.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bond has been duly authorized, executed and delivered by the District and is a valid and legally binding special obligation of the District, payable solely from the Net Revenues of the Lake Tishomingo Sewer Treatment Facilities. The Bond does not constitute a general obligation of the District nor does it constitute an indebtedness of the District within the meaning of any constitutional or statutory provision, limitation or restriction, and the taxing power of the District is not pledged to the payment of the Bond.

2. The Resolution has been duly passed by the District and constitutes a valid and legally binding obligation of the District enforceable against the District.

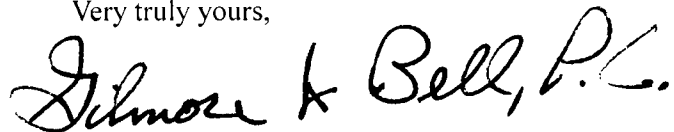
3. The interest on the Bond (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bond in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bond to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bond. The Bond is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

4. In the event that the Bond is sold out of the Agricultural Credit Insurance Fund or the Rural Development Insurance Fund as an insured loan pursuant to the provisions of Section 306(a)(1) [7 U.S.C. 1926(a)(1)] or Section 309A(h) [7 U.S.C. 1929a(h)] of the Consolidated Farm and Rural Development Act, interest on the Bond (i) will be included in gross income for federal income tax purposes and (ii) will be subject to income taxation by the State of Missouri when paid to an insured holder.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bond and we express no opinion relating thereto.

The rights of the owner of the Bond and the enforceability of the Bond and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

A handwritten signature in black ink that reads "Gilmore & Bell, P.C." The signature is written in a cursive, flowing style.