

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

AN ORDINANCE approving the issuance of not to exceed \$5,000,000 principal amount of Jackson County, Missouri, Tax Anticipation Notes, Series 2009; authorizing and approving certain documents in connection with the issuance of said notes; and authorizing certain other actions in connection with the issuance of said notes.

ORDINANCE #4174, November 16, 2009

INTRODUCED BY Dennis Waits, County Legislator

WHEREAS, Jackson County, Missouri (the “County”) operates pursuant to its county charter (the “County Charter”), and is a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri; and

WHEREAS, the County is authorized under the provisions of Article VI, Section 26 of the Missouri constitution, Article II Section 16 of its County Charter and Chapter 5 of the County Code to borrow money in an amount not greater than 95% of the anticipated collections of taxes and revenues for the current fiscal year and to deliver its notes to evidence such loan; and,

WHEREAS, the County anticipates the property taxes yet to be collected before the end of the current fiscal year is more than \$35,000,000; and,

WHEREAS, the County does not expect its current funds and revenue receipts will be sufficient to pay all obligations that may be payable before the end of the year; and,

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the County and of its inhabitants at this time to authorize the issuance and delivery of notes for the purposes aforesaid as herein provided; now therefore,

BE IT ORDAINED by the County Legislature of Jackson 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 words and terms as used in this Ordinance shall have the following meanings:

"Arbitrage Instructions" means the Arbitrage Instructions contained in the County's Federal Tax Certificate, as the same may be amended or supplemented in accordance with the provisions thereof.

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

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

"Code" means the Internal Revenue Code of 1986, as amended.

"Defaulted Interest" means interest on any Note that is payable but not paid on any Interest Payment Date.

"County" means the Jackson County, Missouri, and any successors or assigns.

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

"Interest Rate" means the one month London Interbank Offered Rate announced by the British Bankers Association on the day on which such rate is determined or, if such rate is not announced on that day, the most recent announcement of such rate, plus 70 basis points if the interest on the series of Notes is excluded from gross income for federal income tax purposes, or plus 115 basis points if the interest on the series of Notes is included in gross income for federal income tax purposes.

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

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

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

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

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

"Notes" means the Tax Anticipation Notes, Series 2009, authorized and issued by the County pursuant to this Ordinance.

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

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

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

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

"Paying Agent" means the Chief Administrative Officer for the County, and any successors or assigns designated to act as paying agent for the Notes.

"Permitted Investments" means any of the following securities, if and to the extent the same are at the time legal for investment of the County's funds:

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

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

"Purchaser" means UMB Bank, N.A., the original purchaser of the Notes.

"Record Date" for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month in which occurs an Interest Payment Date.

"Ordinance" means this Ordinance adopted by the governing body of the County, authorizing the issuance of the Notes, as amended from time to time.

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

"Stated Maturity" means February 28, 2010, the fixed date on which the principal of and interest on the Notes is due and payable.

"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 Ordinance Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the County.

ARTICLE II

AUTHORIZATION OF NOTES

Section 201. Authorization of Notes. There shall be issued and hereby are authorized and directed to be issued the Tax Anticipation Notes, Series 2009, of the County in the principal amount of not to exceed \$5,000,000 (the "Notes"), for the purpose of providing funds to pay the obligations of the County. The Notes may be issued in one or more series from time to time as need by the County and approved by the County Executive and the Chief Administrative Officer, with notice of each separate issuance to be given in writing to the Clerk of the County Legislature, provided that the principal amount of the Notes issued may not exceed \$5,000,000.

Section 202. Description of Notes. The Notes shall consist of fully registered notes without coupons, numbered from 1 upward in order of issuance, in denominations of \$1,000 or any integral multiple thereof. The Notes 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. All of the Notes shall be dated the date of delivery, shall become due on February 28, 2010, and shall bear interest at the rate per annum equal to the Interest Rate determined as of the date of delivery of the series of the Notes based on the use of the proceeds and tax exempt status of the interest on the Notes fixed to the Stated Maturity of the Notes.

The Notes shall bear interest at the above-specified rate (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof payable at maturity.

Section 203. Designation of Paying Agent. The Chief Administrative Officer of the County is the paying agent for the payment of principal of and interest on the Notes and note registrar with respect to the registration, transfer and exchange of Notes (the "Paying Agent").

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

Every Paying Agent appointed hereunder, other than the Chief Administrative Officer of the County, shall at all times be a commercial banking association or corporation or trust company located in the State of Missouri organized and doing business under the laws of the United States of America or of the State of Missouri, authorized under such laws to exercise trust powers and subject to supervision or examination by federal or state regulatory authority.

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

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

The interest payable on each Note on any Interest Payment Date shall be paid to the Registered Owner of such Note as shown on the Note Register at the close of business on the Record Date for such interest by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Note Register.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Note shall cease to be payable to the Registered Owner of such Note on the relevant Record Date and shall be payable to the Registered Owner in whose name such Note 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 County shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note 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 County of such Special Record Date and, in the name and at the expense of the County, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Registered Owner of a Note entitled to such notice at the address of such Registered Owner as it appears on the Note Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and interest on all Notes and at least annually shall forward a copy or summary of such records to the County.

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

Notes may be transferred and exchanged only on the Note Register as provided in this Section. Upon surrender of any Note to the Paying Agent, the Paying Agent shall transfer or exchange such Note for a new Note or Notes in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Note that was presented for transfer or exchange. Notes 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 Notes is exercised, the Paying Agent shall authenticate and deliver Notes in accordance with the provisions of this Ordinance. The County shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Notes provided for by this Ordinance and the cost of printing a reasonable supply of registered note blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Notes. 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 Notes.

The County and the Paying Agent shall not be required (a) to register the transfer or exchange of any Note after notice calling such Note 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 any Note during a period beginning at the opening of business on the day after receiving written notice from the County 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 County and the Paying Agent may deem and treat the Person in whose name any

Note is registered on the Note Register as the absolute owner of such Note, whether such Note is overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest on said Note and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effective to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid, and neither the County 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 Note Register may be inspected and copied by the Registered Owners of 10% or more in principal amount of the Notes then Outstanding or any designated representative of such Registered Owners whose authority is evidenced to the satisfaction of the Paying Agent.

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

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

The County Executive and Clerk of the County Legislature are hereby authorized and directed to prepare and execute the Notes in the manner herein specified, and to deliver the Notes to the Paying Agent for authentication.

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

Section 207. Mutilated, Destroyed, Lost and Stolen Notes. If (a) any mutilated Note is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Note, 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 Note has been acquired by a bona fide purchaser, the County shall execute and the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of the same Stated Maturity and of like tenor and principal amount.

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

Upon the issuance of any new Note under this Section, the County 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 Note issued pursuant to this Section shall constitute a replacement of the prior obligation of the County, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Notes.

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

Section 209. Sale of Notes. The sale of the Notes to the Purchaser at a purchase price of 100% of the principal amount thereof for each series of the Notes is hereby ratified and confirmed. Delivery of the Notes shall be made to the Purchaser as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of sale, and as necessary for fund the obligations of the County from time to time.

ARTICLE III

REDEMPTION OF NOTES

Section 301. At the option of the County, Notes may be called for redemption and payment prior to maturity in whole or in part at any time, in such amounts as shall be determined by the County at the redemption price of 100% of the principal amount of the Notes plus accrued interest thereon to the date of redemption.

The Paying Agent shall call Notes for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 45 days prior to the redemption date of written instructions from the County. The Paying Agent may

in its discretion waive such notice period so long as the following notice requirements are met. Unless waived by any Owner of a Note to be redeemed, if the County shall call the Notes for redemption and payment prior to the maturity thereof, the Paying Agent shall give written notice of such redemption, said notice to be mailed by first class mail addressed to the Registered Owners of the Notes, said notice to be mailed not less than 5 days prior to the date fixed for redemption.

Prior to any redemption date, the County shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of the Notes on the redemption date. Upon surrender of such Notes for redemption in accordance with said notice, such Notes shall be paid by the Paying Agent at the redemption price. Each Note which has been redeemed shall be cancelled and destroyed by the Paying Agent and shall not be reissued.

Whenever the Notes are called for redemption and payment as provided in this Article, the Notes shall become due and payable on the redemption date and all interest on the Notes shall cease from and after the redemption date, provided funds are available for payment of the Notes at the price hereinbefore specified.

ARTICLE IV

SECURITY FOR AND PAYMENT OF NOTES

Section 401. Security for the Notes. The County hereby irrevocably pledges for the prompt payment of the principal of and interest on the Notes as the same become due and payable the anticipated taxes and revenues to be collected during the remainder of the fiscal year. The County is not authorized to impose any additional taxes to pay the Notes.

ARTICLE V

ESTABLISHMENT OF FUNDS; DEPOSIT AND APPLICATION OF MONEYS

Section 501. Establishment of Funds. There have been or shall be established in the treasury of the County and shall be held and administered by the Chief Administrative Officer of the County the following separate funds:

- (a) Proceeds Fund.
- (b) Note Fund.

Section 502. Deposit of Note Proceeds. The net proceeds received from the sale of the Notes shall be deposited in the Proceeds Fund and shall be applied in accordance with **Section 503** hereof.

Section 503. Application of Moneys in the Proceeds Fund. Moneys in the Proceeds Fund shall be used by the County solely for the purpose of (a) paying the obligations of the County and (b) paying the costs and expenses of issuing the Notes.

The Chief Administrative Officer shall make withdrawals from the Proceeds Fund for a purpose within the scope of this Ordinance. Upon completion of the purpose for which the Notes have been issued, any surplus remaining in the Proceeds Fund shall be transferred to and deposited in the Note Fund.

Section 504. Application of Moneys in Note Fund. The County shall deposit into the Note Fund amounts sufficient to pay the Notes when due. All amounts paid and credited to the Note Fund shall be expended and used by the County for the purpose of paying the principal and interest on the Notes as and when the same become due and the usual and customary fees and expenses of the Paying Agent. The Chief Administrative Officer is authorized and directed to withdraw from the Note Fund sums sufficient to pay both principal and interest on the Notes and the fees and expenses of the Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Stated Maturity when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Registered Owners of Notes are no longer entitled to enforce payment of the Notes or the interest thereon, the Paying Agent shall return said funds to the County. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance and shall be held in trust by the Paying Agent for the benefit of the Registered Owners of the Notes entitled to payment from such moneys.

Any moneys or investments remaining in the Note Fund after the retirement of the Notes shall be transferred and paid into the general fund of the County.

Section 505. Deposits and Investment of Moneys. Moneys in each of the funds created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions located in the State of Missouri that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits as provided by the laws of the State of Missouri. All moneys held in the funds created by this Ordinance shall be kept separate and apart from all other funds of the County so that there shall be no commingling of such funds with any other funds of the County.

Moneys held in any fund referred to in this Ordinance may be invested by the Chief Administrative Officer, in accordance with this Ordinance and the Arbitrage Instructions, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any fund shall accrue to and become a part of such fund.

Section 506. Nonpresentment of Notes. If any Note is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Note have been made available to the Paying Agent all liability of the County to the Registered Owner thereof for the payment of such Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance or on, or with respect to, said Note. If any Note is not presented for payment within one year following the date when such Note becomes due at Maturity, the Paying Agent shall repay to the County the funds theretofore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the County, and the Registered Owner thereof shall be entitled to look only to the County for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the County shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE VI

REMEDIES

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

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

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

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

Section 602. Limitation on Rights of Note Owners. The covenants and agreements of the County contained herein and in the Notes shall be for the equal benefit, protection and security of the legal owners of any or all of the Notes. All of the Notes shall be of equal rank and without preference or priority of one Note over any other Note in the

application of the funds herein pledged to the payment of the principal of and the interest on the Notes, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in this Ordinance. No one or more Note Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Notes.

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

ARTICLE VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Notes or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Ordinance and the pledge of the County's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Notes or scheduled interest payments thereon so paid and discharged. Notes or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Ordinance if there has been deposited with a commercial bank or trust company located in the State of Missouri and having full trust powers, at or prior to the Stated Maturity of said Notes or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or United States Government Obligations which, together with the interest to be earned on any such United States Government Obligations, will be sufficient for the payment of the principal of said Notes and/or interest accrued to the Stated Maturity, or if default in such payment has

occurred on such date, then to the date of the tender of such payments. Any money and United States Government Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the County, for the purpose of paying and discharging any of the Notes, shall be and are hereby assigned, transferred and set over to the bank or trust company in trust for the respective Registered Owners of the Notes, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and United States Government Obligations deposited with the bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Ordinance.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801. Tax Covenants.

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

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

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

(d) The County covenants and agrees that it will not use any portion of the

proceeds of the Notes, including any investment income earned on such proceeds, directly or indirectly, (1) in a manner that would cause any Note to be a "private activity bond" within the meaning of Section 141(a) of the Code, or (2) to make or finance a loan to any Person.

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

Section 802. Amendments. The rights and duties of the County and the Note Owners, and the terms and provisions of the Notes or of this Ordinance, may be amended or modified at any time in any respect by Ordinance of the County with the written consent of the Registered Owners of not less than a majority in principal amount of the Notes then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk of the County Legislature, but no such modification or alteration shall:

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

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

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

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

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

Without notice to or the consent of any Note Owners, the County may amend or supplement this Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the security of the Note Owners.

Every amendment or modification of the provisions of the Notes or of this Ordinance, to which the written consent of the Note Owners is given, as above provided, shall be expressed in an Ordinance adopted by the governing body of the County amending or supplementing the provisions of this Ordinance and shall be deemed to be a part of this Ordinance. A certified copy of every such amendatory or supplemental Ordinance, if any, and a certified copy of this Ordinance shall always be kept on file in the office of the Clerk of the County Legislature, and shall be made available for inspection by the Registered Owner

of any Note or a prospective purchaser or owner of any Note authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental Ordinance or of this Ordinance will be sent by the Clerk of the County Legislature to any such Note Owner or prospective Note Owner.

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

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

Section 803. Notices, Consents and Other Instruments by Note Owners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Note Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Note Owners 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 Notes, if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the County 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 Notes, the amount or amounts, numbers and other identification of Notes, and the date of holding the same shall be proved by the Note Register.

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

satisfaction of the Note Owners the pledgee's right so to act with respect to such Notes and that the pledgee is not the County.

Section 804. Further Authority. The officers of the County, including the County Executive and Clerk of the County Legislature, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 805. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 806. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 807. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the County Legislature and signature of the County Executive in accordance with the County Charter.

Effective Date: This ordinance shall be effective immediately upon its signature by the County Executive.

APPROVED AS TO FORM:

Deputy/Assistant County Counselor

Acting County Counselor

I hereby certify that the attached Ordinance, Ordinance #4174, introduced on November 16, 2009, was duly passed on _____, 2009 by the Jackson County Legislature. The votes thereon were as follows:

Yeas _____

Nays _____

Abstaining _____

Absent _____

This Ordinance is hereby transmitted to the County Executive for his signature.

Date

Mary Jo Spino, Clerk of Legislature

I hereby approve the attached Ordinance #4174.

Date

Michael D. Sanders, County Executive

**EXHIBIT A
TO ORDINANCE**

(FORM OF NOTES)

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**Registered
No.** _____

Registered
\$ _____

JACKSON COUNTY, MISSOURI

**TAX ANTICIPATION NOTE
SERIES 2009**

Interest Rate

Maturity Date

Dated Date

February 28, 2010

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ **DOLLARS**

JACKSON COUNTY, MISSOURI, a county operating through its county charter and a political subdivision of the State of Missouri (the "County"), for value received, hereby acknowledges itself to be indebted and promises to pay to the registered owner shown above, or registered assigns, the principal amount shown above on the maturity date shown above and to pay interest thereon at the interest rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date shown above payable at maturity or until said principal amount has been paid.

The principal of this Note shall be paid at maturity by check or draft to the person in whose name this Note is registered at the maturity date thereof, upon presentation and surrender of this Note to the Chief Administrative Officer of the County (the "Paying Agent"). The interest payable on this Note on any interest payment date shall be paid to the person in whose name this Note is registered on the registration books maintained by the Paying Agent at the close of business on the Record Date for such interest, which shall be the fifteenth day (whether or not a business day) of the calendar month preceding an interest payment date. Such interest shall be payable by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Note Register. The principal and

interest on the Notes shall be payable by check or draft mailed by the Paying Agent in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

THE TERMS AND PROVISIONS OF THIS NOTE ARE CONTINUED ON THE REVERSE SIDE HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

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

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

IN WITNESS WHEREOF, JACKSON COUNTY, MISSOURI, has caused this Note to be executed by the manual or facsimile signature of its County Executive and attested by the manual or facsimile signature of its Clerk of the County Legislature and its official seal to be affixed or imprinted hereon.

JACKSON COUNTY, MISSOURI

By: _____
Michael D. Sanders, County Executive

APPROVED AS TO FORM:

By: _____
William G. Snyder, Acting County Counselor

ATTEST:

By: _____
Mary Jo Spino, Clerk of Legislature

(Seal)

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes of the issue described in the within-mentioned Ordinance.

Registration Date: _____

This Note is being issued pursuant to an ordinance of the County Legislature passed on November ____, 2009. The total borrowing power of the County for the 2009 year authorized by the County Charter is at least \$35,000,000. The aggregate principal amount of all prior notes and warrants previously issued and registered as of the date hereof is \$_____.

CHIEF ADMINISTRATIVE OFFICER,
Paying Agent

By _____
Authorized Signatory

(FORM OF REVERSE SIDE OF NOTE)

ADDITIONAL PROVISIONS

This Note is one of an authorized series of notes of the County designated "Tax Anticipation Notes, Series 2009," aggregating the principal amount of \$ _____ (the "Notes"), issued by the County for the purpose of paying obligations of the County, under the authority of and in full compliance with the constitution and laws of the State of Missouri, and pursuant to a Ordinance duly passed (the "Ordinance") and proceedings duly and legally had by the governing body of the County.

The County irrevocably pledges for the prompt payment of the principal of and interest on the Notes as the same become due and payable the anticipated taxes and revenues to be collected during the remainder of the fiscal year.

At the option of the County, the Notes may be called for redemption and payment prior to maturity in whole or in part at any time in such amounts as shall be determined by the County at the redemption price of 100% of the principal amount of the Notes plus accrued interest thereon to the date of redemption.

If the Notes are called for redemption and payment prior to maturity, the Paying Agent will give written notice of such redemption, said notice to be mailed by first class mail addressed to the Registered Owners of said Notes, each of said notices to be mailed not less than 5 days prior to the date fixed for redemption. Any Note so called for redemption and payment as aforesaid shall cease to bear interest from and after the date for which such call is made, provided funds are available for the payment of such Note at the price hereinbefore specified.

The Notes are issuable in the form of fully registered Notes without coupons in the denominations of \$1,000 or any integral multiple thereof.

This Note may be transferred or exchanged, as provided in the Ordinance, only on the Note Register kept for that purpose at the office of the Paying Agent, upon surrender of this Note together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Note or Notes in any authorized denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance and upon payment of the charges therein prescribed. The County and the Paying Agent may deem and treat the person in whose name this Note is registered on the Note 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.

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 Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Note 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 Note in every particular.

Signature Guaranteed By:

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

By: _____

Title: _____

LEGAL OPINION

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

GILMORE & BELL
A Professional Corporation
2405 Grand Boulevard
Suite 1100
Kansas City, Missouri 64108

(LEGAL OPINION OF BOND COUNSEL)