ORDINANCE NO. 6267


WHEREAS, the Metropolitan St. Louis Sewer District, a body corporate, a municipal corporation and a political subdivision of the State of Missouri (the "District"), owns and operates the sewerage system serving the District and its inhabitants; and

WHEREAS, the District has determined that it is advisable and necessary to construct Phase I of the Missouri River Wastewater Treatment Plant (the "Missouri River Treatment Plant"), the Fenton Wastewater Treatment Plant (the "Fenton Treatment Plant"), approximately 2,600 feet of interceptor for the Lemay Subdistrict (the "Lemay Interceptor") and approximately 770 feet of interceptor for the Meramec Subdistrict (the "Meramec Interceptor") (the "Missouri River Treatment Plant," "Fenton Treatment Plant," "Lemay Interceptor" and "Meramec Interceptor" being herein sometimes collectively referred to as the "Project"); and

WHEREAS, the total projected costs of the Missouri River Treatment Plant, the Fenton Treatment Plant, the Lemay Interceptor and the Meramec Interceptor are expected to be approximately $16,566,435, $10,890,000, $5,390,770 and $1,631,000, respectively; and

WHEREAS, the District has entered into agreements with the United States Environmental Protection Agency ("EPA"),
pursuant to Resolutions 1730, 1748, 1720 and 1748 of the District's Board of Trustees (the "Board"), providing for grants by EPA to the District in the approximate amounts of $10,309,862, $5,012,128, $4,496,745 and $702,130 to assist in financing the costs of the Missouri River Treatment Plant, the Fenton Treatment Plant, the Lemay Interceptor and the Meramec Interceptor, respectively (the "EPA Grant Agreements"); and

WHEREAS, the District has entered into agreements with the Missouri Department of Natural Resources ("DNR"), pursuant to Resolutions 1732 and 1721 providing for grants to the District in the approximate amounts of $3,326,178 and $668,350 to assist in financing the costs of the Missouri River Treatment Plant and the Lemay Interceptor. A resolution authorizing the receipt of grants in the amounts of $1,822,592 and $319,150 for the Fenton Wastewater Treatment Plant and the Meramec Interceptor will be considered by the Board at a meeting to be held on December 18, 1985 (the "DNR Grant Agreements") (the "EPA Grant Agreements" and "DNR Grant Agreements" being herein collectively referred to as the "Grant Agreements"); and

WHEREAS, due to the delay in receiving funds from EPA and DNR there is anticipated to be a cumulative cash flow deficit in excess of $9,750,000 during the construction period of the Project; and

WHEREAS, the District is authorized under the provisions of Article VI, Section 30 of the Missouri Constitution and the Plan of the District adopted by the voters within the District for its government (the "Plan") to borrow funds and to issue appropriate evidence thereof; and

WHEREAS, the Board does now find and determine that it is necessary and advisable that the District proceed to borrow Nine Million Seven Hundred Fifty Thousand Dollars ($9,750,000), in anticipation of the receipt of construction grant funds from EPA and DNR in order to provide funds with which to pay and discharge the costs of construction of the Project as the same become due and owing.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT, AS FOLLOWS:

Section One. Authorization of Construction Grant Anticipation Notes, Series 1985; Purpose. In order to provide funds with which to pay and discharge the costs and expenses incurred in connection with the construction of the Project as such costs and expenses shall become due and owing, the District does hereby authorize and direct the issuance of notes in the principal sum of $9,750,000 in anticipation of the construction grant funds to be received pursuant to the Grant Agreements over the period of construction of the Project from EPA and DNR (the "Grants").
Section Two. Terms and Provisions of the Notes. The said borrowing shall be evidenced by Construction Grant Anticipation Notes of the District to be designated "Construction Grant Anticipation Notes, Series 1985," and numbered from One upward in the denomination of Twenty-Five Thousand Dollars ($25,000) or any $5,000 integral multiple thereof, the proceeds of which will be applied as provided in Section Ten of this Ordinance. The said Notes shall bear interest at a rate not exceeding ten per centum (10%) per annum, as may be determined at the time of the sale of said Notes and as accepted by the Board, payable semi-annually on June 1 and December 1 of each year commencing on June 1, 1986 until maturity, and shall be dated as of December 1, 1985, and shall mature on June 1, 1988. The Notes shall be issued, transferred and exchanged only in fully registered form. The said Notes shall be payable, as to principal, at maturity or when otherwise due upon presentment and surrender thereof in lawful money of the United States of America at the offices of the paying agent (the "Paying Agent") or co-paying agent (the "Co-paying Agent") both as hereinafter designated.

Interest on the Notes will be paid by check or draft drawn on the Paying Agent payable to the person in whose name such Note is registered on the registration books of the paying Agent, as note registrar (the "Note Registrar"), as of the close of business on the fifteenth (15th) day of the month next preceding the applicable interest payment date (the "Record Date") irrespective of any transfer or exchange of the Notes subsequent to such Record Date and prior to such interest payment date.

The Notes are not subject to redemption prior to maturity.

Section Three. Source of Repayment; Pledge. The Notes shall be secured by and payable solely from monies in the Debt Service Fund established hereunder and from monies in the Construction Fund as provided in Section Eleven hereof, which monies, together with all investment earnings thereon, are hereby pledged to the payment of the Notes as provided in this Ordinance and in the Notes. The Notes are also payable from the proceeds of additional notes or bonds to the extent issued by the District for the purpose of funding or paying the Notes. The covenants, pledges and agreements of the District contained herein and in the Notes shall be for the equal benefit, protection and security of, the holders of any or all of the Notes, all of which Notes shall be of equal rank and without preference or priority of one Note over any other Note in the application of the funds hereinafter pledged to the payment of the principal of and the interest on the Notes, or otherwise.

The Notes are limited obligations of the District secured by a pledge of all payments made to the District by EPA and DNR pursuant to the Grant Agreements. The Notes do not
constitute a general obligation of the District and do not constitute or create an indebtedness, liability or moral obligation of the City of St. Louis, Missouri, the County of St. Louis, Missouri, the State of Missouri or the United States of America.
Section Four. Authorization to Execute and Deliver Notes.

A. The Board does hereby authorize and direct the Chairman or Vice Chairman of the Board of the District to execute and deliver the Notes in the form hereinafter set forth and with such other terms, conditions, provisions and covenants as may be contemplated by this Ordinance. All Notes issued hereunder shall be executed on behalf of the District by the manual or facsimile signature of the Chairman or Vice Chairman of the Board of the District and attested by the manual or facsimile signature of the Secretary-Treasurer of the District, and shall have the corporate seal of the District affixed thereto or imprinted thereon. If any of the officers who shall have signed or sealed any of the Notes shall cease to be such officers of the District before the Notes so signed and sealed shall have been actually attested by the manual or facsimile signature of the Secretary-Treasurer of the District, or delivered by the District, such Notes nevertheless may be attested, issued and delivered with the same force and effect as through the person or persons who signed or sealed such Notes had not ceased to be such officer or officers of the District.

B. The Notes shall bear thereon a certificate of authentication, in the form set forth in this Ordinance, executed by the Trustee hereinafter designated in this Ordinance (the "Trustee"). Only such Notes as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Ordinance and no Note shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the manual signature of an authorized officer of the Trustee. Such certificate of the Trustee upon any Note executed on behalf of the District shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered under this Ordinance and that the owner thereof is entitled to the benefits of this Ordinance.

Section Five. Form of Notes. The said Notes, the Certificate of Authentication and Form of Assignment thereon, shall be in substantially the following form, with such insertions or omissions, endorsements, modifications and variations as may be necessary or advisable to reflect the details and purpose of issuance of the Notes, the provisions of this Ordinance authorizing the same or as otherwise required or permitted by the provisions of this Ordinance.
The Metropolitan St. Louis Sewer District, a body corporate, a municipal corporation and a political subdivision of the State of Missouri (herein called the "District"), hereby acknowledges itself indebted to and, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, on the first day of June, 1988, the principal sum specified above, in lawful money of the United States of America, together with interest thereon from December 1, 1985 until the principal hereof shall have been paid, at the rate of __________ per centum (______%) per annum payable semi-annually on June 1 and December 1 of each year until maturity commencing June 1, 1986, to the registered owner hereof on the fifteenth day of the month next preceding the interest payment date ("Record Date") irrespective of any transfer or exchange of this Note subsequent to such Record Date and prior to such interest payment date. The principal on this Note is payable at the office of Mercantile Trust Company National Association, in the City of St. Louis, Missouri (the "Paying Agent"), at the office of ______________, in the City of New York, New York (the "Co-Paying Agent") or at the office of any other Paying Agent or Co-Paying Agent appointed pursuant to the Ordinance (as hereinafter defined).

Interest on this Note is payable by check or draft in lawful money of the United States of America mailed to the registered owner hereof as of the fifteenth (15th) day of the month next preceding the applicable interest payment date at the address of such owner shown on the Note registration books maintained by the Paying Agent, as note registrar (the "Note Registrar").

Interest on this Note shall be computed on the basis of a 360 day year of twelve 30 day months.

This Note and the series of which it is one are authorized to be issued by the Board of Trustees of said District in anticipation of the collection of certain construction grants from the United States Environmental Protection Agency and the Missouri Department of Natural Resources (the "Grants") to be
received during the construction of the Missouri River Wastewater Treatment Plant, the Fenton Wastewater Treatment Plant, the Lemay Interceptor and the Meramec Interceptor and are issued under and pursuant to the Constitution of the State of Missouri, the Plan of the District adopted by the voters within the District and pursuant to Ordinance No. ___________ of the District (the "Ordinance").

The indebtedness evidences by this Note and the series, numbered from One (1) upward (the "Notes"), of which it is one constitute an indebtedness for a like amount of money borrowed by said District in anticipation of the receipt of the Grants and, after the delivery of said Notes, constitutes a first charge upon the said incoming Grants to an amount equal to the Note Service Requirement (which is defined in the Ordinance as the maximum amount of principal and interest payable on the Notes through the maturity date on the Notes).

This Note is a limited obligation of the District payable solely from and secured as to the payment of principal and interest by a pledge of the proceeds of the Grants to be held in the Debt Service Fund established in the Ordinance and from certain moneys held in the Construction Fund established in the Ordinance under the circumstances described in the Ordinance, together with the investment earnings thereon, as such funds are held and administered by Mercantile Trust Company National Association, as trustee (the "Trustee").

THIS NOTE DOES NOT CONSTITUTE A GENERAL OBLIGATION OF THE DISTRICT, AND DOES NOT CONSTITUTE OR CREATE AN INDEBTEDNESS, LIABILITY OR MORAL OBLIGATION OF THE CITY OF ST. LOUIS, MISSOURI, THE COUNTY OF ST. LOUIS, MISSOURI, THE STATE OF MISSOURI OR THE UNITED STATES OF AMERICA.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE SIDE HEREOF WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THE FACE HEREOF.

It is hereby certified, warranted and represented that all acts, conditions and things required to be done, to happen and to exist, precedent to and in the issuance of this Note and the series of which it is one, in order to make the same the legal, valid and binding obligations of said District, have been done, have happened and do exist in proper form, time and manner, as required by law; that the aggregate principal amount of the borrowing evidenced by this Note and the series of which it is one does not exceed the estimate of the receipts of the Grants; and that the proceeds of the Grants collected after the date of delivery hereof (up to the Note Service Requirement) are hereby irrevocably pledged to the payment of this Note and the other Notes of the series of which this Note is one and the interest to accrue thereon.
This Note shall not be entitled to any security, right or benefit as herein provided, or be valid or obligatory for any purpose, unless the certificate set forth hereon has been duly executed by the Trustee.

IN TESTIMONY WHEREOF, The Metropolitan St. Louis Sewer District has caused this Note to be executed on its behalf by the manual of facsimile signature of the Chairman of Vice Chairman of its Board of Trustees and attested by the manual or facsimile signature of its Secretary-Treasurer all as of the date of authentication below.

ATTEST:      THE METROPOLITAN ST. LOUIS
By ___________________________   By ___________________________
Secretary-Treasurer of    Chairman of the
the District     Board of Trustees
(FORM OF REVERSE OF NOTE)

THE METROPOLITAN ST. LOUIS SEWER DISTRICT
(ST. LOUIS, MISSOURI)
CONSTRUCTION GRANT ANTICIPATION NOTE,
SERIES 1985

This Note is transferable, as provided in the Ordinance, only upon the registration books kept for that purpose at the office of the Note Registrar by the registered owner hereof in person or by his duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to the Note Registrar duly executed by the registered owner or his duly authorized attorney, and thereupon a new Note 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 District and the Note Registrar may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of the principal hereof and interest due hereon and for all other purposes.

This Note is not subject to redemption prior to maturity.

The Notes of the issue of which this Note is one are issuable in the form of registered Notes without coupons in the denomination of $25,000 or any $5,000 integral multiple thereof. Subject to such conditions and upon the payment of such charges, the owner of any Note or Notes may surrender the same (together with a written instrument of transfer satisfactory to the Note Registrar duly executed by the owner or his duly authorized attorney), in exchange for an equal aggregate principal amount of registered Notes of any other authorized denominations.

Reference is hereby made to the Ordinance for a description of the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of said District, the Trustee, the Paying Agent, the Note Registrar and the holders of the Notes. The holder of this Note, by acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Ordinance.
This Note is one of the notes executed and delivered pursuant to the within mentioned Ordinance. The date of authentication of this Note is __________, _____.

MERCANTILE TRUST COMPANY
NATIONAL ASSOCIATION,
as Trustee

By __________________________
Authorized Officer
[FORM OF ASSIGNMENT ON ALL NOTES]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto
(Please insert Social Security or other identifying number of Assignee) _______________________________________________________
(Please Print or Typewrite Name and Address of Assignee)
the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints
attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

DATED ____________, ______.
Signature Guaranteed

________________________________________________________________________
Signature

NOTICE: Signature(s) must be guaranteed by a member firm of assignment must correspond with the New York Stock Exchange or the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

CUSIP identification numbers shall be printed on the Notes, but such numbers shall not be deemed to be a part of the Notes or a part of the contract evidenced thereby and no liability shall hereafter attach to the District or any of the officers or agents thereof because of or on account of said CUSIP identification numbers.

Section Six. Mutilated, Lost, Stolen or Destroyed Notes. In the event any Note is mutilated, lost, stolen or destroyed, the District shall execute and the Trustee shall authenticate and deliver a new Note of like maturity and principal amount as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated Note, such mutilated Note shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Note, there first shall be furnished to the District and the Trustee evidence of such loss, theft or destruction satisfactory to the District and the Trustee, together with an indemnity satisfactory to them which indemnity shall, in
any event, name the District and the Trustee as a beneficiary. In the event any such Note shall have matured, the Trustee, instead of issuing a duplicate Note, may pay the same without surrender thereof, making such requirements as it deems fit for its protection, including a lost instrument bond. The Trustee may charge the owner of such Note with its reasonable fees and expenses for such service. In executing a new Note, the District may rely conclusively upon a representation by the Trustee that the Trustee is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Note.

Section Seven. Registration, Transfer and Exchange of Notes. The District covenants that it will, as long as any of the Notes herein authorized remain outstanding, cause to be kept at the office of the Note Registrar books for the registration, transfer and exchange of Notes as herein provided.

Each Note when issued shall be registered in the name of the owner thereof on the registration books kept by the Note Registrar.

Each Note will be transferable only upon the registration books maintained by the Note Registrar, by the registered owner thereof in person or by his duly authorized attorney in writing, upon surrender thereof at the principal office of the Note Registrar together with a written instrument of transfer satisfactory to the Note Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Note and the payment of any fee, tax or governmental charge, the Trustee shall issue in the name of the transferee a new registered Note or Notes of the same aggregate principal amount and maturity as the surrendered Note, registered in the name of the transferee, in any denomination herein authorized.

Note, upon surrender thereof at the principal office of the Note Registrar with a written instrument of transfer satisfactory to the Note Registrar duly executed by the owner or his duly authorized attorney, may, at the option of the owner thereof, and upon payment of any fee, tax or governmental charge required to be paid, be exchanged for an equal aggregate principal amount of Notes of the same maturity, in any denomination herein authorized.

The District, the Note Registrar, the Paying Agent, the Co-Paying Agent or Trustee may deem and treat the person in whose name any Note shall be registered as the absolute owner of such Note, whether such Note shall be 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, and all such payments as made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the
liability upon such Note to the extent of the sum or sums so paid, and neither the District nor the Paying Agent, Co-Paying Agent, Note Registrar or Trustee shall be affected by any notice to the contrary, but such registration may be changed as herein provided.
In all cases in which the privilege of transferring or exchanging Notes is exercised, the Trustee shall authenticate and deliver Notes in accordance with the provisions of this Ordinance. For every such transfer or exchange of Notes, the Paying Agent, Co-Paying Agent, Note Registrar or Trustee may make a charge to the Noteholder sufficient to reimburse the Paying Agent, Co-Paying Agent, Note Registrar or Trustee, as the case may be, for any tax or other governmental charged required to be paid with respect to such exchange or transfer.

Section Eight. Sale of Notes. The Notes may be sold at the best price obtainable at public sale as determined by the Chairman or Vice Chairman of the Board of the District and its Secretary-Treasurer, in their sole discretion, subject to the interest rate and par value limitations set forth in Section 108.170 R.S.Mo. Supp. 1984. The Secretary-Treasurer shall cause the Notes so sold to be delivered to the purchaser or purchasers thereof upon receipt of the purchase price therefore, and the proceeds of the sale of said Notes shall be paid to the Trustee for deposit into the Construction Fund hereinafter established; but none of said Notes shall be sold for less than 100% of par value.

Section Nine. Creation of Funds. There are hereby created and the Board does hereby authorize and direct the Trustee to establish the following accounts, to be held by the Trustee in the name of the District and to be administered as hereinafter described:

(a) Metropolitan Sewer District, Grant Anticipation Notes, Series 1985 Construction Fund (the "Construction Fund"); and

(b) Metropolitan Sewer District, Grant Anticipation Notes, Series 1985, Debt Service Fund (the "Debt Service Fund").

Section Ten. Application of Note Proceeds. The proceeds from the sale of the Notes (including accrued interest, if any) shall be applied as follows:

(a) the amount received as accrued interest shall be deposited with the Trustee to the credit of the Debt Service Fund;

(b) at the option of the District, an amount estimated by the Secretary-Treasurer of the District to be sufficient for such purposes shall be paid to the District and applied by the District to the payment of the expenses of issuing the Notes, including, but not limited to, financial advisory, accounting and legal fees, rating agency fees, printing costs, initial Trustee, Note Registrar, Paying Agent and Co-Paying Agent fees and expenses and other miscellaneous expenses relating to the issuance of the Notes; and
(c) the balance of the proceeds of the Notes shall be deposited to the credit of the Construction Fund, which moneys may be withdrawn only as provided hereinafter.

Section Eleven. Application of Grant Receipts. The District shall pay over to the Trustee, immediately upon receipt, all monies received from EPA and DNR pursuant to the Grant Agreements, for deposit in the Debt Service Fund until the amount in such fund equals the maximum amount of principal and interest payable on the Notes through the maturity date thereof (the "Note Service Requirement"). Thereafter, no further deposits into the Debt Service Fund shall be required by the District. The Trustee, on each interest and principal payment date, shall withdraw from the Debt Service Fund and deposit in trust with the Paying Agent any amounts required for payment of the interest and principal on the Notes as such interest and principal become due and payable. In the event the amount in the Debt Service Fund is insufficient to pay any installment of interest or principal as the same become due, the Trustee shall, and is hereby authorized to transfer such funds as is necessary for such payment from the Construction Fund to the Debt Service Fund. If funds in the Construction Fund are transferred to the Debt Service Fund to fund any deficiency required to pay principal and interest (the "Deficiency Payment") all as provided in the next preceding sentence, the Trustee is hereby directed at the earliest practicable time after sufficient funds are available, to re-transfer from the Debt Service Fund to the Construction Fund an amount equal to such Deficiency Payment; provided, however, in no event shall such re-transfer occur unless immediately after such re-transfer there are amounts remaining the Debt Service Fund equal to the Note Service Requirement. Amounts deposited in the Debt Service Fund may not be used for any purpose other than those set forth in this Section Eleven.

Section Twelve. Disbursements from Construction Fund. Except as provided in Section Eleven, monies in the Construction Fund shall be used for the sole purpose of paying the costs and expenses of constructing the Project. Disbursements from the Construction Fund shall be made by the Trustee only upon receipt from the District of a requisition describing the amount to be paid, the payee and certifying that such payment is being made for a purpose within the scope of this Ordinance. Upon completion of the Project, any surplus remaining in the Construction Fund shall be paid over and deposited in the Debt Service Fund.

Section Thirteen. Investments. Monies held in any fund referred to in this Ordinance shall be invested by the Trustee as directed by the District, which investments may be in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United of America or in such other obligations as may be permitted by law for the investment of the District's funds. All interest on any investments held in any fund shall accrue to and become a part of such fund.
Section Fourteen. No Arbitrage Covenant. The District hereby covenants and agrees that it shall not use or permit the use of any proceeds of Notes, including any earnings thereon, or any other funds of the District, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any Note to be an "arbitrage bond" within the meaning of Section 103(c) of the Internal Revenue code of 1954, as amended, or the applicable Treasury Regulations promulgated thereunder.

The District shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the District on the Notes shall, for the purposes of federal income tax, be exempt from all income taxation under any valid provision of law.

Section Fifteen. Representations, Warranties and Covenants. The District hereby represents, warrants and covenants that it:

(a) has not previously authorized or issued any notes in anticipation of the receipt of the Grants and has not pledged or assigned any moneys received or to be received under the Grant Agreements to secure any obligation or indebtedness of the District other than the Notes;

(b) will maintain its existence and its right to operate its sewerage system, and will provide for the operation of its sewerage system;

(c) will not make or cause or permit to be made any application of the Note proceeds, the Grant Receipts or any moneys held in the Construction Fund or the Debt Service Fund except in accordance with the provisions of this Ordinance;

(d) will not, under any circumstances or at any time, create, assume, permit or suffer to be created, any judgment, mortgage, pledge or other lien, encumbrance or charge on the Grant Receipts, the Construction Fund or the Debt Service Fund as long as any of the Notes are outstanding;

(e) will promptly pay the Grant Receipts to the Trustee for deposit into the Debt Service Fund in the manner described in this Ordinance;

(f) will comply in all material respects with the terms and conditions of the Grant Agreements and will take whatever action necessary to assure the proper and continued receipt of moneys thereunder and will not terminate, modify, breach or amend this Ordinance in any manner materially adverse to the interests of the Noteholders;
(g) will execute and deliver all such further instruments and take all such further action as may be required to carry out the purposes of this Ordinance;

(h) will pay the principal of and the interest on each and every Note issued under the provisions of this Ordinance at the places, on the dates and in the manner specified herein and in such Notes, according to the true intent and meaning thereof. Such principal and interest will be payable from the moneys held in the Debt Service Fund and Construction Fund, as herein provided and the moneys received from EPA and DNR pursuant to the Grant Agreements are hereby pledged to the payment of the principal of and interest on the Notes in the manner and to the extent herein particularly specified and are subject to a lien and charge in favor of the Noteholders prior in right to any other lien or charge created by the District; and

(i) will use its best efforts to issue additional bonds or notes for the purpose of funding any amount necessary to retire the Notes. Such additional notes or bonds shall be issued under a separate ordinance of the District and may be payable from the same sources as the Notes, in order to pay or retire the Notes at maturity. Any such additional notes or bonds would not constitute a general obligation of the District but rather a limited obligation of the District.

Section Sixteen. Appointment of Paying Agent, Note Registrar and Co-Paying Agent. Mercantile Trust Company National Association, St. Louis, Missouri is hereby appointed and designated Paying Agent and Note Registrar for the Notes and Bank of Tokyo located in the City and State of New York is hereby appointed and designated as Co-Paying Agent for the Notes. Upon written acceptance hereof, the Paying Agent, Co-Paying Agent and Note Registrar accept and agree to fulfill the trusts and obligations imposed upon them by this Ordinance until all Notes have been paid in full or are no longer outstanding. In the event of the Paying Agent's, Note Registrar's or Co-Paying Agent's resignation, removal or inability to serve, the Board agrees to promptly designate as a successor to such fiduciary a bank or trust company within Missouri or New York (with respect to the Co-Paying Agent) which is duly authorized to exercise corporate trust powers and has combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars ($50,000,000); provided, however, that a bank or trust company duly authorized to exercise corporate trust powers, and subject to examination by federal or state authority, of good standing, and having less combined capital, surplus and undivided profits may be appointed successor Paying Agent, Note Registrar or Co-Paying, ad the case may be, if no bank or trust company having such combined capital, surplus and undivided profits aggregating not less than $50,000,000 is available and willing to assume the position of successor Paying Agent, Note Registrar or Co-Paying Agent. Upon such successor fiduciary's written acceptance of such position and
of the terms and conditions of this Ordinance, the successor fiduciary shall become the Paying Agent, Note Registrar or Co-Paying Agent, as the case may be, hereunder.

Section Seventeen. Appointment of Trustee. The Board does hereby authorize the appointment of Mercantile Trust Company National Association as Trustee for the benefit of the Noteholders. Upon written acceptance hereof, the Trustee accepts and agrees to fulfill the trusts and obligations imposed upon it by this Ordinance as a prudent man would exercise or use under circumstances in the conduct of his own affairs until all Notes have been paid in full or are not longer outstanding. In the event of the trustee's resignation, removal or inability to serve, the Board agrees to promptly designate as a successor to the Trustee a bank or trust company within Missouri which is duly authorized to exercise corporate trust powers and has combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars ($50,000,000); provided, however, that a bank or trust company duly authorized to exercise corporate trust powers, and subject to examination by federal or state authority, of good standing, and having less combined capital, surplus and undivided profits amy be appointed successor trustee if no bank or trust company having such combined capital, surplus and undivided profits aggregating not less than $50,000,000 is available and willing to assume the position of successor trustee. Upon the successor trustee's written acceptance of such position and of the terms and conditions of this Ordinance, the successor trustee shall become the Trustee hereunder.

The Trustee shall not be required to expend or risk its own funds or otherwise incur individual financial liability in the performance of its duties hereunder, shall not be required to take any remedial action until it shall be indemnified by the District to its reasonable satisfaction against all costs, shall have not obligations except its obligations hereunder, and shall only be liable for its own negligence or willful misconduct.

Section Eighteen. Official Statement. The Executive Director is hereby authorized to prepare a Preliminary Official Statement with respect to the Notes, for an on behalf of the District. The Executive Director and Secretary-Treasurer are hereby authorized to permit the financial advisor to the District to use the Preliminary Official Statement in connection with the sale of the Notes. The Executive Director and Secretary-Treasurer are each hereby authorized and directed to prepare, execute and deliver an Official Statement for an on behalf of the District.

Section Nineteen. Defeasance. When all of the Notes shall have been paid and discharged, then the requirements contained in this Ordinance and the pledge of the Grants made hereunder and all other rights granted hereby shall terminate. Notes shall be deemed to have been paid and discharged within the meaning of this Ordinance if there shall have been deposited with
the Paying Agent or Co-Paying Agent, at or prior to the maturity date of said Notes, in trust for and irrevocably appropriated thereto, monies and/or direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America which, together with the interest to be earned on any such obligations will be sufficient for the payment of the principal of said Notes, and interest accrued to the date of maturity. Any monies and obligations which at any time shall be deposited with the Paying Agent or Co-Paying Agent, for the purpose of paying and discharging any of the Notes, shall be and are hereby assigned, transferred and set over to the Paying Agent or Co-Paying Agent, for the respective owners of the Notes, and such monies shall be and are hereby irrevocably appropriated to the payment and discharge hereof. All monies deposited with the Paying Agent or Co-Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance.

Section Twenty. Ordinance Constituting Contract with Noteholders. The provisions of this Ordinance shall constitute a contract between the District and the holders from time to time of the Notes herein authorized to be issued, and after the issuance of the Notes no changes, additions or alterations of any kind shall be made hereto in any manner except upon consent of the holder or holders of seventy-five percent (75%) in principal of all of the Notes then outstanding; such consent to be evidenced by an instrument or instruments of such holder or holders and duly acknowledged in the manner of a deed for the conveyance of real estate in the State of Missouri, and such instrument or instruments shall contain or be accompanied by proof of ownership of the Notes concerning which such consent is given, and shall be filed in the office of the Secretary-Treasurer of the District and shall be a public record; provided, however, that no such modification or alteration shall extend the maturity of or reduce the interest rate on or otherwise alter or impair the obligation to pay the principal of or the interest on any Note at the time and place and at the rate and in the currency as provided herein, without the express consents of the holders of such Notes, nor reduce the percentage of Notes required for the affirmative vote or written consent to a modification or alteration, nor impair the covenants set forth in Section Fifteen of this Ordinance. Any and all modifications or alterations made in the manner hereinabove provided shall not become effective until there shall have been filed with the Secretary-Treasurer of the District proof of the consent to such modification or alteration by the holder or holders of seventy-five percent (75%) in principal amount of all Notes then outstanding.

Section Twenty-one. Temporary Notes. A. Until the definitive Notes are prepared, the District may execute in the same manner as is provided in Section Four, and, upon the request of the District, the Trustee shall authenticate and deliver, in lieu of the definitive Notes, subject
to the same provisions, limitations and conditions as the definitive Notes except as to the denominations thereof, one or more temporary Notes substantially of the tenor of the definitive Notes in lieu of which such temporary Notes are issued in denominations of $25,000 or any $5,000 integral multiple thereof authorized by the District, and with such omissions, insertions and variations as may be appropriate to temporary Notes. The District at its own expense shall prepare and execute, upon the surrender of such temporary Notes for exchange and upon the cancellation of such surrendered temporary Notes the Trustee shall authenticate and, without charge to the owner thereof, deliver in exchange therefor, definitive Notes, of the same aggregate principal amount and maturity as the temporary Notes surrendered. Until so exchanged, the temporary Notes shall in all respect be entitled to the same benefits and security as definitive Notes authenticated and issued pursuant to this Ordinance.

B. If the City shall authorize the issuance of temporary Notes in more than one denomination, the owner or any temporary Note or Notes may, at his option, surrender the same to the Trustee in exchange for another temporary Note or Notes of like aggregate principal amount, maturity and interest rate of any other authorized denomination or denominations, and thereupon the District shall execute and the Trustee shall authenticate and, in exchange for the temporary Note or Notes of like aggregate principal amount and maturity in such other authorized denomination of denominations as shall be requested by such owner.

Section Twenty-two. Cancellation and Destruction of Notes. All Notes paid, either at or before maturity, shall be delivered to the Note Registrar when such payment is made, and such Notes shall thereupon be promptly canceled and disposed of in accordance with the Plan of the District. Notes so canceled may at any time be destroyed by the Trustee, which shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Notes so destroyed, and one executed certificate shall be filed with the District and the other executed certificate shall be retained by the Trustee.

Section Twenty-three. Payment of Fiduciary Fees. The Paying Agent, Trustee, Co-Paying Agent and Note Registrar shall be paid the usual and customary fees for their services in connection herewith, which fees shall be paid by the District and may, at the option of the District and if permitted by applicable law, be payable out of the Note proceeds.

Section Twenty-four. Execution and Delivery of a Paying Agency Agreement and Related Documents and Certificates. In connection with the Notes, the Board hereby authorizes and directs the Chairman or Vice Chairman of the Board to enter into a Paying Agency Agreement, if required, with the Paying Agent and Co-Paying Agent, if necessary, such Paying Agency Agreement to contain such customary terms and provisions as the Chairman or Vice Chairman of
the Board the Secretary-Treasurer of the District shall approve, their execution to constitute conclusive evidence of such approval. The Board further authorizes and directs the Chairman or Vice Chairman of the Board and the Secretary-Treasurer of the District to execute and deliver such other documents and certificates and to do such other acts and things as may be contemplated by this Ordinance.

Section Twenty-five. Severability. If any section or other part of this Ordinance shall for any reason be held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.
Section Twenty-six. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section Twenty-seven. Emergency Clause. The passage of this Ordinance and the payment of the obligations to be provided for hereunder are necessary for the immediate sale and award of the Notes and the preservation of the public health and safety of the District; that an emergency is hereby declared to exist under the terms and provision of Section 5.100 of the Plan; and that this Ordinance shall take effect immediately upon its approval by the Board.

Section Twenty-eight. No Personal Liability. No Board member, officer or employee of the District shall have any personal liability for acts taken in accordance with this Ordinance. The Treasurer of the District is hereby authorized and directed to pay or cause to be paid all costs, expenses and fees incurred in connection with or incidental to the issuance of the Notes.

PASSED by the Board of Trustees of the Metropolitan St. Louis Sewer District, this _____ day of November, 1985.

Approval: ___________________ , 1985

(SEAL)

Chairman of the Board of Trustees of the District

ATTEST:

Secretary-Treasurer of the District

The foregoing Ordinance was adopted December 4, 1985.