

**NEW ISSUE
BOOK-ENTRY ONLY**

**Rating: Assured Guaranty Municipal Corp.-Insured: Standard & Poor's AA
Underlying: Standard & Poor's BBB+**

In the opinion of Armstrong Teasdale LLP, Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2015A Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal and Missouri income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The Series 2015A Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS" herein. See also the form of opinion of Bond Counsel attached hereto as APPENDIX E.



**\$6,440,000
THE CITY OF ST. LOUIS, MISSOURI
SUBORDINATED PARKING REVENUE BONDS
(CAPITAL EQUIPMENT PROJECT)
SERIES 2015A**

Dated: Date of Delivery

Due: December 15, as shown on the inside cover

The Subordinated Parking Revenue Bonds (Capital Equipment Project), Series 2015A (the "Series 2015A Bonds") will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2015A Bonds. Purchases of beneficial ownership interests in the Series 2015A Bonds will be made in book-entry only form in denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interests in the Series 2015A Bonds. See "**THE BOOK-ENTRY ONLY SYSTEM**" herein. The principal of and interest on the Series 2015A Bonds will be paid by UMB Bank, N.A., St. Louis, Missouri, as Trustee (the "Trustee"), to Cede & Co., as long as Cede & Co. is the sole holder of the Series 2015A Bonds. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the purchasers of beneficial ownership interests in the Series 2015A Bonds is the responsibility of DTC Participants and Indirect Participants, as more fully described herein.

Interest on the Series 2015A Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable to the Registered Owner thereof on each June 15 and December 15, beginning December 15, 2015, by check or draft mailed to the persons who are Registered Owners as of the close of business on the first day of the calendar month in which an interest payment on any Series 2015A Bond is to be made.

The Series 2015A Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

The scheduled payment of principal of and interest on the Series 2015A Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP.**

The Series 2015A Bonds and the interest thereon are special, limited obligations of The City of St. Louis, Missouri (the "City"), acting through the Supervisor of Parking Meters (the "Issuer"). The Series 2015A Bonds are payable solely from, and secured as to the payment of principal of and interest on the Series 2015A Bonds by a subordinate and junior lien on and subordinate and junior pledge of, in all respects, the Pledged Revenues (as herein defined) and other funds derived by the Issuer under the herein-described Indenture. See "**SECURITY FOR THE SERIES 2015A BONDS**" herein.

THE SERIES 2015A BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF MISSOURI (THE "STATE") OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE INDENTURE. THE ISSUANCE OF THE SERIES 2015A BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE STATE SHALL NOT IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015A BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY THE ISSUER. NO BREACH BY THE ISSUER OF ANY SUCH PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT MAY IMPOSE ANY LIABILITY, PECUNIARY OR OTHERWISE, UPON THE STATE OR ANY CHARGE UPON ITS GENERAL CREDIT OR ITS TAXING POWER.

See the inside cover page for maturities, principal amounts, interest rates and yields.

There are risks associated with the purchase of the Series 2015A Bonds. Investors should consider all risks associated with the purchase of the Series 2015A Bonds prior to such purchase. See "**BONDOWNERS' RISKS**" herein.

The Series 2015A Bonds are offered when, as, and if issued by the Issuer and accepted by the Underwriters, subject to prior placement, withdrawal, or modification of the offer without notice, and subject to the approval of the validity of the Series 2015A Bonds by Armstrong Teasdale LLP, Bond Counsel, and certain other conditions referred to herein. Certain legal matters will be passed upon for the City by the office of the City Counselor. Certain legal matters will be passed upon for the City by Squire Patton Boggs (US) LLP, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by the Hardwick Law Firm, Kansas City, Missouri. Comer Capital Group, LLC, Jackson, Mississippi, has served as Financial Advisor with respect to the Series 2015A Bonds. It is expected that the Series 2015A Bonds will be available for delivery to DTC, in New York, New York on or about April 2, 2015.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION NECESSARY TO THE MAKING OF AN INFORMED INVESTMENT DECISION.



STIFEL

This Official Statement is dated March 25, 2015.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST
RATES, YIELDS AND CUSIPS**

**\$6,440,000
The City of St. Louis, Missouri
Subordinated Parking Revenue Bonds
(Capital Equipment Project)
Series 2015A**

Maturity Schedule

<u>Maturity</u> <u>December 15</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>
2016	\$345,000	0.730%	0.730%	100.00	791676BL2
2017	350,000	1.080	1.080	100.00	791676BM0
2018	350,000	1.430	1.430	100.00	791676BN8
2019	355,000	1.730	1.730	100.00	791676BP3
2020	365,000	1.880	1.880	100.00	791676BQ1
2021	370,000	2.080	2.080	100.00	791676BR9
2022	380,000	2.330	2.330	100.00	791676BS7
2023	385,000	2.480	2.480	100.00	791676BT5
2024	395,000	2.680	2.680	100.00	791676BU2
2025	405,000	2.780	2.780	100.00	791676BV0

Term Bond

\$2,740,000 3.500 % Term Bonds due December 15, 2031, Price: 97.520%, Yield: 3.700%, CUSIP 791676BW8.

Assured Guaranty Municipal Corp. (“AGM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “Bond Insurance” and “Appendix D – Specimen Municipal Bond Insurance Policy.”

* CUSIP numbers shown above have been assigned by an organization not affiliated with the Issuer. The Issuer was not responsible for the selection of CUSIP numbers nor does it make any representation as to the correctness of such numbers on the Series 2015A Bonds or as indicated herein.

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriters to give any information or to make any representations with respect to the Series 2015A Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2015A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the Issuer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

All quotations from any summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly stated, are intended merely as estimates and opinions and not as representations of fact.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2015A BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IF AND WHEN A BONDHOLDER ELECTS TO SELL A SERIES 2015A BOND PRIOR TO ITS MATURITY, THERE CAN BE NO ASSURANCE THAT A MARKET WILL HAVE BEEN ESTABLISHED, MAINTAINED, OR IN EXISTENCE FOR THE PURCHASE AND SALE OF THE SERIES 2015A BONDS. THE UNDERWRITERS OF THE SERIES 2015A BONDS CURRENTLY INTEND TO MAKE A MARKET IN THE SERIES 2015A BONDS BUT ASSUME NO OBLIGATION TO ESTABLISH OR MAINTAIN SUCH A MARKET AND ARE NOT OBLIGATED TO REPURCHASE ANY OF THE SERIES 2015A BONDS AT THE REQUEST OF THE HOLDER THEREOF.

THE SERIES 2015A BONDS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS ANY DOCUMENT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE ISSUER AND THE TERMS OF THE OFFERING. THESE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE

NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included in or incorporated by reference in this Official Statement that are not purely historical, are “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 27A of the United States Securities Act of 1933, as amended (the “Securities Act”) and reflect the Issuer’s current expectations, hopes, intentions, or strategies regarding the future. Such statements may be identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words. Such forward-looking statements include, among others, certain statements under the caption “**BONDOWNERS’ RISKS**” in this Official Statement.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE ISSUER ON THE DATE HEREOF, AND THE ISSUER ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED UNDER THE CAPTION "CONTINUING DISCLOSURE."

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THE CITY OF ST. LOUIS, MISSOURI

1200 Market Street
St. Louis, Missouri 63103

ELECTED OFFICIALS

Francis G. Slay, *Mayor*
Darlene Green, *Comptroller*
Lewis E. Reed, *President of the Board of Aldermen*
Tishaura O. Jones, *Treasurer*

BOARD OF ALDERMEN

Sharon Tyus	Ward 1	Megan E. Green	Ward 15
Dionne Flowers	Ward 2	Donna Baringer	Ward 16
Freeman M. Bosley, Sr.	Ward 3	Joseph D. Roddy	Ward 17
Samuel L. Moore	Ward 4	Terry Kennedy	Ward 18
Tammika Hubbard	Ward 5	Marlene E. Davis	Ward 19
Christine Ingrassia	Ward 6	Craig N. Schmid	Ward 20
Vacant	Ward 7	Antonio D. French	Ward 21
Stephen J. Conway	Ward 8	Jeffrey L. Boyd	Ward 22
Kenneth Ortmann	Ward 9	Joseph A. Vaccaro	Ward 23
Joseph Vollmer	Ward 10	Scott Ogilvie	Ward 24
Thomas A. Villa	Ward 11	Shane Cohn	Ward 25
Larry Arnowitz	Ward 12	Frank Williamson	Ward 26
Beth Murphy	Ward 13	Chris Carter	Ward 27
Carol Howard	Ward 14	Lyda Krewson	Ward 28

OTHER CITY OFFICIALS

Ivy Neyland-Pinkston, *Deputy Comptroller for Finance and Development*
Elaine Harris Spearman, *Legal Advisor to the Comptroller*
Winston Calvert, *City Counselor*
Michael A. Garvin, *Deputy City Counselor*

BOARD OF ESTIMATE AND APPORTIONMENT

Francis G. Slay, *Mayor*
Darlene Green, *Comptroller*
Lewis E. Reed, *President of the Board of Aldermen*

PARKING COMMISSION

Tishaura O. Jones, *Chairman and Supervisor of Parking Meters*
Darlene Green, *Comptroller*
Freeman M. Bosley, Sr., *Chairman of the Streets, Traffic & Refuse Committee of the Board of Aldermen*
Steve Runde, *Director of Streets*
Carl Phillips, *Director of Parking Operations*

FINANCIAL ADVISOR

Comer Capital Group, LLC
Jackson, Mississippi

COMPTROLLER'S FINANCIAL ADVISOR

Public Financial Management, Inc.
Philadelphia, Pennsylvania

BOND COUNSEL

Armstrong Teasdale LLP
St. Louis, Missouri

UNDERWRITERS' COUNSEL

Hardwick Law Firm, LLC
Kansas City, Missouri

DISCLOSURE COUNSEL

Squire Patton Boggs (US) LLP
New York, New York

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OFFICIAL STATEMENT
\$6,440,000
THE CITY OF ST. LOUIS, MISSOURI
SUBORDINATED PARKING REVENUE BONDS
(CAPITAL EQUIPMENT PROJECT)
SERIES 2015A

INTRODUCTION

*The following introductory statement is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the Appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page, inside cover page and appendices, should be considered in its entirety. All capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings ascribed to them in **APPENDIX C** hereto. **Investors must read the entire Official Statement, including the cover page, inside cover page and appendices hereto, to obtain information essential to making an informed investment decision.***

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information regarding the City of St. Louis, Missouri (the “City”), acting through the Supervisor of Parking Meters (the “Issuer”), the Issuer’s parking facilities and the Issuer’s Subordinated Parking Revenue Bonds (Capital Equipment Project), Series 2015A to be issued in the principal amount of \$6,440,000 as described herein (the “Series 2015A Bonds”). See “**PLAN OF FINANCE**” herein.

The Series 2015A Bonds

The Series 2015A Bonds are being issued pursuant to and in full compliance with the constitution and statutes of the State of Missouri, including Section 82.470 *et seq.* of the Missouri Revised Statutes, 2000, as amended (the “Act”) and Ordinance No. 69917 adopted by the Board of Aldermen of the City (the “Board of Aldermen”) on January 20, 2015, and approved by the Mayor of the City (the “Ordinance”). The Series 2015A Bonds are issued pursuant to a Trust Indenture dated as of December 1, 2006, as amended and supplemented by Supplemental Trust Indenture No. 4 dated as of April 1, 2015 (the “Indenture”), by and among the Issuer, the Parking Commission of the City of St. Louis, Missouri (the “Parking Commission”) and UMB Bank, N.A., as trustee (the “Trustee”). See “**APPENDIX C – DEFINITIONS AND SUMMARY OF THE INDENTURE**” herein. The Series 2015A Bonds are being issued for the purpose of providing funds, together with other available funds, for (a) paying all or a portion of the costs of the Series 2015A Project (as herein described), (b) funding a debt service reserve with respect to the Series 2015A Bonds, and (c) paying the bond insurance premium and other costs of issuance with respect to the Series 2015A Bonds. See “**THE SERIES 2015A BONDS**” and “**PLAN OF FINANCE**” herein.

The City

The City is a constitutional charter city and political subdivision of the State of Missouri (the “State”). See “**APPENDIX A – INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI**” herein.

The Issuer

The Act designates the Treasurer as Supervisor of Parking Meters of the City (the “Supervisor of Parking Meters”) and authorizes the Supervisor of Parking Meters to issue Bonds on behalf of the City. For more information, see **“THE ISSUER, THE PARKING DIVISION AND THE PARKING SYSTEM”** herein.

The Parking Commission

The Act also establishes a parking commission of the City (the “Parking Commission”) to assist in overseeing, planning and coordinating the parking policies of the City. For more information, see **“THE ISSUER, THE PARKING DIVISION AND THE PARKING SYSTEM”** herein.

The Parking Division

The parking division of the City (the “Parking Division”) operates the municipal parking facilities and functions as a self-supporting enterprise, operating without taxpayer funding. Costs of operation, capital improvements and other costs relative to such municipal parking facilities are paid by revenues generated by the Parking Division. The Supervisor of Parking Meters manages the operations of the Parking Division, with oversight by the Parking Commission. For more information see **“THE ISSUER”** herein and **“HISTORICAL COLLECTION OF REVENUES PLEDGED TO THE BONDS”** herein.

Security for the Series 2015A Bonds

The Series 2015A Bonds and the interest thereon are special obligations of the Issuer payable solely from, and secured as to the payment of principal of and interest on the Series 2015A Bonds, by a lien on and pledge of Net Project Revenues, Net Parking Division Revenues and General Fund Parking Revenues (each as hereinafter defined), and any additional revenues from any source whatsoever that may at any time be pledged to secure any bonds issued pursuant to the Indenture, that is subordinate and junior, in all respects, to the lien and pledge securing the Senior Bonds, as hereinafter defined, subject to the terms of the Indenture. See **“SECURITY FOR THE SERIES 2015A BONDS – Prior Bonds”** herein. As further security for the Series 2015A Bonds, the Issuer is required to maintain a Debt Service Reserve Fund with the Trustee. In addition, the Parking Trust Fund (as defined herein) will secure the Series 2015A Bonds. See **“SECURITY FOR THE SERIES 2015A BONDS”** herein.

THE SERIES 2015A BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE INDENTURE. THE ISSUANCE OF THE SERIES 2015A BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE STATE SHALL NOT IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015A BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY THE ISSUER. NO BREACH BY THE ISSUER OF ANY SUCH PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT MAY

IMPOSE ANY LIABILITY, PECUNIARY OR OTHERWISE, UPON THE STATE OR ANY CHARGE UPON ITS GENERAL CREDIT OR ITS TAXING POWER.

Bond Insurance

The scheduled payment of principal of and interest on the Series 2015A Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp.

Debt Service Reserve Fund

The Indenture provides for the establishment of a Debt Service Reserve Fund which will be funded at the time of the issuance of the Series 2015A Bonds in an amount equal to the Debt Service Reserve Requirement (as hereinafter defined). See “**SECURITY FOR THE SERIES 2015A BONDS – Debt Service Reserve Fund**” herein.

Bondowners’ Risks

Payment of the principal of, interest and redemption price on the Series 2015A Bonds is subject to certain risks. See “**BONDOWNERS’ RISKS**” herein.

The Series 2015A Project

The Series 2015A Project consists of the purchase and installation of modern parking meters for 7,700 parking spaces and revenue control equipment for the Cupples Garage located in the City. The Series 2015A Project is expected to cost approximately \$5,572,105 (the “Series 2015A Project”). For more information, see “**PLAN OF FINANCE**” herein.

Additional Indebtedness

The Issuer may from time to time issue additional bonds and incur other indebtedness upon compliance with certain provisions of the Indenture, which may be secured by the Pledged Revenues on a priority basis over the Series 2015A Bonds or on a parity basis with the Series 2015A Bonds, or on a subordinate basis to the Series 2015A Bonds. See “**APPENDIX C – DEFINITIONS AND SUMMARY OF THE INDENTURE – SUMMARY OF THE INDENTURE – Authorization of Bonds,**” “**– General Provisions for Issuance of Bonds,**” “**– Refunding Bonds,**” “**– Subordinate Indebtedness**” and “**– Permitted Indebtedness**” herein.

THE SERIES 2015A BONDS

Authority and Purpose

The Series 2015A Bonds are being issued pursuant to and in full compliance with the constitution and statutes of the State, including the Act and the Ordinance. The Series 2015A Bonds are issued pursuant to the Indenture.

The Series 2015A Bonds are being issued for the purpose of providing funds, together with other available funds, to (a) pay all or a portion of the costs of the Series 2015A Project, (b) fund a debt service reserve with respect to the Series 2015A Bonds, and (c) pay the bond insurance premium and other costs of issuance with respect to the Series 2015A Bonds.

Limited Obligations

THE SERIES 2015A BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE INDENTURE. THE ISSUANCE OF THE SERIES 2015A BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE STATE SHALL NOT IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015A BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY THE ISSUER. NO BREACH BY THE ISSUER OF ANY SUCH PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT MAY IMPOSE ANY LIABILITY, PECUNIARY OR OTHERWISE, UPON THE STATE OR ANY CHARGE UPON ITS GENERAL CREDIT OR ITS TAXING POWER.

Description of the Series 2015A Bonds

The Series 2015A Bonds will be issuable in the form of fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates; the Series 2015A Bonds will be available only in book-entry form. The Series 2015A Bonds will be issued in the principal amount set forth on the inside cover page of this Official Statement, will be dated the date of original issuance and delivery thereof and will mature on December 15 in the years and in the principal amounts set forth on the inside cover page hereof.

Each Series 2015A Bond will bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) from the dated date of the Series 2015A Bonds at the rates per annum set forth on the inside cover page hereof, which interest will be payable semiannually on June 15 and December 15 in each year, beginning on December 15, 2015.

Principal of and interest on such Series 2015A Bond is payable at maturity or upon earlier redemption to the person in whose name such Series 2015A Bond is registered at maturity, or redemption date thereof, upon presentation and surrender of such Series 2015A Bond at the payment office of the Trustee. Interest on the Series 2015A Bonds is payable (except on maturity or upon earlier redemption) by check or draft mailed by the Trustee to the person in whose name such Series 2015A Bond is registered on the first day of the month of an interest payment date (the "Record Date") at such person's address as it appears on the bond registration books kept by the Trustee.

Registration, Transfer and Exchange of Bonds

The Series 2015A Bonds will be issued only in fully registered form. Any bond may be transferred only upon the surrender thereof at the corporate trust office of the Trustee or such other office as the Trustee may designate, duly endorsed for transfer or accompanied by a written instrument of transfer duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. The Trustee shall charge the owner requesting any change in registration, exchange or transfer a fee covering any tax or other governmental charge in connection therewith.

Redemption Provisions

Optional Redemption. The Series 2015A Bonds maturing in the year 2020 and thereafter will be subject to redemption and payment prior to maturity, at the option and written direction of the Issuer, on and after March 15, 2020, in whole or in part on any date at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

Extraordinary Optional Redemption. The Series 2015A Bonds shall be subject to redemption and payment prior to maturity, at the option and written direction of the Issuer, in whole or in part at any time, at a redemption price equal to **100%** of the principal amount thereof, plus accrued interest thereon to the redemption date, without premium, on the earliest practicable date upon which notice may be given, from any Project Sale Proceeds deposited in the Series 2015A Debt Service Account pursuant to the Indenture. See “**APPENDIX C – DEFINITIONS AND SUMMARY OF INDENTURE — SUMMARY OF THE INDENTURE – Creation of Liens; Sale or Transfer**” herein. See also “**BONDOWNERS’ RISKS – Sale of Parking Facilities Could Cause Early Redemption**” herein for a description of certain events which could cause such an extraordinary optional redemption in the future.

Extraordinary Mandatory Redemption. The Series 2015A Bonds shall be subject to mandatory redemption prior to the stated maturity thereof, in whole or in part at any time, at a redemption price equal to **100%** of the principal amount thereof, plus accrued interest thereon to the redemption date, without premium, on the earliest practicable date upon which notice may be given, from any Project Insurance Proceeds deposited in the Series 2015A Debt Service Account pursuant to the Indenture. See “**APPENDIX C – DEFINITIONS AND SUMMARY OF INDENTURE — SUMMARY OF THE INDENTURE – Reconstruction; Application of Insurance Proceeds**” herein.

Mandatory Redemption. The Series 2015A Bonds maturing December 15, 2031 (the “Series 2015A Term Bonds”) are subject to mandatory redemption and payment prior to maturity through mandatory sinking fund installments on December 15 in each of the years set forth below, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption, without premium:

Series 2015A Term Bonds Maturing <u>December 15, 2031</u>	
<u>Year</u>	<u>Sinking Fund Installment</u>
2026	\$420,000
2027	430,000
2028	450,000
2029	465,000
2030	480,000
2031*	495,000

* Stated maturity.

In determining the amount of Series 2015A Term Bonds of a particular maturity to be redeemed on any date pursuant to the mandatory sinking fund redemption provisions of the Indenture, there will be

deducted the principal amount of any Series 2015A Term Bonds of such maturity which have been purchased, to the extent permitted by the Indenture, with amounts in the Series 2015A Debt Service Account in the Subordinated Indebtedness Fund in accordance with the Indenture (exclusive of amounts deposited from proceeds of Bonds). In addition, if any Series 2015A Term Bonds of a particular maturity are (a) purchased or redeemed with amounts other than moneys on deposit in the Series 2015A Debt Service Account, or (b) deemed to have been paid within the meaning of the Indenture and, with respect to the Series 2015A Term Bonds of such maturity which have been deemed paid, irrevocable instructions have been given to the Trustee to redeem or purchase the same on or prior to the due date of the mandatory sinking fund redemption provision to be credited, the Series 2015A Term Bonds of such maturity may be credited against any future mandatory sinking fund redemption established for the Series 2015A Term Bonds of such maturity as determined by the Issuer at any time.

Notice of Redemption. Unless waived by any Owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Trustee by telecopy, first class mail or prepaid overnight delivery service, at least 30 days but not more than 60 days prior to the redemption date to each Registered Owner of the Series 2015A Bonds to be redeemed at the address shown on the bond register.

With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Trustee on or prior to the redemption date in an amount sufficient to pay the redemption price on the redemption date. If such notice is conditional and moneys are not received, such notice shall be of no force and effect, the Trustee shall not redeem such Series 2015A Bonds and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Series 2015A Bonds will not be redeemed.

The failure of any Owner of Bonds to receive such notice of redemption given as provided in the Indenture, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Series 2015A Bonds. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives such notice.

So long as a Securities Depository is effecting book-entry transfers of a Series of Bonds under a Book-Entry System, the Trustee shall provide the notices specified in the Indenture only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify the Direct Participants, that the Direct Participants will, in turn, notify the Indirect Participants and that the Direct Participants and the Indirect Participants will notify or cause to be notified the beneficial Owners. Any failure on the part of the Securities Depository, a Direct Participant or an Indirect Participant, or failure on the part of a nominee of a beneficial Owner of a Bond (having been mailed notice from the Trustee, a Direct Participant, an Indirect Participant or otherwise), to notify the beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Series 2015A Bond.

Selection of Bonds to be Redeemed. If less than all of the Series 2015A Bonds are to be redeemed and paid prior to maturity, the particular Series 2015A Bonds to be redeemed shall be selected from the series and the maturity or maturities selected by the Issuer; provided, however, that the Issuer may select Series 2015A Bonds to be redeemed that will result in a debt service schedule for the Series 2015A Bonds remaining outstanding that does not provide for substantially level debt service only if the Issuer delivers to the Trustee an Issuer's Certificate demonstrating that the ratio determined by dividing (A) a numerator equal to the average of the Pledged Revenues for the two most recent Fiscal Years for which audited financial statements are available (excluding any portion of the Pledged Revenues which, in the event that the redemption is from Project Sales Proceeds or Project Insurance Proceeds, is attributable to the Project or portion thereof that was sold, damaged or destroyed) by (B) a denominator equal to the Maximum

Annual Debt Service with respect to all Outstanding Bonds and Parity Indebtedness after giving effect to such redemption, is not less than **1.35**. If less than all Bonds of any maturity of any series are to be redeemed, the particular Bonds to be redeemed shall be selected by the Trustee at random in such manner as the Trustee shall deem fair and equitable. Certain exceptions to these provisions apply with respect to the redemption of Series 2015A Bonds from Project Sale Proceeds or Project Insurance Proceeds, as follows:

Any Bond that is to be redeemed only in part shall be surrendered at the place of payment therefor (with, if the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the Owner thereof or his attorney or legal representative duly authorized in writing), and the Trustee shall authenticate and deliver to the Owner of such Bond, without service charge, a new Bond or Bonds of any authorized denomination or denominations as requested by such Owner in the aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered. If the Owner of any such Bond shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the unit or units of principal amount called for redemption (and to that extent only).

Effect of Redemption. On or before any redemption date, the Issuer shall deposit with the Trustee an amount of money sufficient to pay the redemption price of all the Bonds that are to be redeemed on that date. Such money shall be held in trust for the benefit of the Persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate. Subject to the provisions relating to conditional notices of redemption, notice of redemption having been given as aforesaid, the Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds shall cease to bear interest.

If any Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the redemption date at the rate prescribed therefor in the Bond.

THE BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer and the Underwriters believe to be reliable, but the Issuer and the Underwriters take no responsibility for the accuracy thereof and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participant, as the case may be.

The Depository Trust Company ("**DTC**"), New York, New York, will act as securities depository for the Series 2015A Bonds. The Series 2015A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2015A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2015A Bonds, the Beneficial Owners of the Series 2015A Bonds will not receive or have the right to receive physical delivery of the Series 2015A Bonds, and references herein to the Bondholders or

registered owners of the Series 2015A Bonds mean the Nominee and not the Beneficial Owners of the Series 2015A Bonds.

DTC and its Participants. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“***Direct Participants***”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“***DTCC***”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“***Indirect Participants***”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtec.com and www.dtcc.com.

Purchase of Ownership Interests. Purchases of the Series 2015A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2015A Bond (“***Beneficial Owner***”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2015A Bonds, except in the event that use of the book-entry system for the Series 2015A Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Series 2015A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as maybe requested by an authorized representative of DTC. The deposit of Series 2015A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2015A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory

requirements as may be in effect from time to time. Beneficial Owners of Series 2015A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2015A Bond documents. For example, Beneficial Owners of Series 2015A Bonds may wish to ascertain that the nominee holding the Series 2015A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption. Redemption notices shall be sent to DTC. If less than all of the Series 2015A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2015A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal and Interest. Redemption proceeds, distributions, and dividend payments on the Series 2015A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the Series 2015A Bonds at any time by giving reasonable notice to the Issuer. Under such circumstances, in the event that a successor depository is not obtained, the Series 2015A Bonds are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2015A Bonds are required to be printed and delivered to DTC.

THE ISSUER, THE UNDERWRITERS AND THE PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (II) THE PAYMENT BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015A BONDS; (III) THE DELIVERY BY ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED

UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2015A BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

DURING THE PERIOD THAT THE NOMINEE IS THE REGISTERED OWNER OF THE SERIES 2015A BONDS, ANY REFERENCES IN THIS OFFICIAL STATEMENT TO NOTICES THAT ARE TO BE GIVEN TO OWNERS BY THE PAYING AGENT WILL BE GIVEN ONLY TO THE NOMINEE. DTC WILL BE EXPECTED TO FORWARD (OR CAUSE TO BE FORWARDED) THE NOTICE TO THE DIRECT PARTICIPANTS BY ITS USUAL PROCEDURES SO THAT SUCH PARTICIPANTS MAY FORWARD (OR CAUSE TO BE FORWARDED) THE NOTICES TO THE INDIRECT PARTICIPANTS AND THE BENEFICIAL OWNERS. THE PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO ASSURE THAT ANY SUCH NOTICE IS FORWARDED BY DTC TO THE DIRECT PARTICIPANTS OR BY THE DIRECT PARTICIPANTS TO THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS. ANY FAILURE BY DTC TO ADVISE ANY DIRECT PARTICIPANT, OR ANY FAILURE BY ANY DIRECT PARTICIPANT TO NOTIFY ANY INDIRECT PARTICIPANT, OR ANY FAILURE BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER OF ANY SUCH NOTICE AND ITS CONTENT OR EFFECT SHALL NOT AFFECT THE VALIDITY OF ANY ACTION PREMISED ON SUCH NOTICE.

Transfer Outside Book-Entry System

If the Book-Entry Only System is discontinued the following provisions would apply. The Series 2015A Bonds are transferable only upon the Bond Register upon surrender of the Series 2015A Bonds duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney or legal representative in a form satisfactory to the Paying Agent. Series 2015A Bonds may be exchanged for other Series 2015A Bonds of any denomination authorized by the Resolution in the same aggregate principal amount, series and maturity, upon presentation to the Paying Agent, subject to the terms, conditions and limitations set forth in the Resolution. The Paying Agent may make a charge for every such transfer or exchange sufficient to reimburse the Paying Agent for any tax or other governmental charge required to be paid with respect to any such exchange or transfer.

SECURITY FOR THE SERIES 2015A BONDS

General

The Series 2015A Bonds and the interest thereon are special obligations of the Issuer payable solely from, and secured as to the payment of principal of, and interest on the Series 2015A Bonds, by a subordinate and junior lien on and subordinate and junior pledge of, in all respects, Net Project Revenues, Net Parking Division Revenues, General Fund Parking Revenues, interest and other investment income received or to be received on any moneys or securities held pursuant to the Indenture and required to be paid into the Revenue Fund and any other amounts pledged to the repayment of the Bonds or a portion thereof pursuant to the Indenture (each as hereinafter defined and collectively referred to herein as the "Pledged Revenues"). See "APPENDIX C – DEFINITIONS AND SUMMARY OF THE INDENTURE" herein.

Prior Bonds

The Issuer has outstanding under the Indenture the following Series of Bonds which rank senior in priority to the Series 2015A Bonds and have a first lien on and pledge of the various sources of payment of principal of and interest on the Series 2015A Bonds except for moneys on deposit in the Series 2015A Debt Service Reserve Fund, moneys upon their deposit in the Series 2015A Debt Service Account in the Subordinated Indebtedness Fund and moneys paid by the Bond Insurer, if any, in accordance with the terms of the financial guaranty insurance policy:

- \$46,250,000 Parking Revenue Bonds, Series 2006A (Tax-Exempt) (the “Series 2006A Bonds”). As of the date of this Official Statement, \$46,250,000 in principal amount of the Series 2006A Bonds remain outstanding. (Simultaneously with the issuance of the Series 2006A Bonds, the Issuer issued \$11,650,000 Parking Revenue Bonds, Series 2006B (Taxable) (the “Series 2006B Bonds”) which are no longer outstanding. The Series 2006A Bonds and the Series 2006B Bonds are sometimes referred to collectively herein as the “Series 2006 Bonds”); and
- \$12,725,000 Parking Revenue Bonds, Series 2007, consisting of \$9,370,000 Series 2007A (Tax-Exempt) (the “Series 2007A Bonds”) and \$3,335,000 Parking Revenue Bonds Series 2007B (Taxable) (the “Series 2007B Bonds” and, together with the Series 2007A Bonds, the “Series 2007 Bonds”). As of the date of this Official Statement, \$9,370,000 in principal amount of the Series 2007A Bonds remain outstanding and \$1,575,000 in principal amount of the Series 2007B Bonds remain outstanding.

The Series 2006A Bonds and the Series 2007 Bonds are sometimes referred to collectively herein as the “Senior Bonds.”

In addition to the Series 2006 Bonds and the Series 2007 Bonds, the Issuer has outstanding under the Indenture the following Series of Bonds which rank on a parity in priority with the Series 2015A Bonds and have a parity lien on and pledge of the various sources of payment of principal of and interest on the Series 2015A Bonds except for moneys on deposit in the Series 2015A Debt Service Reserve Fund, moneys upon their deposit in the Series 2015A Debt Service Account in the Subordinated Indebtedness Fund and moneys paid by the Bond Insurer, if any, in accordance with the terms of a financial guaranty insurance policy:

- \$1,500,000 Subordinated Parking Revenue Bonds, Series 2013A (the “Series 2013A Bonds”). As of the date of this Official Statement, \$1,333,333 in principal amount of the Series 2013A Bonds remain outstanding.

The Series 2006A Bonds, the Series 2007 Bonds and the Series 2013A Bonds are referred to collectively herein as the “Prior Bonds.”

Debt Service on Prior Bonds

The required annual payments of principal of and interest on the Prior Bonds is set out in “**DEBT SERVICE REQUIREMENTS**” herein.

THE SERIES 2015A BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR

OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE INDENTURE. THE ISSUANCE OF THE SERIES 2015A BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE STATE SHALL NOT IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015A BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY THE ISSUER. NO BREACH BY THE ISSUER OF ANY SUCH PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT MAY IMPOSE ANY LIABILITY, PECUNIARY OR OTHERWISE, UPON THE STATE OR ANY CHARGE UPON ITS GENERAL CREDIT OR ITS TAXING POWER.

Pledge of Pledged Revenues

Pursuant to the Indenture, the Issuer pledges all of its rights, title and interest in the Pledged Revenues, as defined below, together with all monies and securities held under the Indenture, including monies and securities in the Parking Trust Fund, to the payment of the Bonds. Except with respect to separate accounts in the Debt Service Fund and the Debt Service Reserve Fund established under the Indenture with respect to each Series of Bonds, all Bonds issued under the Indenture shall be equally and ratably secured pursuant to the Indenture except with respect to certain tax increment financing revenues, transportation development district revenues or other similar revenues which may be pledged solely with respect to a portion of the Bonds.

Pursuant to an Agreement dated as of December 1, 2006 (the “City Agreement”), the City pledges the General Fund Parking Revenues, as defined herein, to the Issuer, as security for the payment of the Debt Service Requirements on the Bonds and certain fees, expenses and deposits described in the Indenture.

“Pledged Revenues” means, collectively, (a) Net Project Revenues, (b) Net Parking Division Revenues (defined below), (c) General Fund Parking Revenues (defined below), (d) interest and other investment income received or to be received on any moneys or securities held pursuant to the Indenture and required to be paid into the Revenue Fund and (e) any other amounts pledged to the repayment of the Bonds or a portion thereof in a Supplemental Indenture.

“Net Project Revenues” means, for any period of calculation, the sum of (a) Net Project Operating Revenues with respect to such period and (b) Supplemental Project Revenues with respect to such period.

“Net Project Operating Revenues” means, for any period of calculation, the difference between (a) all Parking Division Revenues for such period that are attributable to the Projects and (b) the Operation and Maintenance Expenses attributable to the Projects during such period.

“Supplemental Project Revenues” means, for any period of calculation, all revenues relating to a Project that are received by the Issuer or the Trustee during such period, including but not limited to tax revenues received in connection with a tax increment financing district or a transportation development district, that (a) do not constitute Project Operating Revenues and (b) are pledged to the repayment of the Bonds or a portion thereof pursuant to a Supplemental Indenture. Certain Supplemental Project Revenues are available for the payment of the debt service on outstanding Series 2006 Bonds but are not available for the payment of debt service on the Series 2007 Bonds, the Series 2013A Bonds or the Series 2015A Bonds.

“Net Parking Division Revenues” means, for any period of calculation, the difference between (a) Parking Division Revenues for such period that are not attributable to the Projects, and (b) Operation and Maintenance Expenses for such period that are not attributable to the Projects.

“Parking Division Revenues” means (a) all monies derived from the issuance, assessment or assignment of fees, fines, tickets, tags, charges, penalties, interest earnings or other similar revenues by employees, agents or representatives of the Supervisor of Parking Meters (including employees, agents or representatives of the Parking Division and any parking violation enforcement division established by the Supervisor of Parking Meters), presently or in the future generated by and payable to the Supervisor of Parking Meters for or in connection with the parking of motor vehicles on streets or in or on present or future off-street and on-street parking lots, areas, garages or other similar facilities, including parking fees, meter collections, parking violations, fines, penalties, permit fees and administrative costs; (b) lease revenue from tenants leasing a portion of the Parking System and any other revenues, rents, income, receipts and other moneys received by the Parking Division from and in connection with the operation of the Parking System; and (c) the proceeds of insurance covering business interruption loss relating to the Parking System. “Parking Division Revenues” does not include: (1) any revenues, rents, income, receipts and other moneys received by the Parking Division from and in connection with the operation of Excluded Facilities; (2) amounts received by the Issuer as a result of the sale of any portion of the Parking System that is duly conveyed to a third party by the Issuer; (3) insurance proceeds resulting from casualty damage to the Parking System (other than proceeds of any business interruption loss insurance); (4) the proceeds from the sale of the Bonds; (5) interest and other investment income received or to be received on any moneys or securities held pursuant to an indenture of trust entered into by the Issuer with respect to bonds, notes or other evidences of indebtedness payable on a basis subordinate to the Bonds, except to the extent that the Issuer specifies in a Supplemental Indenture that such interest and other investment income shall constitute Parking Division Revenues; (6) amounts received by or on behalf of the Issuer pursuant to any Qualified Swap Facility, except to the extent that the Issuer specifies in a Supplemental Indenture that such amounts shall constitute Parking Division Revenues; (7) amounts received by or on behalf of the Issuer pursuant to a Qualified Credit Facility, except to the extent that the Issuer specifies in a Supplemental Indenture that such amounts shall constitute Parking Division Revenues; or (8) moneys that are not derived from the activities listed in clauses (a) through (c) above but are nonetheless pledged to the repayment of the Bonds in a Supplemental Indenture pursuant to clause (e) of the definition of “Pledged Revenues.”

“Parking System” means all public parking facilities, lots, garages, spaces, and meters that are owned in whole or in part, leased or managed by the Parking Division as provided in the Act, and all other assets owned in whole or in part by the Parking Division; provided, however, that, for purposes of the Indenture, the Parking System shall not include the Excluded Facilities.

“Excluded Facilities” means all parking facilities, lots, garages, spaces or meters located within the City that: (a) are owned or leased by the Parking Commission Finance Corporation and operated by the Supervisor of Parking Meters pursuant to a Management Agreement between the Supervisor of Parking Meters and the Parking Commission Finance Corporation, including without limitation, the Cupples Garage Project; (b) (1) become owned in whole or in part, leased or managed by the Parking Division on a date subsequent to the date hereof, (2) have not generated any Parking Division Revenues prior to such date, (3) are designated by the Supervisor of Parking Meters as “Excluded Facilities” pursuant to this Indenture within 30 days of such date by written notice to the Trustee and (4) are not a Project; or (c) are designated by the Supervisor of Parking Meters as "Excluded Facilities" pursuant to the Indenture at any time by written notice to the Trustee, so long as such written notice is submitted to the Trustee together with an Issuer's Certificate demonstrating that the ratio determined by dividing (i) a numerator equal to the average of the Pledged Revenues for the two most recent Fiscal Years for which

audited financial statements are available, less any portion of the Pledged Revenues for such Fiscal Years attributable to the property to be designated as an "Excluded Facility" (taking into account both revenues and expenses attributable to such property), by (ii) a denominator equal to the Maximum Annual Debt Service with respect to all Bonds and Parity Indebtedness, is not less than 1.50.

“General Fund Parking Revenues” means all monies collected by the City’s Parking Violation Bureau, the City’s Traffic Violation Bureau, or any other similar entity providing a similar function from the issuance, assessment or assignment of parking violation tickets, tags, fees, fines, charges, penalties or other similar revenues presently or in the future generated by and payable to the City for or in connection with the parking of motor vehicles that (a) are collected by employees, agents or representatives of the City other than the employees, agents or representatives of the Supervisor of Parking Meters and (b) would be deposited in the City’s general fund if the provisions of the Indenture providing for the deposit of such monies into the Revenue Fund were not in effect. See “**SECURITY FOR THE SERIES 2015A BONDS – Deposit of Pledged Revenues into the Revenue Fund**” herein.

Funds and Accounts

In connection with the Bonds, the Indenture creates funds and accounts to be maintained by the Trustee. The Trustee shall establish a separate Series Account within certain of the funds and accounts for any Series of Bonds which may be issued under the Indenture (except that certain Bonds may be secured by a common account of the Debt Service Reserve Fund). See “**APPENDIX C- DEFINITIONS AND SUMMARY OF THE INDENTURE - SUMMARY OF THE INDENTURE – Establishment of Funds and Accounts**” herein. The funds and accounts to be maintained by the Trustee are as follows:

- Project Fund
- Costs of Issuance Fund
- Revenue Fund
 - General Account
 - Net Parking Division Revenues Account
 - General Fund Parking Revenues Account
- Debt Service Fund
 - Parity Indebtedness Account
- Debt Service Reserve Fund
 - Common Debt Service Reserve Account
 - Series 2015A Debt Service Reserve Account
- Parking Trust Fund
 - General Account
 - Net Parking Division Revenues Account
 - General Fund Parking Revenues Account
- Subordinated Indebtedness Fund
 - Series 2015A Debt Service Account
- Rebate Fund
- Repair and Replacement Fund

Deposit of Pledged Revenues into the Revenue Fund

The Issuer shall collect all Parking Division Revenues on a daily basis and promptly deposit the same in the Parking Meter Fund. Within 12 days after the end of each calendar month, the Issuer shall (1) compute the Net Project Operating Revenues and the Net Parking Division Revenues with respect to such month, (2) transfer an amount equal to the Net Project Operating Revenues with respect to such month plus any investment earnings thereon from the Parking Meter Fund to the Trustee for deposit in the

General Account of the Revenue Fund and (3) transfer an amount equal to the Net Parking Division Revenues with respect to such month plus any investment earnings thereon from the Parking Meter Fund to the Trustee for deposit in the Net Parking Division Revenues Account of the Revenue Fund.

In the City Agreement, the City has agreed that (1) the Parking Violations Bureau (“PVB”), the Traffic Violations Bureau (“TVB”) and any other similar entity providing a similar function shall collect all General Fund Parking Revenues on a daily basis and promptly deposit the same into a separate bank account established for such purpose and (2) within 12 days after the end of each calendar month, the PVB, the TVB or any other similar entity providing a similar function shall transfer the General Fund Parking Revenues collected during such month plus any investment earnings thereon, from such trust fund to the Trustee for deposit in the General Fund Parking Revenues Account of the Revenue Fund.

Supplemental Project Revenues shall be collected and transferred to the Trustee for deposit in the General Account of the Revenue Fund (or a subaccount created therein) as provided in the Supplemental Indenture pursuant to which such Supplemental Project Revenues are pledged. Included as Supplemental Project Revenues for the outstanding Series 2006 Bonds are revenues from specific sources, including the Argyle TIF Revenues, Euclid/Buckingham TDD Revenues and Euclid/Buckingham TIF Revenues which are available for payment of certain outstanding Series 2006 Bonds. A portion of the Argyle TIF Revenues and Euclid/Buckingham TIF Revenues and the Euclid/Buckingham TDD Revenues are only available for payment of the Series 2006 Bonds upon annual appropriation by the City or, as applicable, the transportation development district, which appropriation is discretionary. None of such revenues are pledged to the Series 2007 Bonds, the Series 2013A Bonds or the Series 2015A Bonds and will not be described in detail in this Official Statement.

Any other Pledged Revenues pledged to the repayment of the Bonds or a portion thereof in a Supplemental Indenture shall be collected and transferred to the Trustee for deposit in the Revenue Fund as provided in such Supplemental Indenture.

Application of Moneys in the Revenue Fund

As soon as practicable each month after the deposit of Pledged Revenues into the Revenue Fund, but in any case no later than the 12th day of each month, the Trustee shall withdraw from the Revenue Fund and pay to the following payees or credit to the following Funds and Accounts the amounts set forth below in the following order:

FIRST, the amount on deposit in the General Account of the Revenue Fund that is attributable to Supplemental Project Revenues shall be paid or credited as follows:

- (1) To the Debt Service Fund, for credit to each of the one or more Series Debt Service Accounts relating to the one or more Series of Bonds to which such Supplemental Project Revenues are pledged, on a parity with the transfer to each other such Series Debt Service Accounts, if any, the amount, if any, required so that the balance in said Account shall equal the Required Interest with respect to the related Series of Bonds; provided that, if the amount on deposit in the General Account of the Revenue Fund that is attributable to Supplemental Project Revenues is insufficient to make the deposits described in this subsection, such amount shall be deposited into each of the one or more Series Debt Service Accounts relating to the one or more Series of Bonds to which such Supplemental Project Revenues are pledged on a pro rata basis based on the amount of each such required deposit.

- (2) To the Debt Service Fund, for credit to each of the one or more Series Debt Service Accounts relating to the one or more Series of Bonds to which such Supplemental Project revenues are pledged, on a parity with the transfer to each other such Series Debt Service Accounts, if any, the amount, if any, required so that the balance in said Account shall equal the Required Principal with respect to the related Series of Bonds; provided that, if the amount on deposit in the General Account of the Revenue Fund attributable to Supplemental Project Revenues is insufficient to make the deposits described in this subsection, such amount shall be deposited into each of the one or more Series Debt Service Accounts relating to the one or more Series of Bonds to which such Supplemental Project Revenues are pledged on a pro rata basis based on the amount of each such required deposit.
- (3) The remaining balance, if any, of moneys on deposit in the General Account of the Revenue Fund that is attributable to Supplemental Project Revenues after making the above credits, transfers and deposits shall be applied as provided in the Supplemental Indenture pursuant to which such Supplemental Project Revenues are pledged.

SECOND, the amount on deposit in the General Account of the Revenue Fund that is not attributable to Supplemental Project Revenues shall be paid or credited as follows:

- (1) To the Trustee and other applicable payees, all amounts necessary to pay ongoing expenses such as Trustee fees, remarketing fees, auction fees and similar ongoing bond-related expenses when due.
- (2) To the Debt Service Fund, for credit to each Series Debt Service Account and the Parity Indebtedness Account, on a parity with the transfer to each other Series Debt Service Account and the Parity Indebtedness Account, the amount, if any, required so that the balance in said Account shall equal the Required Interest with respect to the related Series of Bonds or all Parity Indebtedness, as applicable; provided that, if the amount on deposit in the General Account of the Revenue Fund is insufficient to make the deposits required by this subsection, such amount shall be deposited into each Series Debt Service Account and the Parity Indebtedness Account on a pro rata basis based on the amount of each such required deposit.
- (3) To the Debt Service Fund, for credit to each Series Debt Service Account and the Parity Indebtedness Account, on a parity with the transfer to each other Series Debt Service Account and the Parity Indebtedness Account, the amount, if any, required so that the balance in said Account shall equal the Required Principal with respect to the related Series of Bonds or all Parity Indebtedness, as applicable; provided that, if the amount on deposit in the General Account of the Revenue Fund is insufficient to make the deposits required by this subsection, such amount shall be deposited into each Series Debt Service Account and the Parity Indebtedness Account on a pro rata basis based on the amount of each such required deposit.
- (4) To the Debt Service Reserve Fund, for credit to the Common Debt Service Reserve Account and to any Series Debt Service Reserve Account established with respect to any series of Bonds pursuant to a Supplemental Indenture, the amount, if any, required (a) to restore any deficiency in said Accounts and (b) to fund the applicable Debt Service Reserve Requirements as described in the Indenture; provided, that, if the amount on

deposit in the General Account of the Revenue Fund is insufficient to make the deposits required by this subsection, such amount shall be deposited into the Common Debt Service Reserve Account and each Series Debt Service Reserve Account on a pro rata basis based on the amounts of each such required deposit.

- (5) To the Parking Trust Fund, for credit to the General Account established therein, the amount, if any, required to cause the balance in the Parking Trust Fund to be equal to the Parking Trust Fund Requirement.
- (6) Unless otherwise provided in a Supplemental Indenture, to the applicable swap counterparty, all amounts necessary to pay any amounts due upon the commencement or termination of a Qualified Swap Facility, and to pay other fees, expenses or indemnification obligations under any Qualified Swap Facility when due.
- (7) To the Subordinated Indebtedness Fund, such amounts as shall be required by the resolution, indenture or other instrument, including any Supplemental Indenture, authorizing such Subordinated Indebtedness.
- (8) To the Repair and Replacement Fund, (a) the amount of **\$10,000** each month until such time as the amount on deposit in the Repair and Replacement Fund has reached the Repair and Replacement Requirement, and (b) thereafter, if the amount on deposit in the Repair and Replacement Fund is less than the Repair and Replacement Requirement, the amount required to restore the balance in the Repair and Replacement Fund to the Repair and Replacement Requirement, over a period of **36** months in equal monthly installments.
- (9) To the Supervisor of Parking Meters, to be used by the Parking Division for any other lawful purpose relating to the Parking System (including a transfer by the Supervisor of Parking Meters to the general fund of the City pursuant to the Act), and to the Treasurer, as the City official charged with receiving and keeping the money of the City, for immediate deposit in the general fund of the City, the Parking Division Bond Contribution as of such date and the General Fund Bond Contribution as of such date, respectively; provided, however, that such moneys shall be transferred:
 - (a) *first*, to the Supervisor of Parking Meters or the Treasurer, as applicable, the amount, if any, necessary to cause the Parking Division Bond Contribution as of such date and the General Fund Bond Contribution as of such date (taking into account the payment then contemplated to be made pursuant to this subsection (a)) to be equal; and
 - (b) *second*, in equal amounts to the Supervisor of Parking Meters and the Treasurer, until the Parking Division Bond Contribution as of such date and the General Fund Bond Contribution as of such date are reduced to \$-0-.
- (10) To the Supervisor of Parking Meters, to be used by the Parking Division for any lawful purpose relating to the Parking System (including a transfer by the Supervisor of Parking Meters to the general fund of the City pursuant to the Act), the remaining balance, if any, of moneys in the General Account of the Revenue Fund after making the above credits, transfers and deposits.

THIRD, the amounts on deposit in the Net Parking Division Revenues Account of the Revenue Fund and the General Fund Parking Revenues Account of the Revenue Fund shall be paid or credited as follows:

- (1) To the extent the amount on deposit in the General Account of the Revenue Fund is insufficient to fully fund all of the deposits required by subsections SECOND (1) through (7) above, the amounts on deposit in the Net Parking Division Revenues Account of the Revenue Fund and the General Fund Parking Revenues Account of the Revenue Fund shall be applied to pay the payees or credit the Funds and Accounts designated in subsections SECOND (1) through (7) above in the order designated in subsections SECOND (1) through (7) above in the amounts necessary to fully fund all of the deposits required by subsections SECOND (1) through (7) above, as follows:
 - (A) first, from the amount on deposit in the Net Parking Division Revenues Account of the Revenue Fund or the General Fund Parking Revenues Account of the Revenue Fund, as applicable, the amount, if any, necessary to cause the Parking Division Bond Contribution as of such date and the General Fund Bond Contribution as of such date (taking into account the payment then contemplated to be made pursuant to this paragraph) to be equal;
 - (B) second, in equal amounts from the Net Parking Division Revenues Account of the Revenue Fund and the General Fund Parking Revenues Account of the Revenue Fund; and
 - (C) third, after the amounts on deposit in the Net Parking Division Revenues Account of the Revenue Fund and the General Fund Parking Revenues Account of the Revenue Fund are applied in equal amounts until the balance in one of such Accounts is zero, from the remaining amount on deposit in the other such Account;

provided further, that any transfer to the Parking Trust Fund from amounts on deposit in the Net Parking Division Revenues Account of the Revenue Fund shall be credited to the Net Parking Division Revenues Account of the Parking Trust Fund, and any transfer to the Parking Trust Fund from amounts on deposit in the General Fund Parking Revenues Account of the Revenue Fund shall be credited to the General Fund Parking Revenues Account of the Parking Trust Fund.

- (2) In the event there are remaining balances in both the Net Parking Division Revenues Account and the General Fund Parking Revenues Account after making the transfers and deposits described in THIRD (1)(A) above, and the amount on deposit in the Parking Trust Fund does not exceed the Parking Trust Fund Requirement by at least \$1,000,000, then amounts in the Net Parking Division Revenues Account and the General Fund Parking Revenues Account shall be transferred from such Accounts to the Parking Trust Fund in an amount from each such Account equal to the least of (A) the difference between (i) \$50,000 and (ii) the aggregate amount transferred to the Parking Trust Fund pursuant to the provisions described in this subsection THIRD (2) during the preceding six months, (B) the lowest remaining balance in either such Account or (C) one-half of the amount necessary to be deposited in the Parking Trust Fund to bring the balance in such fund up to an amount equal to the Parking Trust Fund Requirement plus \$1,000,000; provided, that any transfer to the Parking Trust Fund from amounts on deposit in the Net

Parking Division Revenues Account of the Revenue Fund shall be credited to the Net Parking Division Revenues Account of the Parking Trust Fund, and any transfer to the Parking Trust Fund from amounts on deposit in the General Fund Parking Revenues Account of the Revenue Fund shall be credited to the General Fund Parking Revenues Account of the Parking Trust Fund.

- (3) The remaining balance, if any, of moneys in the Net Parking Division Revenues Account of the Revenue Fund after making the above credits, transfers and deposits, shall be paid to the Supervisor of Parking Meters, to be used by the Parking Division for any other lawful purpose relating to the Parking System (including a transfer by the Supervisor of Parking Meters to the general fund of the City pursuant to the Act), except to the extent that the Supervisor of Parking Meters requests that the Trustee deposit all or a portion of such amount in the Net Parking Division Revenues Account of the Parking Trust Fund.
- (4) The remaining balance, if any, of moneys in the General Fund Parking Revenues Account of the Revenue Fund after making the above credits, transfers and deposits, shall be paid to the Treasurer, as the City official charged with receiving and keeping the money of the City, for immediate deposit in the general fund of the City.

In the event that other amounts are pledged to the repayment of the Bonds pursuant to a Supplemental Indenture, such amounts shall be applied as provided in such Supplemental Indenture.

Debt Service Fund

Amounts on deposit in the Debt Service Fund in any Series Debt Service Account established for a Series of Bonds shall be used and withdrawn as described below and as provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

The Trustee shall pay out of the appropriate Series Debt Service Account in the Debt Service Fund: (A) on or before each interest payment date for the Series of Bonds to which such Account relates, the amount required for the interest payable on such date; (B) on or before each Principal Installment due date for such Series of Bonds, the amount required for the Principal Installment payable on such due date; (C) on or before any redemption date for such Series of Bonds, the amount required for the payment of the Redemption Price of and accrued interest on such Bonds then to be redeemed; and (D) if provided in a Supplemental Indenture, on or before the due date of each swap payment under a Qualified Swap Facility with respect to such Series, the amount required for the payment thereof; provided, however, that if provided in a Supplemental Indenture, with respect to any Series of Bonds or portions thereof the amounts due on any such interest payment date and/or Principal Installment due date and/or redemption date are intended to be paid from a Qualified Credit Facility prior to any application of amounts in the Series Debt Service Account to such payments, then the Trustee shall not pay any such amounts to the Paying Agent unless such amounts have failed to be provided from such Qualified Credit Facility at the time required, and if any such amounts due are paid from such Qualified Credit Facility, the Trustee shall apply the amounts in the Series Debt Service Account to provide payment of the Reimbursement Obligations with respect to such Qualified Credit Facility as provided in the agreement governing reimbursement of such amounts to the provider of such Qualified Credit Facility.

Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, amounts accumulated in any Series Debt Service Account in the Debt Service Fund with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the

Bonds for which such Sinking Fund Installment was established) shall, if so directed by the Issuer in an Issuer's Certificate not less than 45 days before the due date of such Sinking Fund Installment, be applied by the Trustee to (A) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, (B) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (C) any combination of (A) and (B). All purchases of any Bonds pursuant to this subsection shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Issuer shall direct the Trustee. As soon as practicable after the 45th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by giving notice as required by this Indenture, Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the appropriate Series Debt Service Account in the Debt Service Fund to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by the Issuer as an operating expense of the Parking Division.

Amounts on deposit in the Debt Service Fund in the Parity Indebtedness Account shall be used and withdrawn as provided in the agreements or instruments relating to such Account and the Parity Indebtedness payable therefrom or secured thereby. Subject to the provisions of, and to the priorities and limitations and restrictions provided in, this Indenture, and the instrument securing each issue of Parity Indebtedness, amounts in the Parity Indebtedness Account which the Issuer at any time determines to be in excess of the requirements of such Account, may, at the discretion of the Issuer, be transferred to the General Account of the Revenue Fund and applied in accordance with the Indenture.

Debt Service Reserve Fund

The Issuer has established a separate account within the Debt Service Reserve Fund for the Series 2015A Bonds (the "Series 2015A Debt Service Reserve Account") in an amount equal to \$513,741.50 (the "Series 2015A Debt Service Reserve Requirement"). Except as otherwise provided in the Indenture, amounts held in such account within the Debt Service Reserve Fund shall be applied only to prevent deficiencies in the payments of principal of and interest on the Series 2015A Bonds.

Amounts on deposit in the Debt Service Reserve Fund in the Common Debt Service Reserve Account or any Series Debt Service Reserve Account established for a Series of Bonds shall be disbursed and expended by the Trustee solely for the payment of the principal of and interest on the one or more Series of Bonds if sufficient moneys therefor are not available in the applicable Accounts relating to such Series of Bonds, *first*, in the Debt Service Account(s) established with respect to such Series of Bonds, and *second*, in the Parking Trust Fund. In the event the balance of moneys in the applicable Debt Service Account(s) and the Parking Trust Fund are insufficient to pay the principal of and interest on a Series of Bonds secured by an Account of the Debt Service Reserve Fund when due and payable, the Trustee shall apply amounts from the applicable Account of the Debt Service Reserve Fund to the payment of principal of and interest on such Series of Bonds to the extent necessary to cure such deficiency with respect to such Series of Bonds pro rata based on the amount of such deficiency. The Trustee may use moneys in an Account of the Debt Service Reserve Fund for such purpose whether or not the amount in such Account at that time equals the applicable Debt Service Reserve Requirement. Such moneys shall be used first to make up any deficiency in the payment of interest and then principal with respect to such Series of Bonds.

The Issuer may cause to be deposited into the Common Debt Service Reserve Account or any Series Debt Service Reserve Account in the Debt Service Reserve Fund one or more Qualified Reserve Facilities to satisfy a Debt Service Reserve Requirement. Each Qualified Reserve Facility in an Account of the Debt Service Reserve Fund shall be payable (upon the giving of notice as required thereunder and, unless otherwise authorized by any Supplemental Indenture), on a pro rata basis with any other Qualified Reserve Facilities on deposit in such Account of the Debt Service Reserve Fund based on the available principal amount of such Qualified Reserve Facilities on any day on which moneys will be required to be withdrawn from such Account and applied to make up any deficiency in the Debt Service Accounts with respect to the Bonds secured by such Account of the Debt Service Reserve Fund; provided, that prior to drawing on any Qualified Reserve Facility, any cash or Investment Securities in the applicable Account of the Debt Service Reserve Fund shall be applied to cure such deficiency. Not less than 60 days prior to the expiration of any Qualified Reserve Facility, the Issuer shall provide a commitment for the extension of the term thereof or a new Qualified Reserve Facility to be deposited in the related Account of the Debt Service Reserve Fund on or before the date of such expiration or shall make provision for the deposit of cash and Investment Securities into such Account in an amount necessary to provide that the amount held therein at the expiration of the Qualified Reserve Facility shall equal the applicable Debt Service Reserve Requirement.

Parking Trust Fund

As soon as practicable after the last distributions from the Revenue Fund are made prior to each interest payment date for any Series of Bonds or Parity Indebtedness from the Revenue Fund, but in any case no later than such interest payment dates, the Trustee shall transfer moneys from the Parking Trust Fund to the following Accounts in the following amounts and in the following order of priority: (1) if the amount on deposit in any Series Debt Service Account including any subaccounts thereof, shall be less than the amount required to be in such Debt Service Account to pay principal of or interest on the related series of Bonds or all Related Parity Indebtedness on the upcoming interest payment date, to the Series Debt Service Accounts and the Parity Indebtedness Account, pro rata based on the amount of each such deficiency, the amounts necessary (or all the moneys in the Parking Trust Fund if less than the amounts necessary) to cure any such deficiencies, and (2) if the amount on deposit in any Debt Service Reserve Account in the Debt Service Reserve Fund shall be less than the applicable Debt Service Reserve Requirement, to the Debt Service Reserve Accounts, pro rata based on the amount of each such deficiency, the amounts necessary (or all the moneys in the Parking Trust Fund if less than the amounts necessary) to cure any such deficiencies; provided, however, that such moneys shall be transferred (A) first, from amounts on deposit in the General Account of the Parking Trust Fund; (B) second, from the amount on deposit in the Net Parking Division Revenues Account of the Parking Trust Fund or the General Fund Parking Revenues Account of the Parking Trust Fund, as applicable, the amount, if any, necessary to cause the aggregate amount paid to date from each such Account (including the transfer then contemplated to be made pursuant to this subsection (B)) to be equal; (C) third, in equal amounts from the amounts on deposit in the Net Parking Division Revenues Account of the Parking Trust Fund and the General Fund Parking Revenues Account of the Parking Trust Fund; and (D) fourth, after the amounts on deposit in the Net Parking Division Revenues Account of the Parking Trust Fund and the General Fund Parking Revenues Account of the Parking Trust Fund are applied in equal amounts until the balance in one of such Accounts is \$-0-, from the remaining amount on deposit in the other such Account.

In the event that (1) the amount on deposit in the Parking Trust Fund is greater than the Parking Trust Fund Requirement; (2) all of the deposits required from the Revenue Fund described in clauses (1) through (7) under the section entitled "SECOND" under the caption "Application of Moneys in the Revenue Fund" above have been fully funded; and (3) there is delivered to the Trustee an Issuer's Certificate demonstrating that the ratio determined by dividing (A) a numerator equal to the average of the Pledged Revenues for the two most recent Fiscal Years for which audited financial statements are

available, by (B) a denominator equal to the Maximum Annual Debt Service with respect to all Outstanding Bonds and Parity Indebtedness, is not less than 1.50; then the Supervisor of Parking Meters, in his or her sole discretion, may request that the Trustee transfer, and the Trustee shall transfer, all or a portion of the difference between the amount on deposit in the Parking Trust Fund and the Parking Trust Fund Requirement to the Supervisor of Parking Meters, to be used by the Parking Division for any lawful purpose relating to the Parking System (including a transfer by the Supervisor of Parking Meters to the general fund of the City pursuant to the Act), and/or to the Treasurer, as the City official charged with receiving and keeping the money of the City, for immediate deposit in the general fund of the City, from the Net Parking Division Revenues Account of the Parking Trust Fund and the General Fund Parking Revenues Account of the Parking Trust Fund, respectively; provided, however, that in no event shall moneys be released from the Parking Division Revenues Account of the Parking Trust Fund in an amount that would cause the balance in the Parking Division Revenues Account of the Parking Trust Fund to be less than the balance in the General Fund Parking Revenues Account of the Parking Trust Fund.

Rate Covenant

Pursuant to the Indenture, the Issuer has covenanted to continuously operate and maintain the Parking System and the Parking Commission has covenanted to continue to, in accordance with applicable legal requirements, (1) fix, establish and maintain such parking rates, meter rates and other rates, fees and charges for the use of the Parking System and (2) initiate proceedings to fix, establish and maintain such rates for parking violation tickets, tags, fees, fines, charges, penalties and other similar charges payable to the City for or in connection with violations of parking statutes and ordinances, that, together with any other available funds, will produce income and revenues sufficient to (a) pay the costs of the operation and maintenance of the Parking System; (b) pay the principal of and interest on the Bonds as and when the same become due; (c) enable the Issuer to have in each Fiscal Year a Debt Service Coverage Ratio that will be not less than 1.35; and (d) provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon as provided in the Indenture.

If in any Fiscal Year the Debt Service Coverage Ratio shall be an amount less than 1.35, within 120 days after the end of such Fiscal Year, the Parking Commission shall increase the rates, fees and charges described above, and reduce Parking Division expenses, in such manner as may be necessary such that the projected Debt Service Coverage Ratio for the following Fiscal Year shall be not less than 1.35. If the Parking Commission fails to take such action within 135 days after the end of such Fiscal Year, or if the Debt Service Coverage Ratio shall be an amount less than 1.35 in any two consecutive Fiscal Years, the Supervisor of Parking Meters shall employ a Consultant within 30 days thereafter to make recommendations to increase the Debt Service Coverage Ratio for subsequent Fiscal Years to at least 1.35. A copy of the Consultant's report and recommendations shall be filed with the Supervisor of Parking Meters, the Parking Commission, the Trustee and each Credit Facility Provider within 150 days after the end of such Fiscal Year and shall be furnished to any Owner of the Bonds requesting a copy of the same at such requesting Owner's cost. The Supervisor of Parking Meters and the Parking Commission shall follow the recommendations of the Consultant to the extent feasible. So long as provisions of this paragraph are complied with, and so long as (i) the average Debt Service Coverage Ratio for the two most recent Fiscal Years is not less than 1.00 or (ii) the balance in the Parking Trust Fund is equal to or greater than the Parking Trust Fund Requirement, the Debt Service Coverage Ratio covenants shall be deemed to have been complied with for such Fiscal Year even if the Debt Service Coverage Ratio is below 1.35 and will not constitute an Event of Default under the Indenture.

HISTORICAL COLLECTION OF REVENUES PLEDGED TO THE BONDS

Historical Project Revenues, Parking Division Revenues, and General Fund Parking Revenues

	Actual, for Fiscal Year				
	2014	2013	2012	2011	2010
Project Revenues					
Total Project Revenues	\$7,679,067	\$6,550,121	\$6,837,741	\$6,077,784	\$5,296,075
Total Project Expenses	(1,534,556)	(1,455,762)	(1,508,400)	(1,540,704)	(1,827,059)
Net Project Operating Revenues	\$6,144,511	\$5,094,359	\$5,329,341	\$4,537,080	\$3,469,015
Argyle TIF Revenues	942,383	919,310	840,838	872,660	676,198
Net Project Revenues	\$7,086,894	\$6,013,669	\$6,170,178	\$5,409,740	\$4,145,213
Parking Division Revenues					
Total Parking Division Revenues	\$7,442,889	\$7,347,178	\$7,307,637	\$6,928,841	\$6,241,188
Total Parking Division Expenses	(6,274,594)	(5,791,820)	(5,314,622)	(5,115,555)	(5,236,216)
Net Parking Division Revenues	\$1,168,295	\$1,555,358	\$1,960,711	\$1,813,286	\$1,004,972
General Fund Parking Revenues	\$730,627	\$876,505	\$974,269	\$1,041,599	\$1,310,488
Investment Income	\$239,852	\$241,743	\$240,257	\$241,512	\$243,588
Pledged Revenues	\$9,225,668	\$8,687,275	\$9,345,416	\$8,506,137	\$6,704,262
Historical Debt Service Coverage	\$4,796,405 1.92 X	\$4,766,381 1.82 X	\$4,765,488 1.96 X	\$4,763,957 1.79 X	\$4,768,283 1.41 X
Maximum Annual Debt Service Coverage (Does not include Series 2013A Bonds as no payment was due in Fiscal Years 2013 and 2014)	\$4,822,000 1.91 X	\$4,822,000 1.80 X	\$4,822,000 1.94 X	\$4,822,000 1.76 X	\$4,822,000 1.39 X

Source: Treasurer's Office of the City

Note: Above information presented on an accrual basis with the exception of the Project Expenses which are calculated on a cash basis; numbers may not add due to rounding.

Note: These amounts do not include transfers to the General Fund as permitted in the Act.

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PROJECTED COLLECTION OF REVENUES PLEDGED TO THE BONDS

Projected Project Revenues, Parking Division Revenues, and General Fund Parking Revenues

	Fiscal Years		
	2015	2016	2017
Project Revenues			
Total Project Revenues ¹	\$7,717,226	\$7,871,570	\$8,029,002
Total Project Expenses ¹	(1,806,269)	(1,842,394)	(1,879,242)
Net Project Operating Revenues	\$5,910,957	\$6,029,176	\$6,149,759
Supplemental Project Revenues ²			
Argyle TIF Revenues	974,119	1,003,343	1,023,409
Net Project Revenues	\$6,885,076	\$7,032,519	\$7,173,169
Parking Division Revenues			
Total Parking Division Revenues	\$7,483,469	\$9,935,310	\$10,296,116
Total Parking Division Expenses	(6,274,594)	(6,400,086)	(6,512,087)
Net Parking Division Revenues	\$1,208,876	\$3,535,233	\$3,784,029
General Fund Parking Revenues	\$707,564	\$661,826	\$661,826
Interest and Investment Income	\$239,852	\$239,852	\$239,852
Pledged Revenues	\$9,041,367	\$11,469,430	\$11,858,875
Scheduled Debt Service Coverage	\$4,974,286 1.82 X	\$5,214,837 2.20 X	\$5,515,949 2.15 X
Maximum Annual Debt Service Coverage	\$5,019,334 1.80 X	\$5,533,076 2.07 X	\$5,533,076 2.14 X

Source: Treasurer’s Office of the City.

1 In preparing these projections, revenues and expenses for the existing parking facilities within the Parking System and the General Fund parking revenues were assumed to be the same in each of the projection years as in fiscal year 2014.

2 Supplemental Project Revenues to be paid to reimburse the Parking Division for shortfalls in prior years not included. Supplemental Project Revenues are only available for the payment of certain Series 2006 Bonds.

3 Includes debt service for Series 2013A Bonds and debt service for Series 2015A Bonds.

Additional Indebtedness

The Issuer may from time to time issue additional bonds and incur other indebtedness upon compliance with certain provisions of the Indenture, which may be secured by the Pledged Revenues on a priority to the Series 2015A Bonds, on a parity basis to the Series 2015A Bonds, or on a subordinate basis to the Series 2015A Bonds. See “**APPENDIX C – DEFINITIONS AND SUMMARY OF THE INDENTURE – SUMMARY OF THE INDENTURE – Authorization of Bonds,**” “**– General Provisions for Issuance of Bonds,**” “**– Refunding Bonds,**” and “**– Subordinate Indebtedness**” and “**– Permitted Indebtedness**” herein.

Bond Insurance Policy

The scheduled payment of principal of and interest on the Series 2015A Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp.

PLAN OF FINANCE

The Series 2015A Bonds are being issued for the purpose of providing funds, together with other available funds, for (a) paying all or a portion of the costs of the Series 2015A Project, (b) funding a debt service reserve with respect to the Series 2015A Bonds, and (c) paying the bond insurance premium and other costs of issuance with respect to the Series 2015A Bonds.

Series 2015A Project

The Series 2015A Project consists of the purchase and installation of modern parking meters for 7,700 parking spaces and revenue control equipment for the Cupples Garage located in the City. The Series 2015A Project is expected to cost approximately \$5,572,105. It is anticipated that the new parking meter equipment will lead to increased on-street compliance and meter revenue. Additionally, the new revenue control equipment in the Cupples Garage will allow the Supervisor of Parking Meters to increase operating hours without incurring additional personnel cost.

Sources and Uses of Funds

Sources of Funds:	
Par Amount of Bonds	\$6,440,000.00
Less Original Issue Discount	(67,952.00)
Total sources of funds	<u>\$6,372,048.00</u>
Uses of Funds:	
Deposit to Project Fund (exclusive of costs of issuance)	\$5,534,105.00
Deposit to Series 2015A Debt Service Reserve Account	513,741.50
Costs of Issuance, including Bond Insurance Premium	213,415.50
Underwriters' Discount ¹	<u>110,786.00</u>
Total uses of funds	<u>\$6,372,048.00</u>

¹The Underwriters will pay the fees of Underwriters' counsel from the Underwriters' discount.

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DEBT SERVICE REQUIREMENTS

The following table depicts the future annual debt service requirements relating to the Series 2015A Bonds, the Series 2013A Bonds, and the Senior Bonds, calculated on a Fiscal Year basis:

<u>Fiscal Year Ending June 30</u>	<u>Series 2015 A Bonds*</u>		<u>Series 2013A Bonds</u>		<u>Senior Bonds</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$ 0	\$ 0	\$166,667	\$30,667	\$2,065,000	\$2,704,939	\$4,967,273
2016	0	202,247	166,667	26,833	2,215,000	2,604,825	5,215,572
2017	345,000	166,891	166,667	23,000	2,305,000	2,511,750	5,518,308
2018	350,000	163,742	166,667	19,167	2,405,000	2,414,606	5,519,182
2019	350,000	159,349	166,667	15,333	2,520,000	2,299,806	5,511,155
2020	355,000	153,776	166,667	11,500	2,645,000	2,170,500	5,502,443
2021	365,000	147,274	166,667	7,667	2,780,000	2,038,900	5,505,508
2022	370,000	139,995	166,667	3,833	2,905,000	1,912,866	5,498,361
2023	380,000	131,720	0	0	3,035,000	1,780,314	5,327,034
2024	385,000	122,519	0	0	3,185,000	1,634,689	5,327,208
2025	395,000	112,452	0	0	3,330,000	1,488,101	5,325,553
2026	405,000	101,530	0	0	3,485,000	1,334,764	5,326,294
2027	420,000	88,550	0	0	3,640,000	1,177,367	5,325,917
2028	430,000	73,675	0	0	3,815,000	1,004,608	5,323,283
2029	450,000	58,275	0	0	4,010,000	811,923	5,330,198
2030	465,000	42,263	0	0	4,210,000	609,163	5,326,426
2031	480,000	25,725	0	0	0	0	505,725
2032	<u>495,000</u>	<u>8,663</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>503,663</u>
Total	\$6,440,000	\$1,898,644	\$1,333,333	\$138,000	\$48,550,000	\$28,499,119	\$86,859,101

*Includes sinking fund requirements for the Series 2015A Term Bonds.

THE ISSUER, THE PARKING DIVISION AND THE PARKING SYSTEM

General

The Series 2015A Bonds are being issued by the City, acting through the Supervisor of Parking Meters, as Issuer.

Monies collected by the Parking Division are generated from three broad sources (i) revenues generated by the Projects, (ii) revenues generated by other portions of the Parking System, and (iii) revenues from parking violation tickets written by enforcement officials employed by the Supervisor of Parking Meters. All of the revenues of the Parking Division are deposited into the Parking Meter Fund.

The City is located on the Mississippi River, the eastern boundary of the State, just below its confluence with the Missouri River. The City occupies approximately 61.4 square miles of land, and its area has remained constant since 1876. The City, a constitutional charter city not a part of any county, is organized and exists under and pursuant to its Charter and the constitution and laws of the State. For additional information on the City, see “**APPENDIX A – INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI**” herein.

Statutory Authorization

Under the Act, the Supervisor of Parking Meters has responsibility to install parking meters, collect all parking meter fees, supervise the expenditures for repairs and maintenance, establish and supervise a parking enforcement division and a parking meter division to enforce any statute or ordinances now or hereafter established pertaining to the parking of motor vehicles, including automated zone parking and all other parking functions, and to make all disbursements on any parking contracts, including employment, consulting, legal services, capital improvement and purchase of equipment and real property which may hereafter be made by such city, subject to audit in the manner provided by state statute. Pursuant to the Act, the Supervisor of Parking Meters may issue revenue bonds and pledge parking division and other revenues and assets, including real property and future income, for the purpose of improvements and debt service.

The Act also established a Parking Commission which is responsible for overseeing public parking, including planning and coordinating policies, programs and operations for any parking facility or space owned in whole or in part, leased or managed by the Parking Division. The Parking Commission consists of the Supervisor of Parking Meters as Chairperson, the Chairperson of the Board of Aldermen's Streets, Traffic & Refuse Committee, the Director of Streets, the Comptroller of the City and the Director of Parking Meter Operations.

The Supervisor of Parking Meters must first submit an annual budget to the Parking Commission for its review prior to submitting such budget to the Board of Aldermen for approval.

Parking Division

The Parking Division functions as a self-supporting enterprise operation, without funding from any form of taxation. Costs of operation, capital improvements and other costs are paid by revenues generated by the Parking Division. The Supervisor of Parking Meters is responsible for the management of the Parking Division, with oversight by the Parking Commission.

The Parking Division manages off-street parking, on-street parking meters and on-street parking enforcement programs. Off-street parking includes four parking garages and multiple surface parking lots. The on-street parking system comprises almost 10,000 parking meters throughout downtown and in a number of key commercial and institutional districts outside of downtown. The on-street parking enforcement division enforces parking ordinances, primarily in the areas of the City where parking meters are installed.

The Parking Division maintains a staff of parking enforcement officers who are charged with the enforcement of the City's parking ordinances. Employees or agents of the Parking Division install meters, perform regular meter maintenance, collect daily revenues and operate surface parking lots, parking zones and the Kiel Center Parking Garage, the Argyle Garage, the Williams Parking Lot, the Central Downtown Parking Garage, and the Buckingham Garage.

The Treasurer, pursuant to the Act, serves as the Supervisor of Parking Meters. The Treasurer oversees and administers the parking of cars and the collection of all fees and fines associated with the operation of the Parking Division. Monies collected by the Treasurer are generated from three broad sources: (i) revenues generated by the Projects, (ii) revenues generated by the remainder of the Parking System, and (iii) revenues from parking violation tickets written by enforcement officials employed by the Supervisor of Parking Meters.

All of the revenues of the Parking Division are deposited into the Parking Meter Fund. Up to forty percent (40%) of the net change in the “Parking Meter Fund Balance” is transferred annually to the General Fund of the City after payment of debt service on the Bonds.

Parking Facilities

The primary off-street parking facilities of the Parking Division which constitute the “Parking System” under the Indenture are as follows:

1) Argyle Garage: A 454-space multi-level public garage located at Lindell Boulevard and Euclid Avenue in the City’s Central West End. The building also contains an approximately 25,500 square foot area which houses the Schlafly Branch of the St. Louis Public Library and approximately 6,050 square feet of retail space. The Argyle Garage was financed with the proceeds of the Series 1999 Bonds and opened in March 2001. The Series 1999 Bonds were refinanced with proceeds of the Series 2006 Bonds.

2) Central Downtown Parking Garage: A 755-space multi-level garage, located in the eastern half of the block bounded by 7th and 8th Streets between Olive and Pine Street in the City’s downtown. The building also contains approximately 18,500 square feet of retail space on the ground floor. The Central Downtown Parking Garage was financed with the proceeds of the Series 2002 Bonds and opened in January 2004. The Series 2002 Bonds were refinanced with proceeds of the Series 2006 Bonds.

3) Euclid/Buckingham Garage: A 180-space multi-level garage located at 9 South Euclid Avenue in the City’s Central West End, which was financed with proceeds of the Series 2006 Bonds and opened in 2009. This project is a joint venture with a private 26 story condominium development with ground floor retail. The Euclid/Buckingham Garage is connected to the private condominium development, but the Parking Division does not receive revenue from the private portion of the project.

4) Justice Center Garage: A 515-space multi-level garage located at the northeast corner of Tucker Boulevard and Clark Avenue, immediately adjacent to the City’s Justice Center and the Parking Division’s Chouteau building. The Justice Center Garage was financed with the proceeds of the Series 2007 Bonds.

5) Kiel Center Parking Garage: A 1,258-space multi-level public garage located immediately adjacent to and connected to the Scottrade Center (formerly the Kiel Center or the Savvis Center), the multipurpose facility at which the St. Louis Blues NHL hockey team plays and other major events are held. The Kiel Center Parking Garage was financed with bonds issued in 1992 (which were refinanced with the proceeds of the Series 1996 Bonds, which Bonds were then refinanced with proceeds of the Series 2006 Bonds), and opened in October 1994. The Kiel Center and St. Louis Blues Hockey team were purchased June 30, 2006 by Sports Capital Partners. The purchase has not had any adverse impact on the Kiel Center Parking Garage. See “**BONDHOLDER’S RISKS-Encumbrance of Kiel Center Parking Garage Site**” herein for a discussion of encumbrance of the real property underlying the Kiel Center Parking Garage.

6) Choteau Building Parking Lot: A 76-space surface parking lot located at the northeast corner of Tucker and Clark Streets in the City’s downtown. The City purchased this parking lot and the adjacent building in June 2000.

7) Municipal Parking Plaza: A 505-space surface parking lot located immediately south of the City's City Hall complex at 1200 Market Street in the City's downtown. The parking lot has been open for many years.

8) Williams Parking Lot: A 258-space surface parking lot located at 15th Street and Spruce Street. The parking lot opened in September 2003.

9) Cupples 7 Building. In 2013, the Parking Division acquired the Cupples 7 building, located on Spruce Street in downtown St. Louis. The building was part of a century-old warehouse complex. It had been vacant and abandoned for many years, and the subject of several proposals to renovate it, none of which proved to be economically feasible. It was condemned by the City in 2008. When its condition deteriorated to the point where it was a safety threat to the public and surrounding structures, requiring the closing of the surrounding streets, the City ordered its demolition. It was acquired by the Parking Division and demolished as ordered. The acquisition and demolition was financed with proceeds of the Series 2013A Subordinated Bonds. The site is currently being used as a green space that remains flexible for future commercial use.

Other Assets Owned by the Parking Division

The Parking Division acquired the Chouteau Building Parking Lot and an adjacent building in June 2000 in anticipation of building a parking garage for the City's Justice Center next to the property. The Chouteau Building, located at 133 S. 11th Street in the City's downtown, is a five-story "Class B" office building reconstructed in 1982. The building contains approximately 40,000 square feet of leasable office space, all on the upper four floors. The ground level contains two open-air parking areas, which are covered by the upper floors of the building and are separated by the main entry and lobby area. CB Richard Ellis manages the Chouteau Building for the City. Approximately 86% of the Chouteau Building is currently leased as office space, with total rentals for the current fiscal year of the City expected to be approximately \$431,300, which rental income is included as Net Parking Division Revenues. In addition, approximately half of the fifth floor of the Chouteau Building currently houses the Parking Division offices.

Additional Parking Division Parking Garage

In addition to the parking facilities described above, the City of St. Louis Parking Commission Finance Corporation, an entity affiliated with the Parking Division, owns the Cupples Garage, containing approximately 750 spaces, located in the downtown area at 435 S. 10th Street and an adjacent surface parking lot with approximately 80 parking spaces and leases three separate nearby surface parking lots with a total of approximately 210 additional parking spaces (as used herein, unless the context requires otherwise, "Cupples Garage" includes these surface parking lots). The purchase of the Cupples Garage in December 2003 was financed with the proceeds of a series of bonds issued by the City of St. Louis Parking Commission Finance Corporation payable solely from the revenues of the Cupples Garage. **While the Cupples Garage is operated by the Supervisor of Parking Meters under a management agreement, the Cupples Garage is not part of the Parking System and the revenues from the Cupples Garage are not included in Project Revenues. Furthermore, neither the Pledged Revenues nor any portion of the Parking Trust Fund is pledged to the payment of the bonds issued to finance the Cupples Garage.**

Argyle TIF District

The Argyle Garage is located within a tax increment financing ("TIF") redevelopment area comprised of 18 acres in the northwest quadrant of Lindell Boulevard and Euclid Avenue in the Central

West End business district bounded, generally, by Lindell Boulevard on the south, Kingshighway Boulevard on the west, Euclid Avenue on the East and the alley north of Maryland Plaza on the north (the “Argyle Redevelopment Area”) designated pursuant to the Argyle Tax Increment Financing Redevelopment Plan (the “Argyle Redevelopment Plan”). Certain real estate and economic activity tax increments (the “Argyle TIF Revenues”) provide a limited additional source of revenue for the payment of a portion of the debt service on the Series 2006 Bonds.

The Argyle Redevelopment Plan contemplates that, if (a) direct expenses of facilities operation on the Argyle Garage and debt service on the portion of the Series 2006 Bonds allocable to the Argyle Garage exceeds (b) the sum of (i) parking revenue for the Argyle Garage, (ii) lease revenue from tenants of the Argyle Garage and (iii) interest earned on the allocable portion of the debt service reserve (i.e., a “Argyle Financing Shortfall”), the Treasurer shall have the ability to transfer Argyle TIF Revenues in an amount equal to the lesser of such Argyle Financing Shortfall and \$1,269,458.50 (i.e., 1.5 times the average Argyle Financing Shortfall during the first two full calendar years of operation of the Argyle Garage) to the Trustee for deposit in the General Account of the Revenue Fund. Such moneys may only be used to pay debt service on the portion of the Series 2006 Bonds allocable to the Argyle Garage. In the event that there is no Argyle Financing Shortfall for two consecutive years, such ability to transfer Argyle TIF Revenues shall end. The Argyle Financing Shortfalls for calendar years 2007 through 2013 were:

<u>Calendar Year</u>	<u>Shortfall</u>
2007	\$910,013.42
2008	650,291.16
2009	629,165.01
2010	582,587.16
2011	548,316.92
2012	609,409.00
2013	630,492.23

Current projections by the City anticipate that there will be Argyle Financing Shortfalls for the foreseeable future. The Argyle Financing Shortfall for the calendar year ended December 31, 2014, was approximately \$662,943 and the Argyle TIF Revenues were also approximately \$662,943. The collection of Argyle TIF Revenues under the Argyle Redevelopment Plan will terminate in December 2022.

Euclid/Buckingham TIF District and TDD District

The Euclid/Buckingham Garage is located within both a TIF redevelopment area and a transportation development district (“TDD”) in the Central West End business district comprised of three adjacent parcels which front Buckingham Court, the easternmost of which fronts Euclid Avenue, as well as a portion of Buckingham Court, which is a privately-owned street (the “Euclid/Buckingham Redevelopment Area”) designated pursuant to the Euclid/Buckingham Tax Increment Financing Redevelopment Plan (the “Euclid/Buckingham Redevelopment Plan”). Certain real estate and economic activity tax increments (the “Euclid/Buckingham TIF Revenues”) and transportation development district taxes (“Euclid/Buckingham TDD Revenues”) provide an additional source of revenue for the payment of the Euclid/Buckingham Portion of the Series 2006 Bonds. A portion of the Euclid/Buckingham TIF Revenues and the Euclid/Buckingham TDD Revenues will only be available for payment of the Series 2006 Bonds upon annual appropriation by the City or, as applicable, the TDD, which appropriation is discretionary.

Retail and Library Leases in the Central Downtown Parking Garage and Argyle Garage

The Central Downtown Parking Garage contains approximately 18,056 square feet of ground floor retail space, approximately 88% of which is currently leased for varying terms, with rental income during the current fiscal year of the City expected to be approximately \$227,000.

The Issuer has leased approximately 25,500 square feet on the ground floor of the Argyle Garage to the St. Louis Public Library (the "Library") for a term, including all renewals, of 40 years, commencing January 4, 2002. The Issuer does not receive any rental payments from the Library with respect to this lease as the Library prepaid its rentals by paying an allocable portion of the construction costs of the Argyle Garage. Under the terms of the lease, the Library is guaranteed 15 parking spaces (for employee parking) during normal business hours at one-third below fair market rate, and an additional 50 spaces are provided to Library patrons at one-third below fair market rate for the first hour of parking. After the first hour, Library patrons pay normal fair market rates.

In addition, the Argyle Parking Garage contains approximately 6,050 square foot of retail space, all of which is currently leased, with the current lease term ending in 2020, with rental income during the current fiscal year of the City expected to be approximately \$90,000.

Leases and Agreements Regarding Parking Spaces

The Issuer has entered into numerous leases and agreements with private entities regarding parking spaces in the various facilities which make up the Parking System. The number of spaces subject to these agreements varies over time. Some of these agreements require the Issuer to make a specified number of spaces available but do not require the private entities to actually use or pay for the rental of the space. Certain of these agreements also provide for the payment of a discounted parking rate for the use of these spaces.

The Traffic Violation Bureau and Parking Violations Bureau

The Traffic Violation Bureau (the "TVB") is a bureau of the City's Municipal Court and is administered by the Clerk of the Court, an appointee of the Mayor. The Parking Violations Bureau (the "PVB") is a bureau within the office of the Supervisor of Parking Meters. The TVB and the PVB each enforces parking ordinances and is responsible for the collection of fees, fines and penalties associated therewith.

The City has contracted with Xerox State & Local Solutions, Inc. ("Xerox") to provide for the managing, processing and collection of parking violation tickets, notices, payments and related transactions. (The contract was originally with ACS State & Local Solutions, Inc. ("ACS"), a company which was purchased by Xerox). Xerox is paid a fee for the processing of parking violations and also receives an additional fee for the collection of overdue parking fines. Since the Fiscal Year ended June 30, 2011, the percentage of parking ticket fines which are collected has increased by 42%. The City is currently collecting approximately 75% of all fines issued, 50% within four days of the issuance of a ticket.

The General Fund Parking Revenues consist of all moneys derived from issuance, assessment or assignment of parking violation tickets, tags, fines and late payment penalties by the City, other than those parking revenues generated by employees of the office of the Supervisor of Parking Meters. Such General Fund Parking Revenues would include, for example, fines collected by the City's TVB or PVB resulting from parking violations citations issued by the City's police officers.

General Fund Parking Revenues collected by mail are deposited in a lock-box account maintained with a bank located in the City. All other General Fund Parking Revenues collected by the Treasurer's Office are deposited in a segregated holding account. Once each month all such General Fund Parking Revenues will be required to be paid to the Trustee for deposit to the General Fund Parking Revenues Account of the Revenue Fund.

Anticipated Future Revenues

	Projected <u>2015</u>	Projected <u>2016</u>
Parking Division Revenues		
Total Parking Division Revenues	\$7,483,469	\$9,935,310
Total Parking Division Expenses	<u>(6,400,086)</u>	<u>(6,274,594)</u>
Net Parking Division Revenues	\$1,208,876	\$3,535,233

The Parking Commission, which has statutory authority to set parking rates, passed a resolution in late 2014 raising hourly parking meter rates and parking fines. Currently, hourly meter rates in the City are \$0.75-\$1.00. Starting July 1, 2015, rates will increase to \$1.00-\$1.50 per hour. Parking meter and street cleaning violations will also increase from \$10.00 to \$15.00. Public safety violations will increase from \$30.00 to \$40.00. Disabled parking violations will increase from \$75.00 to \$100.00. The new parking rates will automatically go into effect July 1, 2015 if the Board of Aldermen fails to take any action on this matter.

Potential Future Financing

The Parking Division is interested in fostering economic development by building additional parking structures. Currently, there are no finalized plans to build additional parking structures, but the Parking Division maintains discussions with various neighborhoods and community stakeholders to determine the necessity for new parking structures.

BONDOWNERS' RISKS

The following is a discussion of certain risks that could affect payments to be made by the Issuer with respect to the Series 2015A Bonds. Such discussion is not, and is not intended to be, exhaustive and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2015A Bonds should analyze carefully all the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in the Appendices hereto, copies of which are available as described herein.

General

The Series 2015A Bonds are special obligations of the Issuer payable by the Issuer solely from the Pledged Revenues, which secure the Senior Bonds on a first priority basis superior to the security provided the Series 2015A Bonds and the Series 2013A Bonds. The Series 2015A Bonds and the Series 2013A Bonds, while subordinate and junior in lien to the Senior Bonds, are on a parity basis with each other. No representation or assurance can be given that the Issuer will realize Pledged Revenues in amounts sufficient to make such payments with respect to the Series 2015A Bonds. The realization of future revenues is dependent upon, among other things, competition from other parking facilities, demand

for parking facilities in the areas immediately surrounding the City's parking facilities, availability of alternate means of transportation, such as mass transit facilities, and future changes in economic and other conditions that are unpredictable and cannot be determined at this time.

Bond Insurance

If the Issuer fails to make payment of the principal of and interest on the Series 2015A Bonds when the same become due, any Owner of the Series 2015A Bonds will have recourse against the Bond Insurer for such payments. However, the Bond Insurance Policy does not insure payment of the principal of or interest on the Series 2015A Bonds coming due by reason of acceleration or redemption (other than mandatory sinking fund redemption), nor does it insure the payment of any redemption premium that might be payable upon the redemption of the Series 2015A Bonds. Under no circumstances, including the situation in which interest on the Series 2015A Bonds becomes subject to federal taxation for any reason, can the maturities of any of the Series 2015A Bonds, including the Series 2015A Bonds, be accelerated except with the consent of the Bond Insurer. Furthermore, so long as the Bond Insurer performs its obligations under the Bond Insurance Policy, only the Bond Insurer may direct the exercise of any remedies to be undertaken by the Owners of the Series 2015A Bonds under the Indenture. If the Bond Insurer is unable to make payments of principal and interest on the Series 2015A Bonds as such payments become due, the Series 2015A Bonds are payable solely from moneys received by the Trustee under the Indenture. See **“THE BOND INSURANCE POLICY AND THE BOND INSURER”** herein for further information concerning the Bond Insurer and the Bond Insurance Policy.

Limited Obligations

THE SERIES 2015A BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED FOR IN THE INDENTURE. THE ISSUANCE OF THE SERIES 2015A BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, TO LEVY ANY FORM OF TAXATION THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE STATE SHALL NOT IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015A BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY THE ISSUER. NO BREACH BY THE ISSUER OF ANY SUCH PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT MAY IMPOSE ANY LIABILITY, PECUNIARY OR OTHERWISE, UPON THE STATE OR ANY CHARGE UPON ITS GENERAL CREDIT OR ITS TAXING POWER.

Additional Indebtedness

The Issuer may from time to time issue additional bonds and incur other indebtedness upon compliance with certain provisions of the Indenture, which may be secured by the Pledged Revenues on a priority basis to the Series 2015A Bonds, on a parity basis to the Series 2015A Bonds, or on a subordinate basis to the Series 2015A Bonds. See **“APPENDIX C – DEFINITIONS AND SUMMARY OF THE INDENTURE – SUMMARY OF THE INDENTURE – Authorization of Bonds,” “– General Provisions for Issuance of Bonds,” “– Refunding Bonds,” and “– Subordinate Indebtedness” and “– Permitted Indebtedness”** herein. The issuance of Additional Bonds or Parity Indebtedness could

increase the likelihood that there will be insufficient Pledged Revenues to pay all debt service on the Bonds and the Parity Indebtedness.

No Lien on Parking Meters

The Series 2015A Bonds are not secured by any lien on any of the parking meters financed with the proceeds of the Series 2015A Bonds or any other property. In the event of a default with respect to the Series 2015A Bonds, there may be insufficient Pledged Revenues to pay the Series 2015A Bonds and the ability to enforce any acceleration of the Series 2015A Bonds will be limited.

No Assurance of Sufficiency of Revenues

The Pledged Revenues are described above in the section entitled “**SECURITY FOR THE SERIES 2015A BONDS**” herein. There is no assurance that the Parking System will generate sufficient Net Project Revenues to provide for payment of all Bonds, including the Senior Bonds, the Series 2013A Bonds and the Series 2015A Bonds.

If there are insufficient Net Project Revenues to pay principal, redemption price and interest when due, then Net Parking Division Revenues and General Fund Parking Revenues will be used to make up any deficiency on a pro rata basis (but subject to the terms of the Indenture). There is no assurance, however, that such other sources of revenue will be sufficient to provide for payment in full of all Bonds, including the Senior Bonds, the Series 2013A Bonds and the Series 2015A Bonds. Furthermore, Net Project Revenues are reduced by any reasonable and lawful amounts paid by the Parking Division for operation and maintenance expenses with respect to parking meter collection functions and parking enforcement functions. There can be no assurance that the operating expenses of the Parking Division will be maintained at a level that will provide for the availability of any Net Project Revenues as a source of payment for all Bonds, including the Senior Bonds, the Series 2013A Bonds and the Series 2015A Bonds.

Pursuant to the Indenture, certain Supplemental Project Revenues with respect to the outstanding Series 2006 Bonds are included as Net Project Revenues, but only to the extent actually used during any period to pay principal of or interest on any outstanding Series 2006 Bonds. A portion of these Supplemental Project Revenues require annual appropriation by the City or, as applicable, a transportation development district, which appropriation is discretionary, prior to use for payment of the principal of and interest on any outstanding Series 2006 Bonds. **Such Supplemental Project Revenues are not available for the payment of the principal of or interest on the Series 2007 Bonds, the Series 2013A Bonds or the Series 2015A Bonds.**

See “**HISTORICAL COLLECTION OF REVENUES PLEDGED TO THE BONDS**” herein for a summary of available revenues and a discussion of recent developments.

Competition from Other Parking Facilities

The ability of the Parking System to generate revenues is in part limited by rates charged at private facilities in proximity to City-owned facilities. The rates being charged by such private facilities will impact the Issuer’s ability to establish rates and charges for the use of the Parking System sufficient to provide for the payment of the costs of operating the Parking System and for the payment of debt service on the Bonds and the Parity Indebtedness.

In addition, the ability of the Parking System to generate revenues is affected by demand for parking and the impact of any change in the availability of parking at other privately owned facilities as well as City-owned parking facilities.

Events Which Could Impact Demand for Parking

Any change in the demand for parking in the area of the City's parking facilities could impact Net Project Revenues in two ways: 1) there would be fewer parking patrons and 2) reduced demand could decrease the price paid by the remaining parking patrons. Currently, the City's downtown area is also experiencing a change in the type of uses of property, with an increasing amount of residential development. While little if any "Class A" office space has been displaced, it is not possible at this time to predict the impact this change in use will have on the demand for parking. It is possible that an increasing number of downtown employees who would otherwise park in the City's parking facilities may begin to reside downtown and no longer park in such facilities.

Ability of City to Rent Retail Space

Some of the parking facilities contain ground floor retail space. The Issuer's ability to find tenants for such retail space will have an impact on the Pledged Revenues. If the Issuer is unable to rent such retail space to tenants for adequate rentals, it could have a negative impact on the ability of the Parking System to provide for the payment of the costs of operating the Parking System and for the payment of the debt service on the Series 2015A Bonds.

Potential Adverse Impact on Event Parking

Certain of the Projects generate a portion of their revenues from events at Busch Stadium (the venue for the St. Louis Cardinals baseball team) and Scottrade Center (the venue for the St. Louis Blues hockey team). It is unknown what effect, if any, any reduction in use of Busch Stadium or Scottrade Center would have on the Pledged Revenues generated from such venues. See "**APPENDIX A – INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI – Sports Related Economic Development**" herein.

Encumbrance of Kiel Center Parking Garage Site

Pursuant to the terms of an Amended and Restated Master Lease between the City, as lessor, and the Land Clearance for Redevelopment Authority of the City of St. Louis ("LCRA"), as lessee, the City leased certain real property (the "Real Property"), including the site upon which the Kiel Center Parking Garage is constructed, to LCRA for a term of 50 years, with up to four additional five-year extensions. LCRA entered into a sub-lease agreement with the City for the Real Property. Subsequently, LCRA pledged its sub-lease payments to the payment of its Kiel Site Lease Revenue Refunding Bonds, Series 1997A and Series 1997B (the "Kiel Site Bonds"). In the event the City fails to appropriate funds sufficient to pay the Kiel Site Bonds, which together with such pledged sub-lease payments are insufficient to pay the Kiel Site Bonds, the trustee for such bonds may take possession of the Real Property leasehold of LCRA. Because the effect of such possession of the Real Property leasehold by the Kiel Site Bond trustee on the operation of the Kiel Center Parking Garage or on Net Project Revenues is necessarily unknown, no assurance can be given that such possession would not impair the Issuer's ability to pay debt service on the Series 2015A Bonds.

Debt Service Reserve Fund

At the time of issuance of the Series 2015A Bonds, the Series 2015A Debt Service Reserve Account of the Debt Service Reserve Fund will be established for the Series 2015A Bonds. See “**SOURCES AND USES OF FUNDS**” herein. There can be no assurance that the amounts deposited in the Series 2015A Debt Service Reserve Account of the Debt Service Reserve Fund will be available if needed for payment of the Series 2015A Bonds because (1) fluctuations in the market value of the securities deposited therein may occur, (2) if funds are transferred to the Debt Service Fund, sufficient Pledged Revenues may not be available to replenish such Series 2015A Debt Service Reserve Account of the Debt Service Reserve Fund, and/or (3) loss of principal due to the financial distress of any entity with which such funds are invested, including the counterparty with respect to an investment contract or repurchase agreement.

Enforceability of Remedies

The remedies available to the Trustee and the Bondowners upon an event of default under the Indenture are in many respects dependent upon judicial actions which are, in turn, often subject to discretion and delay. Under existing constitutional and statutory laws and judicial decisions, including specifically the Federal Bankruptcy Code, a particular remedy specified by the Indenture may not be readily available or, if available, may be limited or subject to substantial delay. The various legal opinions to be delivered concurrently with the issuance and delivery of the Series 2015A Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by principles of equity and by bankruptcy, reorganization, insolvency, moratorium and similar laws affecting the rights of creditors generally.

If the Issuer were to file a petition for relief under the Federal Bankruptcy Code, such filing would constitute an “Event of Default” under the Indenture.

Early Redemption

Pursuant to the terms of the Indenture, the Series 2015A Bonds may be subject to redemption prior to maturity (see “**THE SERIES 2015A BONDS - Redemption**” herein). Under these circumstances, a Bondholder whose Series 2015A Bonds are called for early redemption may not have the opportunity to hold such Series 2015A Bonds for a time period consistent with such Bondholder’s original investment intentions.

Secondary Market

If and when an owner of the Series 2015A Bonds elects to sell a Series 2015A Bond prior to its maturity, there is no assurance that a market will exist for the purchase and sale of the Series 2015A Bonds. There is presently no secondary market for the Series 2015A Bonds and there is no assurance that a secondary market will develop.

Subordination Risk

The Master Indenture allows for additional bonds to be issued from time to time which would be senior to the Series 2015A Bonds. See “**SECURITY FOR THE BONDS – Additional Indebtedness**” herein and **APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE”** herein. The issuance of additional Senior Bonds could reduce the amount of Pledged Revenues available to pay debt service on the Series 2015A Bonds.

Other Factors Affecting the Operations of the Parking Division

One or more of the following factors or events, or the occurrence of other unanticipated factors or events, could adversely affect the Issuer's operations and financial performance (and thereby the operations and financial performance of the Parking System) to an extent that cannot be determined at this time:

1. ***Changes in Administration.*** Changes in key administrative personnel of the Parking Division could affect the capability of administration of the Issuer and the Parking System.
2. ***Future Economic Conditions.*** Adverse economic conditions or changes in demographics in the service area of the Issuer could decrease demand for parking or cause an inability to control expenses in periods of inflation which could affect the Issuer's ability to increase parking fees.
4. ***Fee Increases.*** Increases in parking fees could adversely affect usage of the Parking System.
5. ***Organized Labor Efforts.*** Efforts to organize employees of the Issuer into collective bargaining units could result in adverse labor actions or increased labor costs.
6. ***Environmental Matters.*** Legislative, regulatory, administrative or enforcement action involving environmental controls could adversely affect the operation of the Parking System.
7. ***Natural Disasters.*** The occurrence of natural disasters, such as floods, droughts, earthquakes or tornadoes, could damage the Parking System or otherwise impair operations and the ability of the Parking System to produce revenue.

Tax-Exempt Status of the Series 2015A Bonds

The failure of the Issuer to comply with certain covenants set forth in the Indenture (see "TAX MATTERS" herein) could cause the interest on the Series 2015A Bonds to be included in federal gross income for federal income tax purposes retroactive to the date of issuance of the Series 2015A Bonds. The Indenture does not provide for the payment of any additional interest or penalty if the interest on the Series 2015A Bonds becomes includable in gross income for federal income tax purposes.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as Appendix D to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded

and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (stable outlook) by Standard and Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A2” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On November 13, 2014, KBRA assigned an insurance financial strength rating of “AA+” (stable outlook) to AGM. AGM can give no assurance as to any further ratings action that KBRA may take.

On July 2, 2014, S&P issued a credit rating report in which it affirmed AGM’s financial strength rating of “AA” (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On July 2, 2014, Moody’s issued a rating action report stating that it had affirmed AGM’s insurance financial strength rating of “A2” (stable outlook). In February 2015, Moody’s published a credit opinion under its new financial guarantor ratings methodology maintaining its existing rating and outlook on AGM. AGM can give no assurance as to any further ratings action that Moody’s may take.

For more information regarding AGM’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Capitalization of AGM

At December 31, 2014, AGM’s policyholders’ surplus and contingency reserve were approximately \$3,763 million and its net unearned premium reserve was approximately \$1,769 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM’s wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM’s indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the Securities and Exchange Commission (the “SEC”) that relate to AGM are incorporated by reference into this Official Statement and shall be deemed

to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (filed by AGL with the SEC on February 26, 2015).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof “furnished” under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC’s website at <http://www.sec.gov>, at AGL’s website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL’s website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption “BOND INSURANCE – Assured Guaranty Municipal Corp.” or included in a document incorporated by reference herein (collectively, the “AGM Information”) shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM or one of its affiliates may purchase a portion of the Bonds or any uninsured bonds offered under this Official Statement and such purchases may constitute a significant proportion of the bonds offered. AGM or such affiliate may hold such Bonds or uninsured bonds for investment or may sell or otherwise dispose of such Bonds or uninsured bonds at any time or from time to time.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “BOND INSURANCE”.

TAX MATTERS

The following is a summary of the material federal and Missouri income tax consequences of holding the Series 2015A Bonds. The summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not (1) discuss all aspects of federal income taxation that may be relevant to investors based upon their personal investment circumstances; (2) describe the tax consequences of certain types of owners subject to special treatment under the federal income tax laws; (3) except for the income tax laws of Missouri, discuss the consequences to an owner under any state, local or foreign tax laws; or (4) deal with the tax treatment of persons who purchase the Series 2015A Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2015A Bonds.

Tax Opinion of Bond Counsel

Federal and Missouri Tax Consequences.

Series 2015A Bonds - General. In the opinion of Armstrong Teasdale LLP, Bond Counsel, under existing law, the interest on the Series 2015A Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal and Missouri income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (as defined for federal income tax purposes). It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining adjusted current earnings. The opinions set forth in this paragraph are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series 2015A Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal and Missouri income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2015A Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Series 2015A Bonds. The Series 2015A Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

Series 2015A Bonds - Original Issue Discount Bonds. In the opinion of Bond Counsel, subject to the conditions set forth above, the original issue discount in the selling price of each Series 2015A Bond sold in the initial offering at a price less than the principal amount thereof (hereinafter referred to as the "OID Bonds"), to the extent properly allocable to each owner of such OID Bond, is excludable from gross income for federal and Missouri income tax purposes with respect to such owner. Original issue discount is the excess of the stated redemption price at maturity of an OID Bond over the initial offering price to the public (excluding underwriters and intermediaries) at which price a substantial amount of the OID Bonds were sold. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. For an owner who acquires an OID Bond in this offering, the amount of original issue discount that accrues during any accrual period generally equals (i) the issue price of such OID Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity on such OID Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such OID Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal and Missouri income tax purposes, and will increase the owner's tax basis in such OID Bond. Any gain realized by an owner from a sale, exchange, payment or redemption of an OID Bond would be treated as gain from the sale or exchange of such OID Bond. Owners of OID Bonds should consult with their individual tax advisors to determine whether the application of the proposed original issue discount federal regulations will require them to include, for Missouri and local income tax purposes, an amount of interest on the OID Bonds as income even though no corresponding cash interest payment is actually received during the tax year.

Other Tax Consequences

Prospective purchasers of the Series 2015A Bonds should be aware that there may be tax consequences of purchasing the Series 2015A Bonds other than those discussed under the caption "Tax Opinion of Bond Counsel," including the following:

- (1) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of such institution's interest expense allocable to interest on the Bonds;
- (2) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds;
- (3) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code;
- (4) passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year, if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; and
- (5) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Bonds.

Interest paid on tax-exempt obligations, such as the Series 2015A Bonds, is subject to information reporting to the Service in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2015A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the Service, or (b) has been identified by the Service as being subject to backup withholding.

No Other Opinions. Bond Counsel is not rendering any opinion as to any federal or Missouri tax matters other than those described under the caption "**Tax Opinion of Bond Counsel**". Prospective investors, particularly those who may be subject to special rules mentioned above, are advised to consult their own tax advisors regarding the federal, state, local and other tax consequences of owning and disposing of the Series 2015A Bonds.

LITIGATION

There is no litigation pending in any court or, to the best knowledge of the Issuer, threatened, that would restrain or enjoin the issuance or delivery of the Series 2015A Bonds, or that questions the validity of the Series 2015A Bonds or the Indenture or concerns any proceedings of the Issuer taken in connection therewith, or the pledge or application of any Pledged Revenues provided for their payment, or that contests the power of the Issuer with respect to the foregoing. See "**APPENDIX A – INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI – - LITIGATION**" herein for a discussion of other litigation in which the City is involved.

The Issuer is subject to a variety of suits and proceedings arising out of its ordinary course of operations, some of which may be adjudicated adversely. In the opinion of the City Counselor, there is no litigation pending against the Issuer not sufficiently covered by insurance which, if determined adversely, would have a material adverse effect on Parking Division operations.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2015A Bonds are subject to the approving opinion of Armstrong Teasdale LLP of St. Louis, Missouri, as Bond Counsel. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the City or the Issuer, as referred to herein. Certain legal matters will be passed upon for the Issuer by the City Counselor, and for the Underwriters by the Hardwick Law Firm, LLC, Kansas City, Missouri.

The various legal opinions to be delivered concurrently with the delivery of the Series 2015A Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transactions opined upon, or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL STATEMENTS

The audited financial statements of the Parking Division for the Fiscal Year ended June 30, 2014, are included in **APPENDIX B** of this Official Statement.

The Parking Division neither requested nor received a consent from its independent auditor to the inclusion of such audit report in the Official Statement. Neither the Parking Division's independent auditors, nor any other independent accountants, have examined the Parking Division's records, or performed any procedures with respect to the Parking Division since the date of such audit for the Fiscal Year ended June 30, 2014.

CONTINUING DISCLOSURE

In accordance with the requirements of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the City and the Supervisor of Parking Meters will enter into a Continuing Disclosure Agreement with respect to the Series 2015A Bonds, substantially in the form attached as **APPENDIX F** to this Official Statement (the "Continuing Disclosure Agreement"). Pursuant to the Continuing Disclosure Agreement, the City and the Supervisor of Parking Meters will agree to file or cause to be filed on an annual basis on the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rulemaking Board, in accordance with the Rule: (i) certain annual information and statistical and operating data in regard to the City and the Supervisor, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Series 2015A Bonds, and (iii) timely notice of a failure by the City or the Supervisor of Parking Meters to provide the required annual information on or before the date specified in the Continuing Disclosure Agreement. The Underwriters' obligation to purchase the Series 2015A Bonds is conditioned upon their receiving, at or prior to the delivery of the Series 2015A Bonds, an executed copy of the Continuing Disclosure Agreement.

Compliance by the City and the Supervisor of Parking Meters with Prior Continuing Disclosure Obligations

The City. A comprehensive review of the City's compliance with its continuing disclosure obligations was completed in October, 2014. Such review concluded that the City consistently filed for the prior five-year period the annual financial information required to be provided pursuant to its continuing disclosure obligations under the Rule. Certain of such annual financial information, however,

was not filed timely, such as incidents ranging from 2 to 26 days late with respect to the City's required annual financial information and, in some cases, later with respect to certain developer and special district annual financial information, in connection with tax increment and special district financing transactions for which the City has a continuing disclosure obligation. The review further concluded that the City had consistently filed for the prior five-year period the majority of statistical and operating data required to be provided pursuant to its undertakings under the Rule. However, certain of such data was not filed in the proper format and/or such data could be considered incomplete. Additional items identified in the review included instances of not reporting certain rating changes and incomplete cross references by CUSIP numbers to annual financial information, including certain statistical and operating data. The City has since updated such filings and linked its annual financial information, including statistical and operating data, on EMMA to its bond issues currently subject to continuing disclosure undertakings. Furthermore, the City filed operating data for the prior five-year period in the format required under the Rule.

The City's annual financial information for Fiscal Year 2014 was filed earlier than required pursuant to each of its continuing disclosure undertakings. Certain statistical and operating data for the City's continuing disclosure undertakings with a filing date of 180 days after the end of the City's Fiscal Year, however, was filed from 2 to 4 Business Days late, and certain other updates to statistical and operating data compiled by calendar year, was filed when it became available and was 17 Business Days late. Information regarding the City's retirement systems, that is required to be updated pursuant to certain of the City's continuing disclosure undertakings, will be filed on EMMA when such information is available from the retirement systems. Other than as stated herein, the City is in compliance in all material respects with its continuing disclosure undertakings for the prior five-year period through the date of this Official Statement.

The Supervisor of Parking Meters. The Supervisor of Parking Meters has complied in all material respects with its continuing disclosure obligations for the past five years.

CERTAIN RELATIONSHIPS

Armstrong Teasdale LLP, St. Louis, Missouri, is serving as Bond Counsel, and also represents the City and certain of the Underwriters from time to time on other transactions or matters.

Squire Patton Boggs (US) LLP, New York, New York, is serving as Disclosure Counsel with respect to the issuance of the Series 2015A Bonds, and also represents the City and certain of the Underwriters from time to time on other transactions or matters.

The Hardwick Law Firm, LLC, Kansas City, Missouri is serving as Underwriter's Counsel with respect to the issuance of the Bonds, and also represents the City and certain of the Underwriters from time to time on other transactions or matters.

IFS Securities and its affiliates have a relationship with a St. Louis Parking Division subcontractor Hudson and Associates for the purposes of new business development and potentially raising capital for new client opportunities. An IFS Securities banker has a paid outside business relationship with the subcontractor Hudson and Associates for the purposes of consulting on business operations and new business opportunities.

RATING

Standard & Poor's, a division of The McGraw-Hill Companies, Inc., has assigned the Series 2015A Bonds the rating of "AA" with the understanding that, upon delivery of the Series 2015A Bonds,

the Bond Insurance Policy will be issued by the Bond Insurer. The rating agency has assigned an underlying rating of “BBB+” to the Series 2015 Bonds. Such rating reflects only the views of that organization at the time such rating is given. An explanation of the significance of this rating may be obtained only from the rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the ratings will be maintained for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agency if, in the judgment of the rating agency, circumstances so warrant. Neither the Issuer nor the Underwriters have undertaken any responsibility to bring to the attention of the holders of the Series 2015A Bonds any such proposed downward revision or withdrawal except as set forth in **APPENDIX F – “Form of Continuing Disclosure Agreement”** herein. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price and marketability of the Series 2015A Bonds.

FINANCIAL ADVISOR

Comer Capital Group, LLC, Jackson, Mississippi, has served as Financial Advisor to the Issuer. The Financial Advisor has assisted in various matters relating to the planning, structuring and issuance of the Bonds, including advice in the preparation of this Official Statement. The Financial Advisor has not passed on the accuracy or completeness of the factual information contained in this Official Statement. The Financial Advisor has not participated in any underwriting syndicate that will purchase or sell any of the Series 2015A Bonds.

UNDERWRITING

The Series 2015A Bonds are being purchased by IFS Securities Inc. and Stifel, Nicolaus & Company, Incorporated, the underwriters identified on the front cover of this Official Statement (collectively, the “Underwriters”), pursuant to a Bond Purchase Agreement between the Issuer and the Underwriters. The Underwriters have agreed to purchase all, but not less than all, of the Series 2015A Bonds at a price of \$6,261,262.00 (which is equal to the par amount of the Series 2015A Bonds, less an underwriting discount of \$110,786.00, and less an original issue discount of \$67,952.00).

The Underwriters may offer and sell the Series 2015A Bonds to certain dealers (including dealers depositing the Series 2015A Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters.

MISCELLANEOUS

The references herein to the Indenture are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and for full and complete statements of the provisions thereof reference is made to the Indenture. Copies of such document are on file at the offices of the Issuer and following the delivery of the Series 2015A Bonds will be on file at the offices of the Trustee. All estimates and other statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

It is anticipated that CUSIP identification numbers will be printed on the Series 2015A Bonds, but neither the failure to print such numbers on any Series 2015A Bonds nor any error in printing of such numbers will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Series 2015A Bonds.

The attached appendices are integral parts of this Official Statement and must be read together with all of the foregoing statements.

The closing documents will include a certificate by the proper official of the Issuer that, to the best of his knowledge and belief at the time of the acceptance of the delivery of the Series 2015A Bonds, this Official Statement and any information furnished by the Issuer supplementary thereto did not and do not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made in light of the circumstances under which they were made, not misleading in any material respect.

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This Official Statement has been duly authorized and approved by the Issuer and duly executed and delivered on its behalf by the officials signing below.

THE CITY OF ST. LOUIS, MISSOURI

By // Tishaura O. Jones
Tishaura O. Jones
Supervisor of Parking Meters

By // Francis G. Slay
Francis G. Slay, Mayor

By // Darlene Green
Darlene Green, Comptroller

APPENDIX A

INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI

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**APPENDIX A
INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI**

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APPENDIX A

INFORMATION REGARDING THE CITY OF ST. LOUIS, MISSOURI

The information contained in this Appendix relates to and has been obtained from The City of St. Louis, Missouri (the “City” or “St. Louis”). The delivery of this Official Statement is not intended to create any implication that there has been no change in the affairs of the City since the date hereof or that the information contained or incorporated by reference in this Appendix is correct as of any time subsequent to its date.

ORGANIZATION AND GOVERNMENT

General

The City is located on the Mississippi River, the eastern boundary of the State of Missouri (the “State”), just below its confluence with the Missouri River. The City occupies approximately 61.4 square miles of land, and its area has remained constant since 1876. The City is a constitutional charter city not a part of any county, organized and existing under and pursuant to its Charter, the Constitution and the laws of the State.

The City is popularly known as the “Gateway to the West,” due to its central location and historical role in the nation’s westward expansion. Commemorating this role is the 630-foot stainless steel Gateway Arch, the nation’s tallest man-made monument, which is the focal point of the 86-acre Jefferson National Expansion Memorial located on the downtown riverfront.

Government

The City’s system of government is provided for in its Charter, which first became effective in 1914 and has subsequently been amended from time to time by the City’s voters.

The Mayor is elected at large for a four-year term and is the chief executive officer of the City. The Mayor appoints most department heads, municipal court judges and various members of the City’s boards and commissions. The Mayor possesses the executive powers of the City and those powers are exercised by the boards, commissions, officers and departments of the City under his general supervision and control.

The Comptroller is the City’s chief fiscal officer and is elected at large for a four-year term. Pursuant to the City Charter the Comptroller is the Chairman of the Department of Finance for the City and has broad investigative and audit powers with regard to City departments and agencies. The Comptroller also has administrative responsibility for all of the City’s financial departments, accounting procedures and contractual obligations.

The legislative body of the City is the Board of Aldermen. The Board of Aldermen consists of 28 Aldermen and a President. One Alderman is elected from each of the City’s 28 wards to serve a four-year term. Half of the City’s wards alternately elect Aldermen bi-annually. The President of the Board of Aldermen is elected at large to serve a four-year term. Pursuant to an amendment to the City Charter, approved by the voters of the City in 2012, the number of Aldermen will be reduced to 14 beginning in 2022 after the completion of the 2020 Census.

The Board of Aldermen may adopt bills or ordinances that the Mayor may either approve or veto. Ordinances may be enacted by the Board of Aldermen over the Mayor’s veto by a two-thirds vote.

The Board of Estimate and Apportionment is primarily responsible for the finances of the City. The Board of Estimate and Apportionment consists of the Mayor, the Comptroller and the President of the Board of Aldermen. For more detailed information regarding the responsibilities of the Board of Estimate and Apportionment, see “**FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS—Budget Process**” herein.

Most governmental functions of the City are controlled by the Mayor, the Comptroller, the Board of Estimate and Apportionment and the Board of Aldermen. The Sheriff, Treasurer, Collector of Revenue, License Collector, Circuit Clerk, Circuit Attorney, Recorder of Deeds and Public Administrator of the City are elected independently for four-year terms. Appointments of certain officials, including the members of the Board of Election Commissioners, are made by the Governor of the State.

CITY FUNDED SERVICES AND AGENCIES

General

The City provides a wide range of municipal and county services, including police and fire protection, non-commercial refuse collection, park and recreational facilities, forestry services, social services, street and other public lighting, traffic control and street maintenance.

Water

The Water Division is an enterprise fund of the City. As such, the Water Division is supported solely from its sale of water to City retail and residential customers as well as to wholesale customers in St. Louis and St. Charles counties. The Water Division receives no financial support from City general revenue or other funds. The City’s waterworks system consists of two water treatment plants, three reservoirs and 1,400 miles of distribution piping. While the system is capable of producing 360 million gallons per day, current average daily production is approximately 120 million gallons. Storage capacity of the reservoir system is 128.6 million gallons. The Water Division serves over 84,000 residential customers and 9,000 industrial and commercial customers. While all commercial and industrial customers are metered, most of the residential customers are billed on a flat-rate basis, which is calculated on the number of rooms, water closets, bathtubs or showers and front footage. In 105 years of testing, the Water Division has complied with all water quality regulations. In 2007, the Water Division was honored to accept the U.S. Conference of Mayor’s Award for producing the “Best Tasting City Water in America.”

Airport

The Lambert-St. Louis International Airport (the “*Airport*”) is owned by the City. The St. Louis Airport Authority is the organization assigned to oversee the operation of the Airport for the City. The St. Louis Airport Authority was created in 1968 by an ordinance adopted by the Board of Aldermen. The Airport Authority is directed by the Airport Commission and the Airport Director. Currently, the Airport Authority has more than 537 full-time employees. The Airport is an enterprise fund of the City. The Airport receives no financial support from City general revenue or other funds.

Fire Protection

The Fire Department of the City of St. Louis provides fire protection and emergency medical services throughout the corporate limits of the City. It also provides fire protection to the Airport. Fire services to the City are provided from 30 fire stations currently staffed by approximately 649 full-time firefighters. An estimated 62 full-time firefighters serve the Airport. In addition to the firefighters, the Fire Department employs approximately 189 emergency medical services and civilian employees. The

Fiscal Year 2014 general fund expenditures for the Fire Department were \$72.8 million which included \$20 million in pension costs.

Police

Administrative and financial control of the Metropolitan Police Department, City of St. Louis (the “*Police Department*”) now rests with the City following previous State control. On November 6, 2012, the voters of the City approved a ballot measure that returned control of the Police Department to the City. The Board of Aldermen passed Ordinance Number 69489 accepting responsibility, ownership and liability as successor-in-interest for the contractual obligations, indebtedness, and other obligations of the Board of Police Commissioners and the Mayor signed Executive Order No. 48 establishing the Police Department under the Department of Public Safety and assumed control of the department under the City Charter on September 1, 2013. The Fiscal Year 2014 general fund expenditures for the Police Department were \$148 million which included \$30.5 million in pension costs.

OTHER LOCAL COMMISSIONS AND AGENCIES

There are a number of significant governmental authorities and commissions that provide services within the City. Certain City officeholders and representative bodies have appointment powers by State statute to a number of agencies that provide services within the City. Several of the major authorities and commissions are detailed below.

The Metropolitan St. Louis Sewer District

The Metropolitan St. Louis Sewer District (“*MSD*”) is organized pursuant to Article VI, Section 30 of the Missouri Constitution, which empowers the people of St. Louis County, Missouri (the “*County*”) and the City “to establish a metropolitan district for functional administration of services common to the area included therein.” MSD is the only special district in the State established pursuant to that section of the Missouri Constitution. MSD was created to provide a metropolitan-wide system of wastewater treatment and sanitary sewerage facilities for the collection, treatment and disposal of sewage to serve the City and most of the more heavily populated areas of the County. The City has no financial responsibility for MSD.

A duly appointed board is the governing body of MSD. The board consists of six members, with three members appointed by the Mayor and three members appointed by the County Executive.

MSD operates the fourth largest wastewater treatment system in the United States. MSD’s service area now encompasses 525 square miles including all 61.4 square miles of the City and 463 square miles (approximately 90%) of the County. Only the extreme western parts of the County are not served by MSD. MSD provides sanitary sewer collection and treatment and storm water management to a population of approximately 1.4 million people.

On June 12, 2012, the voters within MSD approved the issuance by MSD of \$945 million in sewer system revenue bonds to enable MSD to comply with federal and state clean water requirements and to finance a portion of the costs of MSD’s capital improvement and replacement program. As of December 31, 2014, MSD has issued bonds pursuant to such approval in the aggregate principal amount of \$427 million.

Metro

The Bi-State Development Agency of the Missouri-Illinois Metropolitan District, d/b/a Metro (“*Metro*”), was established by the interstate compact between the states of Missouri and Illinois and was approved by an Act of Congress in 1950. A ten member Board of Commissioners sets policy and direction for Metro. The Governor of the State appoints five Commissioners and the County Boards of

St. Clair and Madison County in Illinois appoint five. While Metro has broad powers, with the ability to plan, construct, maintain, own and operate bridges, tunnels, airport and terminal facilities (among other powers), and such additional power as conferred upon it by the legislature of both states, it is best known for operating public transit services. From July 1, 2013 to June 30, 2014, Metro provided 48.2 million passenger trips and operated 27.0 million revenue miles of service in a 558 square mile service area that includes the City and the County in Missouri, and St. Clair, Madison and Monroe counties in Illinois. The largest component of the transit system is the bus service, but beginning in 1993 Metro has also operated a light rail transit service, which now totals 46 miles.

The predominant source of revenue for Metro includes appropriation of regional sales taxes from the City and the County, federal grant funds, funds from the Illinois Department of Transportation and St. Clair County Transit District, State subsidies and passenger fares. The City collects revenue from two separate quarter cent sales taxes and a half cent sales tax and historically has appropriated the majority of such revenue to Metro. During Fiscal Year 2014, the City's sales tax subsidy to Metro was approximately \$36.9 million.

St. Louis Development Corporation

The St. Louis Development Corporation (the “*SLDC*”) is a nonprofit corporation which provides technical assistance, staff and support services and economic incentives to public and civic bodies and private entities engaged in improving economic opportunities in the City. SLDC functions as an umbrella entity for numerous boards and authorities with a broad variety of functions and powers in the City. SLDC focuses on growing investments and jobs in the City by enhancing real estate values and enabling sustainable and successful neighborhoods. SLDC's approximately 65 staff members work in several divisions, including executive, real estate, development incentives, major projects, communications, legal, finance and administration. Working as a team with the Comptroller's office, the Mayor's office, the Board of Aldermen and the Planning Commission, SLDC administers various boards and commissions, including: the Land Clearance for Redevelopment Authority; the Planned Industrial Expansion Authority; the Land Reutilization Authority; the Local Development Company (Small Business Administration); The Industrial Development Authority of the City of St. Louis, Missouri (the “Industrial Development Authority”); the Port Authority; the Tax Increment Financing Commission; the Clean Energy Development Board and the Enhanced Enterprise Zone Commission. Although SLDC works with a variety of City departments on various development initiatives, SLDC works especially closely on planning and development matters with two City departments – the Planning and Urban Design Agency and the Community Development Administration.

Other planning and economic development related public bodies and agencies operating in the City and served by SLDC include, but are not limited to, the St. Louis Housing Authority, the Regional Convention and Visitors Commission, the Regional Chamber, the East-West Gateway Coordinating Council of Governments, the Regional Convention and Sports Complex Authority and the Downtown STL, Inc.

In 2013, the St. Louis Economic Development Partnership was established, creating a regional economic development team consisting of the business development staff of SLDC and the economic development staff of the County. The mission of this joint effort is to support and attract new and growing businesses by, in part, administering a variety of loans working in conjunction with the Local Development Corporation, the Small Business Administration and the federal Economic Development Administration.

St. Louis Regional Convention and Sports Complex Authority

The St. Louis Regional Convention and Sports Complex Authority (the “*Authority*”), established in 1990 as a separate legal entity by an Act of the State legislature, is governed by an 11 member board of

commissioners. The Mayor of the City and the County Executive of the County each appoint three members, and the Governor of the State appoints the remaining five commissioners. The Authority is considered a joint venture of the City, the County and the State because the three governments have entered into a contractual agreement with the Authority to sponsor the issuance of convention facility bonds, to repay the convention facility bonds through rental payments to the Authority, and to make annual preservation payments for facility maintenance and renovations, all of which create an ongoing financial responsibility of the City. The Authority is subject to joint control of the City, the County and the State. The Convention Center is owned by the St. Louis Municipal Finance Corporation, a nonprofit corporation, and leased to the City pursuant to a lease purchase agreement. It is located in downtown St. Louis, and is the largest convention facility in the St. Louis Metropolitan Area and the only convention facility in the region capable of competing for national and regional conventions and trade shows. When originally completed, the Convention Center was the eighth largest facility of its kind in the United States. In order to enhance the competitiveness of the Convention Center, the City undertook a major expansion and renovation program in 1993 and constructed the Edward Jones Dome (the "Dome") (which is not owned by the St. Louis Municipal Finance Corporation or subject to the lease purchase agreement) in 1995. As a result of the 1993 renovation program, which included the acquisition of additional land as well as expansion of the existing facilities, the Convention Center Property now contains 340,000 square feet of exhibit space in five halls, as well as 66 meeting rooms, the Ferrara Theatre, and the St. Louis Executive Conference Center. In addition, in October, 2011, the Authority completed \$30 million in enhancements and improvements to the Dome, which contains 162,000 square feet of contiguous exhibit space as well as 29 meeting rooms. Together with the Dome, the Convention Center property is operated by the St. Louis Convention and Visitors Commission (the "CVC") as the 2,700,000-square-foot America's Center Convention Complex.

Education

The public school systems within the City are operated under the administration and control of the Transitional School District of the City of St. Louis (the "*School District*") (formerly administered by the St. Louis Public School District) and The Community College District of St. Louis, St. Louis County, Missouri (the "*Community College District*"). Each have elected or appointed officials and have separate budgets and administrators. Both the School District and the Community College District are empowered to levy taxes sufficient to finance the operation of each respective public school system within its jurisdiction. The School District encompasses approximately 61.4 square miles and is located entirely within the corporate limits of the City. The estimated population of the City and therefore the School District was 319,294 as of 2010. The School District is one of the largest public school systems in the State, and operates 77 schools, including 45 elementary, 13 middle, 15 high and 4 special or alternative schools, all with an average daily enrollment of more than 27,000 students. The State Board of Education removed the School District's accreditation status on June 15, 2007. Prior to June 15, 2007 the School District was governed by the Board of Education of the City, a seven-member elected board. At the time the School District lost its accreditation, a three-member special administrative board was appointed to act as the governing body of the School District. On October 16, 2012, the State Board of Education unanimously voted to restore the School District's accreditation. Currently, the three-member special administrative board continues to act as the governing body of the School District. The board appoints the Superintendent of Schools, who is the chief administrative officer of the School District and is responsible for carrying out the policies set by the special administrative board. The City is not responsible for the debt, obligations, or expenses of the School District.

Missouri also allows public charter schools to operate in the City (§ 160.400 R.S.Mo.). A significant source of the School District's annual revenues is from monies appropriated by the Missouri General Assembly each year pursuant to a formula contained in State statutes. Under the formula, the School District's aid is decreased for each student that attends a charter school in the City. Each charter school receives an amount calculated for each School District resident student attending such charter school pursuant to a statutory formula, which amount is deducted from the School District's State aid.

Historically, the amount a charter school receives has exceeded the amount of State aid the School District received for the student. In Fiscal Year 2014, approximately \$80.4 million of State aid for the School District was identified for charter schools and the amount identified for charter schools in Fiscal Year 2015 is expected to be approximately \$87.3 million.

Solid Waste Management and Development Corporation

The Solid Waste Management and Development Corporation (the “*SWMDC*”) owns a system of underground pressurized steam transport pipe in the downtown St. Louis area commonly known as the “steam loop.” The steam loop is leased on a long-term basis to a steam-generating private entity unrelated to the City. The steam loop serves City Hall and other municipal buildings, and is the only non-private source of steam in downtown St. Louis. The City appoints a voting majority of *SWMDC*’s board of directors. The board of directors consists of representatives of the president of the Board of Public Service (Chairperson), deputy mayor/chief of staff and director of the Street Department. Separate financial statements are not prepared for *SWMDC*. *SWMDC* is governed by employees of the City and, therefore, the City can assert its control over *SWMDC*.

Library

The St. Louis Public Library (the “*Library*”) is located in the City and serves an urban population of approximately 350,000. The *Library*’s mission is to provide learning resources and information services that support and improve individual, family and community life. The *Library* strives to meet the informational and recreational needs of patrons through appropriate collection development, thoughtful programming and effective promotion of library services to the community.

The *Library* states that it is the only urban public library system consistently ranked among the top five in the nation. The *Library* placed second in the nation for the last two years in studies conducted by the Center for Public Policy and Social Research at Central Connecticut State University. Currently, the system consists of 15 branches and the Central *Library* with 4.6 million items in its collection, 85,000 cardholders, over 300 full-time staff, and 2 million visitors annually.

In 2011, the *Library* completed a \$65 million bond issue primarily to finance a portion of the comprehensive renovations to its historic Central *Library* in downtown St. Louis and to refund certain outstanding indebtedness. The renovations have been completed, and the Central *Library* reopened to the public on December 9, 2012 after a total of \$70 million in renovations. As a result of the restoration, another 50,000 square feet of public space was added which included an expanded children’s library and a new auditorium. The project included restoration of original plaster work, chandeliers, woodwork and granite, in addition to the installation of new electrical, plumbing and ventilation systems and a new wireless internet system.

ECONOMIC AND DEMOGRAPHIC DATA

Population Statistics

The 61.4-square-mile City is the center of the St. Louis Consolidated Standard Metropolitan Statistical Area (the “*Metropolitan Area*”) consisting of the City, the City of Sullivan in Crawford County, Missouri; Franklin, Jefferson, Lincoln, St. Charles, St. Louis and Warren Counties in Missouri; and Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe and St. Clair Counties in Illinois. The *Metropolitan Area*, covering approximately 8,649 square miles in the States of Missouri and Illinois, is the 18th largest metropolitan area in the United States in terms of population.

The following table sets forth the population statistics for the *Metropolitan Area* for the indicated calendar years:

<u>Year</u>	<u>City of St. Louis</u>	<u>Metropolitan Area</u>
1980	453,085	2,503,549
1990	396,685	2,580,897
2000	348,189	2,698,687
2010 ¹	319,294	2,787,701

¹ Washington County, Missouri was removed from the Metropolitan Area statistics effective retroactively to the 2010 Census
Source: Bureau of the Census

While the 2010 Census showed that the City had dropped 8.3% in population to 319,294, significant reinvestment in the downtown area of the City over the decade has established a base for the City’s future health and growth. Between 2000 and 2010, the two neighborhoods that form downtown St. Louis grew in population by 155%, as dozens of former manufacturing buildings were converted to lofts and apartments.

Between 2000 and 2012, the Citywide increase in the number of college graduates aged 25-34, at 26%, eclipsed that of Chicago, Boston, and San Francisco (*New York Times*, 2014). Further, for the period 2000-2009 the City ranked first in the nation with an 87% increase of those aged 25-34 who have a four-year degree or higher and live within three miles of downtown (*nextSTL.com*, 2011).

Industry and Commerce

Through 2013 and into 2014, the St. Louis Metropolitan Area and the City continue their successful transition from a predominantly heavy manufacturing-based economy to one based on focused industry clusters. The industry clusters are: plant and life sciences, information technology, advanced manufacturing, financial services, and transportation and distribution.

The St. Louis Metropolitan Area is a major business center being the headquarters location of such companies as Express Scripts, Emerson Electric, Monsanto, Reinsurance Group of America, Scottrade, Centene, Graybar Electric, Brown Shoe, Enterprise Rent-A-Car, Edward Jones, and Apex Oil. The City itself hosts such notable companies as Energizer Holdings, Peabody Energy, Sigma Aldrich, Stifel Financial, U.S. Bancorp Community Development Corporation, Wells Fargo Advisors, and the AB/InBev headquarters for the North American Region.

The City is also a major center for higher education with base locations at Washington University and St. Louis University, and for health care with BJC HealthCare and Washington University School of Medicine.

Downtown St. Louis has weathered the economic change well with over \$4.5 billion of investment since 1999. Notable are recently completed projects such as: 600 Washington (approximately \$60 million), the Park Pacific Redevelopment (approximately \$109 million), the Central Library redevelopment (approximately \$70 million), the Seventh Street Garage (approximately \$39 million), the Laurel (approximately \$142 million), the Peabody Opera House (approximately \$75 million). And the first-phase of Ballpark Village (approximately \$100 million). Downtown St. Louis continues as a major employment center of the region with approximately 90,000 jobs. It has also evolved into a residential center with over 13,000 residents.

Tourism

According to the CVC, the City ranks among the top 25 markets nationally for hotel room inventory. Each year an estimated 23.9 million people visit the City for conventions, meetings, and other business and leisure travel. Those visitors spend an estimated \$4.9 billion in the area on lodging, meals,

sightseeing, local transportation, shopping, admissions and a variety of goods and services. Travel and tourism ranks among the top 6 industries in the City and the County employing approximately 85,000 area residents.

Downtown St. Louis offers approximately 8,000 hotel rooms within a mile of the America's Center convention complex. In Fiscal Year 2014, 114 events with a total attendance of approximately 1,140,310 people took place in America's Center and the Edwards Jones Dome. Hotel properties throughout St. Louis are revitalizing the region's hospitality package with everything from new décor and renovated guestrooms to new rooftop entertainment areas. Just outside America's Center the 212-room Embassy Suites has opened in the MX complex, joining the Renaissance Grand as the two properties closest to the convention center. In the Laclede's Landing entertainment district, the 200-room Four Seasons and its in-house spa has been named the 8th best hotel spa in North America by Conde Nast Traveler's 2013 Readers' Poll.

The hotel at the landmark St. Louis Union Station is under new ownership and is called the St. Louis Union Station Hotel, a Doubletree by Hilton. It offers 539 sleeping rooms and impressive meeting and ballroom space. The St. Louis Hilton at the Ballpark is a completely renovated property with 670 rooms overlooking Busch Stadium and Ballpark Village. Located on the 25th floor, the 360 Rooftop Bar offers a 360-degree view of the City's skyline and includes a full-service kitchen and bar.

Near Forest Park, the 125-room boutique Moonrise Hotel has added the New Moon Room event facility to its iconic rooftop overlooking the Loop neighborhood. Nearby, the Cheshire is welcoming guests to its 108 guest rooms and six themed suites after a complete renovation of the historic English-themed property that also added several new dining options.

Near the Airport, the St. Louis Airport Marriott recently completed a \$15 million renovation. The property's 35,000 square feet of meeting space has been improved and all 600 guest rooms and suites have been redesigned. A new lobby was added to the building and the fitness center, concierge lounge and hotel bar were given a facelift.

In the Chesterfield area of West St. Louis County, the Doubletree Hotel & Conference Center debuted a \$10 million renovation. Extensive updates have been made to the lobby, ballroom, conference center and all guest rooms. The 223-room property is known for its 21,000-square-foot, International Association of Conference Centres approved Executive Conference Center and first-rate tennis club and fitness center facilities.

With more than 3,300 Holiday Inn Hotels worldwide, St. Louis' Holiday Inn South County Center is the 8th in the company to have the new "Hub at Holiday Inn." The "Hub" concept includes a cheerful lobby with a state-of-the-art business center, Wii gaming center, a 24-hour market and open concept restaurant and lounge. A new exterior and fresh contemporary décor for the hotel's ballroom and boardroom add to the property's transformation.

Transportation

The Airport is the primary commercial airport for the St. Louis Metropolitan Area and was the nation's 31st busiest airport by total passengers in calendar year 2013, according to the Airports Council International (ACI) North American traffic report. In addition, the Airport has become the largest medium hub airport in the nation. The Airport has 4 all-weather runways, 2 terminals, and is configured for up to 86 gates. Thirteen signatory airlines served the Airport in Fiscal Year 2014. There were 184,211 aircraft operations, including passenger, general aviation and military aircraft operations.

The Airport served approximately 12.3 million passengers in Fiscal Year 2014, down 3.2 percent from Fiscal Year 2013. American Airlines and Frontier Airlines accounted for nearly three-fifths of the

decrease in total passengers from Fiscal Year 2013 to Fiscal Year 2014. In Fiscal Year 2014, Southwest Airlines accounted for 49.5% of total passengers, the largest share held by a single airline. American Airlines accounted for the second largest share at 15%. Delta Airlines accounted for the third largest share at 14%.

The Airport completed the Airport Experience Program, a \$70 million interior renovation project, in 2014. The Airport Experience Program is the single largest interior renovation of the Airport's historic Terminal 1 since it opened in 1956. The renovations include new or renovated restrooms, an improved security checkpoint, new flooring, ceiling and wall finishes, new ticket counters, and improved passenger flow throughout the renovated areas. In addition, the Airport's copper was replaced with a new copper roof in December of 2014.

The Airport's Air Service Marketing Program continues its efforts to attract new service with existing air carriers as well as new airlines. Efforts have also been made to increase cargo service, especially in the international market.

The Port of Metropolitan St. Louis, as defined by the U.S. Army Corps of Engineers, ranks as the second largest inland port in the United States handling more than 33 million tons of freight each year. The City's 19-mile riverfront moves over half of that tonnage. In partnership with the U.S. Economic Development Administration, the St. Louis Port Authority recently completed a \$19.8 million dock rebuild to expand the capacity and versatility of the City's Municipal River Terminal on the north riverfront. The expansion will provide docks with the capacity to handle increased tonnages of bulk commodities and possibly international shipping containers. Today this capacity does not exist anywhere in the St. Louis Metropolitan Area. The St. Louis Port Authority is in the process of negotiating a lease with a new long-term operator and anticipates this process to be completed in the first half of calendar year 2015.

The Port of Metropolitan St. Louis is connected to six Class 1 railroads and several smaller industrial rail lines; St. Louis is one of the nation's largest rail centers. The City's Class 1 rail lines include BNSF Railway, Canadian National, CSX, Kansas City Southern, Norfolk Southern and Union Pacific. St. Louis also has state of the art intermodal trucking and rail facilities that provide many benefits to the freight transportation business, including increased efficiency of cargo handling, improved security and allowing faster transportation of freight.

Construction is now complete on the new Stan Musial Veterans Memorial Bridge located immediately north of downtown. The Stan Musial Veterans Memorial Bridge improves access to downtown from Illinois, as approximately 30% of downtown St. Louis' workforce lives on the east side of the region. According to the Missouri Department of Transportation, by relocating Interstate 70 from the Poplar Street Bridge to the new Stan Musial Veterans Memorial Bridge, drivers will experience less congestion, fewer accidents, and less unnecessary fuel consumption. South of the new bridge, construction of improvements to the Poplar Street Bridge will begin; dual ramps between the Poplar Street Bridge and I-55 in both directions will be added. Other improvements include widening the bridge on eastbound I-64. Additional I-64 improvements completed in 2014, include the central corridor replacement of four bridges over I-64, and construction of a new eastbound off-ramp to the exit at Tower Grove Avenue, and a new westbound on-ramp at the Boyle Avenue interchange.

CityArchRiver 2015 broke ground on its \$380 million project to reconnect the Mississippi River to downtown St. Louis. Demolition and reconstruction of the Walnut Street Bridge is complete. The Market and Chestnut Street Bridges were demolished, the Pine Street Bridge was converted to pedestrian use only, and the Park over the Highway construction began.

Bike St. Louis released its Phase III plans to upgrade and expand bike routes throughout the St. Louis area; 60 miles of existing bike routes will receive upgrades, as federal standards for on-street

markings have changed. The plan also aims to add 40 miles of new routes with six types of bike facilities ranging from bike lanes to cycle tracks.

Employment

The Metropolitan Area and the City are major industrial centers in the Eastern Missouri and the Southwestern Illinois areas with a broad range of manufacturing enterprises. According to the U.S. Department of Labor, December of 2013 data shows that manufacturing jobs represented 8.5% or 113,100 of the total 1,325,900 non-farm jobs in the Metropolitan Area. The Metropolitan Area's major industries include aviation, biotechnology, chemicals, electrical utilities, food and beverage manufacturing, refining, research, telecommunications and transportation.

There were 218,999 non-farm jobs within the City in 2013, representing 7.9% of Missouri's job base. Job growth in the City has been concentrated in the service sector, and the City anticipates strong, long-term employment growth related to the industry clusters set forth above under the heading "**Industry and Commerce.**" The City also anticipates similar growth in the areas of medical, business and recreational services, as well as in education, and the tourism and convention business.

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The following table reflects the City's annual average employment by industry group for calendar year 2013:

**City Employment by Industry Group
(Total Non-Farm)**

<u>Industry Group</u>	<u>Employees</u>	<u>Percentage</u>
Services - Education & Health	57,925	26.4%
Services - Professional & Business	34,682	15.8
Government	30,995	14.2
Leisure & Hospitality	25,861	11.8
Trade, Transportation & Utilities	21,874	10.0
Manufacturing	17,872	8.2
Finance Activities	11,435	5.2
Services - Other	6,649	3.0
Natural Resources, Mining & Construction	6,001	2.7
Information	<u>5,705</u>	<u>2.6</u>
Total	218,999	100%¹

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Missouri Research and Information Center.

¹ Total does not add to 100% due to rounding.

Employment Rates

The following table shows employment rates for residents of the City, State and U.S. in the calendar years below, except as otherwise indicated:

	October 2014	Average 2013	Average 2012	Average 2011	Average 2010
Labor Force	139,850	139,644	139,923	145,576	145,650
Number Employed	129,604	126,965	126,908	128,480	126,970
% City Unemployed	7.30	9.10	9.30	11.70	12.80
% State Unemployed	4.80	6.50	6.90	8.60	9.40
% U.S. Unemployed	5.50	7.40	8.06	8.95	9.60

Source: Missouri Economic Research & Information Center.

The above rates are not seasonally adjusted.

Major Taxpayers

In calendar year 2013, taxes totaled approximately \$242.4 million, consisting of earnings, payroll and property taxes that were collected and combined in the General Revenue Fund. No one company contributed more than 5.3% of the total taxes collected. The top twenty taxpayers contributed \$107.7 million.

Building and Construction Data

The following table shows trends in the number of building permits and value of housing construction, rehabilitation and commercial construction in the City for calendar years 2009 through 2013:

Calendar Year	Value of Housing		Value of Commercial Industrial or Other	Total Value of Construction	Total Permits Issued
	New	Rehabilitation	Non-Housing		
2009	\$23,298,953	\$ 30,486,860	\$302,251,309	\$ 356,037,122	3,820
2010	20,881,963	63,617,014	621,467,166	705,966,143	3,796
2011	22,045,139	45,962,461	246,645,873	314,653,473	3,635
2012	60,997,215	34,741,663	385,544,138	481,283,016	3,821
2013	27,713,830	71,796,301	298,565,250	398,075,381	3,999

Source: City Building Division.

There was an increase in the value of commercial, industrial, and other non-housing construction in calendar year 2010 due to permits being issued for a number of large development projects in progress, including the renovation of the Laurel (previously the Dillard's Building) into multi-family, hotel and retail space, an addition to the Art Museum, an addition to Barnes Jewish Hospital, a renovation to the Peabody Opera House (previously the Kiel Opera House) and a renovation to the St. Louis Public Central Library.

Housing rehabilitation also increased in calendar year 2010 due to various large multifamily rehabilitation projects such as the property at 314 South Grand with 227 units valued at \$14 million and 1222-25 Washington with 44 units valued at \$6.7 million.

There was an increase in the value of housing in calendar year 2012 due to permits being issued for large development projects including 1,959 multi-family units with a market value of approximately \$43.6 million.

There was an increase in the value of housing rehabilitation in calendar year 2013 due to permits being issued for 222 single-family units and numerous multi-family unit rehabilitation projects.

Sports Related Economic Development

The City is home to three major professional sports teams, the St. Louis Rams (the "Rams"), the St. Louis Blues and the St. Louis Cardinals (the "Cardinals"). The three teams contribute to the economy of the St. Louis Metropolitan Area with ticket sales, dollars spent at concessions and on merchandise, and money spent at local restaurants and hotels. The three teams also generate positive national media attention for the City.

The Cardinals annually attract more than 3 million fans downtown, with approximately a million coming from outside the State. Ninety percent of fans come from outside the City. The St. Louis Regional Chamber estimated that the economic impact of the 2014 Cardinals' season on the region was approximately \$330.8 million with an estimated \$154.5 million of direct impact and \$176.3 million of indirect economic activity. The Cardinals are one of the oldest franchises in Major League Baseball. The team has won more than 9,300 games, eleven World Series Championships, nineteen National League Pennants, three National League Eastern Division Titles and nine National League Central Division

Titles. There are more than twenty former Cardinals players and managers enshrined in the National Baseball Hall of Fame and Museum in Cooperstown, New York.

Over the last nineteen seasons, since a group of investors led by Bill DeWitt, Jr. purchased the Cardinals from Anheuser-Busch, the Cardinals have finished in first place nine times, won four National League pennants and two World Series titles while drawing over fifty million fans to the City. In 2006, the Cardinals moved into a new \$411 million Busch Stadium in downtown St. Louis, with the team covering nearly ninety percent of the cost of the project, including infrastructure. Nearly 24,000,000 fans have attended games in the new ballpark since it opened. In March, 2015, Forbes Magazine reported that the Cardinals are Major League Baseball's ("MLB") sixth most valuable team, worth \$1.4 billion with revenues in the 2014 season of \$294 million and the highest operating income in all of MLB at approximately \$73.6 million.

In April 2014, the Ballpark Village Development Corporation completed phase one of a development project known as Ballpark Village. Ballpark Village is a mixed-use development project located immediately to the North of Busch Stadium. The \$100 million first phase of Ballpark Village includes 100,000 square feet of retail space (the "*Ballpark Village Project*"). The Ballpark Village Project includes a Cardinals Nation venue composed of a Cardinals Hall of Fame and Museum, a two-story Cardinals Nation restaurant, and a roof-top deck that provides rooftop seating with views into Busch Stadium. Ballpark Village also includes two other main restaurants: a Budweiser Brew House and Drunken Fish sushi restaurant. The Budweiser Brew House features a beer garden and German-inspired cuisine and includes rooftop seating with views into Busch Stadium. The Ballpark Village Project includes a PBR St. Louis Cowboy bar and the Howl at the Moon dueling piano bar, as well as other restaurants and retail shops. The restaurants and shops are centered around a public event space known as the FOX Sports Midwest Live, which holds concerts and other live entertainment events. The Ballpark Village Development Corporation is a joint venture between the Cardinals and the Cordish Companies based in Baltimore, Maryland. The Cordish Companies have developed other venues similar to the Ballpark Village Project.

As part of the 1995 relocation agreement with the then Los Angeles Rams, the Rams and the CVC agreed that the Dome would rank among the first tier, or top 25% of all stadiums, with such measurement to occur at ten year intervals beginning in 2005. As a result of the \$30 million in enhancements and improvements made to the Dome during 2007 and 2008, the Rams waived the 2005 measurement. In regards to the 2015 measurement, the Rams and the CVC traded plans during 2012 that each party in good faith believed, once completed, would rank the Dome in the top 25% of all stadiums in existence or proposed to be in existence on the March 1, 2015 measurement date. After both parties rejected each other's plans, the matter was submitted to binding arbitration that commenced on January 14, 2013. The arbitrator ruled that the existing Dome could not be made top tier due to the overall dimensions, or footprint of the facility, and found in favor of the Rams' plan. Subsequent to the arbitrator's ruling, the ownership of the Rams and a real estate management firm announced plans to build a National Football League ("NFL") stadium in Inglewood, California. Days after the Inglewood stadium plans became public, the State proposed building a new open-air stadium capable of housing an NFL team and a professional soccer team that could be completed by 2020. On or about January 26, 2015, the ownership of the Rams notified the CVC that the Rams were converting to a year-to-year lease at the Dome for the 2015 season, leaving the team free to leave the City on short notice.

The City is also a venue for regional sporting events. Hosting ten NCAA Championships in the past decade, the City has generated significant economic impact, brought regional and national exposure and provided a first-class experience for athletes, coaches, fans and media from around the country. The region was the host of four major sporting events in 2012: USA Cross Country Championships in February, NCAA Division I Wrestling Championships in March, NCAA Men's Basketball Midwest Regional in March, and USA Gymnastics Visa Championships in June. USA Gymnastics and the United States Olympic Committee have awarded the 2016 U.S. Olympic Team Trials for men's gymnastics to be

held at St. Louis University's Chaifetz Arena which also hosted the 2012 national gymnastics championships. The Professional Golfers Association ("PGA") held the 2013 Senior PGA Championship at Bellerive Country Club located in the County and announced that the venue would host the 2018 PGA Championship. In 2013 the USA Cross Country Championships took place in the region.

City Parks, Metropolitan Zoological Park and Museum District, and Great Rivers Greenway District

The City Parks Department is responsible for the operation and maintenance of 108 public parks consisting of approximately 3,000 acres of park land as well as 175 park medians, strips and triangles comprising some 250 additional acres. Its maintenance responsibilities consist of cutting and trimming all park acreage, maintaining the City's athletic fields, comfort stations, park maintenance buildings, park pavilions and other areas owned or used by the City for recreational and other purposes. In addition, the Horticulture Section is responsible for the operation of eighteen greenhouses in which are propagated over 450,000 flowering and foliage plants annually. The Facility Services Section is responsible for the maintenance of all facilities within the City's 108 parks. These include, but are not limited to, eight recreational centers, eight municipal swimming pools, 150 park buildings, 75 playgrounds, and maintenance of water/sewer lines, graffiti removal, fountains and irrigation systems.

The largest park in St. Louis, Forest Park, is located in the heart of the City and includes 1,293 acres. It is the home to the region's major cultural institutions—the Zoo, Art Museum, History Museum, Science Center and the Muny Opera. It also serves as a sports center for golf, tennis, baseball, bicycling, boating, fishing, handball, ice skating, roller blading, jogging, rugby and more. The City Parks Department estimates that Forest Park draws more than 12 million visitors per year.

The Metropolitan Zoological Park and Museum District (the "*District*") levies property taxes on behalf of five sub-districts in the City and the County: The Zoological Park, the Art Museum, the Science Center, the Botanical Garden and the Missouri History Museum sub-districts. The District was created by Missouri State Statute on January 1, 1972 and is governed by a Board consisting of eight members, each appointed for a four-year term. The Mayor of the City appoints four Board members and the County Executive appoints the balance. By statute, the District may retain five percent of the total tax revenue for administrative expenses. The District's total tax revenue for the fiscal year ending December 31, 2013 was \$74.2 million, up from \$73.02 million the prior year. This revenue, minus the administrative expenses, was made available to the sub-districts based on their respective tax levies.

The Great Rivers Greenway District ("*GRG*") was established in November 2000 by the successful passage of the Clean Water, Safe Parks and Community Trails Initiative (known as Proposition C) in the City, the County and St. Charles County, Missouri ("*St. Charles County*"). GRG is funded by a 1/10th of 1 cent sales tax imposed in the City, the County and St. Charles County. In addition, in 2013 the City and County voters approved Proposition P, a 3/16th of 1 cent sales tax imposed in the City and the County. GRG receives 60% of such additional sales tax and the City and St. Charles County receive the remaining 40%. The goal of GRG is to spearhead the development of an interconnected system of greenways, parks and trails that will encircle the St. Louis Metropolitan Area, enhancing the quality of life for residents and visitors. Eventually, the system will encompass a 600-mile web of more than 45 greenways that will crisscross the region and provide access to other trail and greenway projects within Missouri and near counties in Illinois. GRG has issued \$84 million in bonds to fund part of the CityArchRiver 2015, which is a project to make improvements to the Gateway Arch grounds.

Development

SLDC, working as a team with the Comptroller's Office, the Mayor's Office, and the St. Louis Board of Aldermen, administers the City's Tax Increment Financing ("*TIF*") program, the Downtown Economic Stimulus Authority, and real estate tax abatement incentive programs. The Planning and Urban

Design Agency and the Land Clearance for Redevelopment Authority, together with the Board of Aldermen, developed plans for the revitalization of various areas of the City. In 2005 the City's Planning Commission adopted the City's first Citywide land use plan since 1947. SLDC received from the U.S. Department of Treasury a \$52 million allocation of New Markets Tax Credits in 2005, \$45 million in 2008, \$65 million in 2009, \$21 million in 2011, and \$30 million in New Markets Tax Credits for 2013.

More than \$500 million in development has been completed downtown since 2010, including the completion of the Park Pacific Apartments and Laurel Apartments which together brought an additional 425 units of new housing to downtown. The completion of the Gallery 400 apartments will add 78 new market rate units to 400 Washington. Lodging Hospitality Management recently completed a \$60 million upgrade of the Union Station Hotel by Doubletree and is currently planning a \$70 million Phase 2 entertainment area to be located in the southern portion of Union Station. The five building Plaza Square Apartments redevelopment is underway - Building #50 has just been completed and it includes 149 units of affordable senior housing developed at a cost of \$21.6 million - Buildings #10, #20, #30 and #40 are being rehabilitated at a cost of \$30.1 million with approximately 780 market rate units and construction on a 400 space parking garage has been completed. The MX retail development has launched with the opening of the state of the art movie theatre and multiple eating and retail operations, and the start of construction of the National Blues Museum. The Cupples 9 office building has opened, housing Osborne Barr Marketing Co., which relocated some years ago from the County to downtown. The Peabody Opera House and the main branch of the St. Louis Public Library, both downtown attractions, opened in 2013 after extensive renovations. Downtown also enjoyed a number of companies which are recommitting to downtown, making new investments and adding new full-time jobs. These projects include Stifel, Nicolaus & Company, Incorporated, which has invested \$34 million in its building and added some 225 new jobs to its national headquarters downtown; and Gateway EDI which has signed a lease extension and expansion in anticipation of adding up to 300 new jobs. Other expanding downtown operations include the marketing firm Group 360, U.S. Bancorp Community Development Corporation, the Cool Fire Group and the law firm, Brown & James. Other significant new projects in downtown include the completion of the \$32 million St. Louis University School of Law (including a 12th floor 200 seat Mock Courtroom) in August, 2013, which has brought 800-1,000 students and staff into downtown, the renovation of the Mayfair Hotel in July, 2014 into the 182 room boutique Magnolia Hotel at the cost of \$19 million and the completion of the 132 unit, 25 story Tower at Old Post Office Square in July, 2014 at the cost of \$22 million.

Downtown is also becoming a location for new business start-ups. The T-REx (Regional Entrepreneurial Exchange) at the Lammert Building is now home to approximately 60 start-up information technology related ventures. T-REx has also attracted two business acceleration programs, the Capital Innovators and the Arch Grants, which provide seed capital along with intensive professional service resources to launch companies. Together, these two accelerator programs anticipate providing assistance to 40 start-up operations per year at the downtown location. Additionally, in 2013 the program at T-REx was expanded to house a new design incubator facility.

Other downtown projects include the recently completed \$20 million reinvention of the 500 North Broadway office building; the completion of phase II of the \$144 million 210 North Tucker IT building; the start of the \$110 million renovation of the Arcade Building for institutional and residential uses; the recently completed \$14.7 million conversion of the 1910 Pine building to 72 residential units; the completion of the \$5 million rehabilitation of the 2200 Locust mixed-use building (now known as the Lacassian Lofts) with 7,000 square feet of commercial and 27 residential units; the start of construction of the \$46 million renovation of the GenAm Building at 706 Market Street to accommodate the Laclede Gas Co. Headquarters.

Downtown infrastructure projects recently completed or in planning include the \$380 million CityArchRiver project, an effort that includes upgrades to the Leonor K. Sullivan Boulevard, Memorial Drive, I-70, the Museum of Westward Expansion and \$90 million in improvements to the museum's

landscaping and infrastructure; \$1.3 million enhancements to the Laclede's Landing streets and sidewalks; and \$1.97 million third phase streetscape improvements along Washington Avenue downtown. A study is also underway to develop the St. Louis Street Car route connecting downtown with Old North St. Louis and the Central West End neighborhoods.

Beyond downtown, there continues to be a resurgence of manufacturing, with new investment and job creation. Proctor and Gamble is in the third year of a five year, \$150 million expansion. Henkel Consumer Projects (Dial) is investing \$50 million in expanding production. Elantas PDG, Inc., a coating manufacturing firm, is starting a \$30 million upgrade. Other small projects include MFR Tire (\$4.8 million), Volpi Foods (\$8.8 million), Faultless Linen (\$12 million), M & L Foods (\$6.4 million), ADM (\$9.1 million), Lehner Tool, Grossman Iron and Metal, and MDS Manufacturing. Also progress is being made on the development of the bioscience industry in the City, with the presence of two nationally recognized university research hospitals along with Sigma Chemical, Monsanto Solae and other plant and life science anchors. The City is positioning itself as a hub for research and innovation. Based on a life science incubator, the Center for Emerging Technologies, the BioGenerator, a life science business accelerator and new capital opportunities, the City is striving to capture the commercialization of local plant and life science research.

Other growing businesses include the biotech device company, Chemline, ChemLab Manufacturing, Material Logistics, Dyna Labs, Mid America Display, the expansion of Southside Day Nursery in a new building at Jefferson and Russell, and the expansion at Wells Fargo Investment Services which has added 400 new jobs.

The City has approved a tax increment financing plan titled the St. Louis Innovation District Tax Increment Financing (TIF) Redevelopment Plan (the "*CORTEX TIF*"). The CORTEX TIF is located in the western portion of the City immediately to the east of Forest Park in an area known as the Central West End. The CORTEX TIF redevelopment area includes over 168 acres composed of eleven separate redevelopment project areas. The CORTEX TIF proposes a total investment of approximately \$2.1 billion over twelve years with approximately \$167 million of public incentives. As of December 31, 2014, the City has activated five of the redevelopment project areas. The five activated redevelopment projects include a 220,000 square foot office building for BJC Healthcare (approximately \$45 million investment), renovation of a 183,000 square foot building for Wexford Science & Technology (approximately \$73 million investment) now known as the @ 4240 Building, and a 90,000 square foot building for the Shriners Hospital. Under construction is the 380,000 square foot IKEA retail home furnishings store along the northern side of I-64 and Vandeventer Avenue. CORTEX is adjacent to the \$100 million BJC outpatient center.

Other City projects along the central corridor include the start of the \$75 million, 100 North Euclid mixed-use project with 177 residential units and a 38,000 square foot Whole Foods market; the new \$13 million Mercedes of St. Louis dealership on Hampton near Oakland; the renovation of 3852 Laclede Avenue for the \$11.6 million 50 unit Laclede Lofts project; the new 82 unit, \$10 million apartment building being constructed at 245 North Union; \$65 million 12-story, 217 unit Lindell Residences at Euclid Avenue with 10,000 square feet of retail; the \$26.7, million 206 unit Hallmark Apartments at West Pine Boulevard and Sarah Avenue; the construction of the KWMU Public Radio station by the University of Missouri-St. Louis at the cost of \$12 million; the renovation at the cost of \$25 million of the Metropolitan Building for artist lofts; and the renovation of the 28,000 square foot Sun Theater at 3619 Grandel Square for use by the Grand Center Arts Academy Charter School.

The completion and opening of the new \$600 million Stan Musial Veterans Memorial Bridge just north of downtown carrying I-70 across the Mississippi River and the related \$34 million Tucker Avenue project has spurred other North Riverfront projects in the City including: the renovation of 1600 North Broadway as the new and expanded \$12 million 226,000 square foot headquarters for Bissingers Chocolates; the new \$13.2 million Love's Travel Center; the \$5 million expansion of the Performance

Foodservice Middendorf facility at 3930 North 9th Street; the new \$17 million Clarence Broadway industrial project; the \$55 million expansion by Dial Corporation; and the \$150 million expansion of Procter & Gamble.

Near Southside projects include \$8.5 million Jefferson Commons; the \$15 million 37,000 square foot Field Foods; the A.T. Still Dental University as well as a number of new single-family houses being built in the Lafayette Square neighborhood.

Numerous projects in the Forest Park Southeast neighborhood are underway, including completion of the second phase of the 140 unit, \$24 million Aventura Apartments at Chouteau and South Taylor, the \$4 million Urban Chestnut Brewery on Manchester, a \$60 million mixed-use project at Manchester and Sarah, many small commercial projects along Manchester, and residential rehabilitations throughout the neighborhood. In addition to the numerous residential rehabilitations and some new construction projects in this neighborhood, similar developments are occurring in the Botanical Heights, Shaw, Tower Grove South and Tower Growth South neighborhoods.

Continued focus on improving commercial districts throughout the City is making city living and neighborhoods more desirable. Continued focus on the manufacturing sector and, in essence, a public/private partnership with these operations to attract investment and growth, along with cultivating those areas where the region has strength, such as life science, information technology and financial services, is progressing.

FINANCIAL MANAGEMENT AND EXPENDITURE CONTROLS

Introduction

Management of the City's finances includes preparation of an annual budget, control of the expenditure of City funds, cash management and the levy and collection of real and personal property taxes. This section presents information regarding the City's finances, including the City's accounting and budgeting practices.

Accounting and Reporting Practices

The City maintains its accounting records on the basis of funds as summarized below.

Governmental Type Funds—Governmental Type Funds are used to account for the acquisition, use and balances of the City's financial resources and related liabilities. The measurement focus is upon determination of changes in financial position, rather than on net income. The City's governmental-type funds include the following:

General Revenue Fund—The General Revenue Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds—Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts of major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Fund—The Debt Service Fund is used to account for the accumulation of resources for and the payment of principal, interest and related costs for general obligation long-term debt.

Capital Project Fund—The Capital Project Fund is used to account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by proprietary fund types).

Proprietary Funds—The Proprietary Funds are used to account for the City’s ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income. The City’s proprietary fund types include the following:

Enterprise Funds—The Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds—The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

Fiduciary Funds—The Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. A description of the City’s fiduciary fund follows:

Agency Funds—Agency Funds are used to account for assets held as an agent by the City for others. Agency Funds are custodial in nature and are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units and/or other funds. Pension Trust funds are accounted for and reported similar to proprietary funds.

Budget Process

The Board of Estimate and Apportionment proposes annual operating and capital budgets for the ensuing Fiscal Year based on information provided by the various City departments (including the Budget Division), commissions and boards.

After internal review and analysis by the Board of Estimate and Apportionment, a proposed budget, which includes a statement showing estimated receipts and expenditure requirements of each department, commission and board, and a comparative statement of receipts and expenses incurred for the previous year, is submitted to the Board of Aldermen.

The Board of Estimate and Apportionment must submit its proposed budget to the Board of Aldermen no less than 60 days prior to the beginning of the Fiscal Year, July 1. The budget bill is assigned to the Ways and Means Committee of the Board of Aldermen, which conducts public hearings on segments of the proposed budget prior to taking any action. Thereafter, the proposed budget is reviewed and considered by the Board of Aldermen.

The Board of Aldermen may reduce the amount of any item in a budget bill, except amounts fixed by statute for the payment of principal of or interest on City debt or for meeting any ordinance obligations. The Board of Aldermen may not increase the amount of the proposed budget, nor insert new items. Under the City Charter, the Board of Estimate and Apportionment submits and recommends to the Board of Aldermen a bill establishing the City’s real property tax rates. Currently, increasing the level of existing taxes or imposing new taxes requires voter approval in accordance with the Missouri

Constitution. See the caption “**GENERAL REVENUE RECEIPTS—The Hancock Amendment**” herein.

Should the Board of Estimate and Apportionment fail to submit its proposed budget or tax rate to the Board of Aldermen on a timely basis, the Budget Director is required to submit directly to the Board of Aldermen data, including projected revenues and expenses, necessary to permit the Board of Aldermen to approve an operating budget prior to the beginning of the Fiscal Year.

Should the Board of Aldermen not approve a budget or tax rate by the beginning of a Fiscal Year, the proposed budget or tax rate recommended by the Board of Estimate and Apportionment or in its absence the submission by the Budget Director, is deemed to have been approved by the Board of Aldermen.

Except with respect to the general appropriation bill and bills providing for the payment of principal or interest on debt, no appropriation may be made from any revenue fund in excess of the credit balance of such fund and no appropriation may be made for any purpose to which the money may not lawfully be spent. The Board of Estimate and Apportionment may from time to time appropriate any accruing non-appropriated City revenue. Whenever an appropriation exceeds the amount required for the purpose for which it was made, the excess or any portion or portions thereof may, by ordinance recommended by the Board of Estimate and Apportionment, be appropriated to any other purpose or purposes. All unexpended appropriated money not appropriated by special ordinance for a specific purpose reverts at the end of the then current Fiscal Year to the fund or funds from which the appropriation was made. One half of the operating surplus of the General Revenue Fund is remitted to the Capital Project Fund at the end of each Fiscal Year.

Financing Controls

During recent years, the City has implemented significant measures to upgrade its financial reporting systems. This was done in an effort to bring the financial system in line with the requirements of generally accepted accounting principles. The City’s Comprehensive Annual Financial Report for Fiscal Year 2013 was awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (“*GFOA*”). This was the twenty-fifth consecutive year the City has received this prestigious award. The Certificate of Achievement is awarded to recognize a governmental unit that published an easily readable and efficiently organized comprehensive annual report that meets both generally accepted accounting principles and applicable legal requirements. The GFOA presented an award of Distinguished Presentation to the City’s Budget Division for its annual budget for the Fiscal Year ending June 30, 2014. This award is given in recognition of a government unit that publishes a budget document that meets program criteria as a policy document, an operations guide and a communicative device.

At present, the City utilizes a fully computerized Accounting Information Management System (the “*AIM System*”). The AIM System is based on a single transaction concept of processing whereby all relevant files and reports are updated from a single input of information. The AIM System provides (1) integrated general and subsidiary accounting of all funds; (2) appropriation/encumbrance accounting and controls; and (3) generation of cost/expenditure data in multiple formats that are useful for budgetary control and other managerial purposes. In developing and evaluating the City’s accounting system, consideration was given to the adequacy of internal accounting controls. Internal account controls are designed to provide reasonable, but not absolute, assurance regarding (1) safeguarding assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. Through annual appropriations the City maintains budgetary control at the department level by line item. Cost classifications are categorized in the following groups: personnel services, supplies and materials, rental and leases, non-capital equipment, capital leases, contractual and other services, and debt service.

Encumbrances are recorded by the Control Section through an on-line budgetary control module before requisitions are sent to the Purchasing Division. If sufficient funds are not available to cover a purchase, the requisition is returned to the originating department for transfer of funds or cancellation. Department appropriations are allowed to be adjusted by transfers of appropriations with the prior approval of the Board of Estimate and Apportionment. The Comptroller controls all of the above using the AIM System.

It is the responsibility of the Comptroller, as set forth in the Charter, to provide City officials and taxpayers with reasonable assurances that public funds and property are adequately safeguarded and that financial transactions are authorized and properly recorded. The internal audit staff of the Office of the Comptroller is responsible for carrying out the Charter and ordinance provisions relating to the audit of records, funds and securities of every person charged with safekeeping the City's assets. The objective is to evaluate the procedures in effect to conserve and safeguard the City's property. Besides the focus on the collection and recording of receipts, department audits include development of recommended procedures for improvement of internal controls in the maintenance of accounts receivable and properly control records. Audits are conducted on a continuing cycle.

Cash Management

Cash management is handled by the City Treasurer. The City Treasurer, an elected official, maintains bank accounts, invests funds and maintains account records.

All cash not restricted by law to specific accounts is pooled into the "General Pooled Cash" and invested by the City Treasurer. The City Treasurer provides cash forecasting so that adequate cash is available while investments are maximized. Consistent with State law, all investments held by the City Treasurer are in direct securities backed by the full faith and credit of the U.S. Government or its agencies and those that may be approved by the State Treasurer or in time deposits collateralized by those securities.

General Revenue Fund

In accordance with generally accepted accounting procedures for governmental units, the City records its financial transactions under various funds. The largest is the General Revenue Fund from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited. Expenditures from the General Revenue Fund are for payments of the payroll, pension, employee benefits and other miscellaneous ordinary operating expenses of most departments and agencies of City government.

The Fiscal Year 2015 Annual Operating Plan continues the ongoing effort to allocate the City's resources to maximize the efficacy of programs and services for maintaining the quality of life of its residents, visitors and businesses alike. In the current Fiscal Year, revenues through the third quarter continued to show modest growth, albeit at a pace slightly less than original estimates. Employment based tax receipts were up, but less than the rate of inflation. Meanwhile sales tax receipts boosted by such events as post season baseball were on pace to exceed current year estimates. With overall revenue growth remaining at less than two percent per year, the ability to meet rising costs of the City services as well as maintaining its infrastructure remains a challenge. The City has pursued efforts in recent years to reduce operating expenditures and staffing where possible without impacting key City services. Initiatives to reform the City's pension systems are ongoing and a major part of the overall effort and have resulted in a reduction in funding requirements of the City's firefighter pension systems.

General Revenue Fund revenues for Fiscal Year 2015 are forecast at \$484.4 million, an increase of 1.6% over the revised estimate of \$476.9 million for the Fiscal Year 2014. Revenue growth

projections for most major tax sources are expected to grow collectively by approximately 1.3%. Major revenues such as Earnings Tax, are projected to maintain underlying growth of approximately 1.8%. Sales tax receipts were tracking above trend in the current Fiscal Year aided by non-recurring events, but are projected to see a modest decline of .7% from what had been forecast for Fiscal Year 2015. Other revenues, such as property tax receipts are projected to rise 1.7% and franchise taxes collectively are projected to increase 1.5%.

The Fiscal Year 2015 General Revenue Fund budget is \$484.4 million, an increase of 1.1% from the budget for Fiscal Year 2014. Approximately 75% of the budget is related to salary and benefit costs of employees. Police and Public Safety represent about 55% of the total General Revenue Fund budget. With \$150.3 million in operating and pension costs, the Police Department represents approximately 31% of the General Revenue Fund budget and is the largest component of the Public Safety function. The Police Department budget reflects the consolidation of certain support units with other departments of City government and the assumption of the security functions of the previous office of City Marshal and Park Rangers from the Parks Department after local control of the Police Department became effective September 1, 2013. The remaining public safety allocation from the General Revenue Fund provides for fire protection, pre-trial inmate housing, emergency medical services and various permitting, inspection and neighborhoods stabilization activities. The General Revenue Fund budget also funds the majority of park and recreation operations at \$20.6 million, streets, traffic and refuse collection at \$36.0 million, and general government and finance operations at \$33.3 million. Because the City functions as both a city and a county, the General Revenue Fund also includes appropriations for the 22nd judicial circuit of Missouri and a number of county office functions for \$55.3 million. Debt service payments for large projects funded through lease arrangements are included in the General Revenue Fund allocation in the amount of \$36.3 million. Lease debt payments in Fiscal Year 2015 include the annual lease payments on the Scottrade Center, the Convention Center/Stadium and City Justice Center complexes, and Civil Courts and Carnahan Courthouse complexes. The remainder of the General Revenue Fund budget can be categorized as paying for public service engineering services, maintenance and operations of public buildings, and fleet services.

General Revenue Fund Expenditures

The following table is a combined statement of revenues, expenditures and changes in fund balances on an accrual basis for the Fiscal Years 2010 through 2014.

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CITY OF ST. LOUIS
GENERAL REVENUE FUND
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ACCURAL BASIS - FISCAL YEARS ENDED JUNE 30
(DOLLARS IN THOUSANDS)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
REVENUES					
Taxes	\$ 365,469	\$ 344,561	\$ 339,818	\$ 335,915	\$ 319,556
Licenses and permits	19,279	18,358	16,769	16,770	18,990
Intergovernmental	21,948	21,203	21,988	24,592	23,311
Charges for services, net	32,067	35,760	29,632	28,766	16,586
Court fines and forfeitures	10,810	11,022	12,103	10,848	11,558
Investment income	241	192	138	353	563
Interfund services provided	3,464	5,531	4,293	4,631	3,043
Miscellaneous	8,587	4,799	5,472	4,736	5,692
Total revenues	<u>461,865</u>	<u>441,426</u>	<u>430,213</u>	<u>426,611</u>	<u>399,299</u>
EXPENDITURES					
Current:					
General government	65,926	45,896	41,845	41,951	47,687
Convention and tourism	119	112	123	142	159
Parks and recreation	18,777	19,050	18,059	17,111	18,544
Judicial	46,367	47,137	45,916	45,512	46,700
Streets	33,524	32,714	33,185	31,848	29,424
Public Safety:	272,172	259,909	260,143	252,458	245,073
Health and welfare	3,229	10,939	3,005	2,861	2,994
Public services	33,236	22,116	24,942	24,929	23,828
Debt service	32,377	34,828	32,925	42,839	38,614
Total expenditures	<u>505,727</u>	<u>472,701</u>	<u>460,143</u>	<u>459,651</u>	<u>453,023</u>
Deficiency of revenues over expenditures	<u>(43,862)</u>	<u>(31,275)</u>	<u>(29,930)</u>	<u>(33,040)</u>	<u>(53,724)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of leasehold revenue (refunding) bonds	—	—	49,825	3,140	27,078
Issuance of certificates of participation	—	—	—	—	—
Issuance of justice center notes	—	—	—	—	—
Bond premium on debt issuances	—	—	4,038	145	96
Premium on debt issuances	—	—	—	—	—
Bond discount on debt issuances	—	—	—	—	(85)
Payment to refunded escrow agent	—	—	(53,172)	(2,416)	(12,391)
Advance refunding on TIF bonds and notes payable	—	—	—	—	—
Firemen's Retirement EAN note proceeds	—	—	5,278	—	—
Transfers in	38,346	40,058	40,573	35,856	36,013
Transfers out	<u>(16,680)</u>	<u>(9,995)</u>	<u>(10,090)</u>	<u>(8,314)</u>	<u>(5,625)</u>
Total other financing sources (uses), net	<u>21,666</u>	<u>30,063</u>	<u>36,452</u>	<u>28,411</u>	<u>45,086</u>
Net change in fund balances	<u>(22,196)</u>	<u>(1,212)</u>	<u>6,522</u>	<u>(4,629)</u>	<u>(8,638)</u>
Fund balances:					
Beginning of year	<u>57,921</u> ¹	<u>55,870</u>	<u>49,348</u>	<u>53,977</u> ²	<u>62,054</u>
End of year	<u>\$ 35,725</u>	<u>\$ 54,658</u>	<u>\$ 55,870</u>	<u>\$ 49,348</u>	<u>\$ 53,416</u>

1 Includes cumulative effect of change in accounting principles.

2 Classification of Communication Fund into General Fund due to GASB 54 accounts for change in beginning balance.

Source: Audited Financial Statements.

GENERAL REVENUE RECEIPTS

General Revenue Fund Receipts by Category

The following table sets forth the percentage of receipts for various categories of the General Revenue Fund for the Fiscal Years 2012 through 2014:

	Fiscal Year		
	2014	2013	2012
TAXES:			
Earnings	32.42%	32.03%	32.99%
Franchise	11.12	11.32	10.95
Sales	10.41	10.17	11.00
Gross Receipts	1.64	1.50	1.55
Motor Vehicle Sales Tax	0.60	0.58	0.61
Real Estate	9.32	9.36	9.12
Personal Property	2.31	2.21	2.08
Payroll	7.46	7.61	7.52
Other Taxes	<u>0.40</u>	<u>0.33</u>	<u>0.39</u>
Total Taxes	<u>75.67</u>	<u>75.11</u>	<u>76.21</u>
License Fees	3.99	3.80	3.67
Departmental Receipts	12.67	13.51	12.82
Transfers	<u>7.66</u>	<u>7.58</u>	<u>7.30</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: City Comptroller's Office.

Earnings Tax

The Earnings Tax was authorized by State statute in 1954 and is imposed on gross income of residents of the City, non-residents working in the City and net profits of businesses within the City. The current rate of 1% has been in effect since 1959. Earnings Taxes are withheld by employers and are generally paid to the City on a quarterly basis. Employers withholding more than \$1,500 per month remit their taxes monthly. City residents employed outside the City and having no Earnings Tax withheld are required to file a City tax return and pay the Earnings Tax annually. The City's Earnings Tax is the most significant single source of General Revenue Fund revenues, representing approximately 32% of the total for the Fiscal Year ending June 30, 2014. For more information, see "**GENERAL REVENUE RECEIPTS –Earnings Tax**" herein.

In November of 2010 a citizens group collected sufficient signatures for a state-wide ballot initiative to repeal the Earnings Tax and require voter approval of the Earnings Tax every five years, with the phasing out of the tax over 10 years should it ever fail to win voter approval. On April 5, 2011, St. Louis citizens voted to retain the Earnings Tax by a margin of 87.55% to 12.45%.

The City's General Revenue Fund Earnings Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Earnings Tax
2010	\$143,587,445
2011	141,557,643
2012	151,005,918
2013	150,989,576
2014	154,536,949

Source: City Comptroller's Office.

Payroll Taxes

Voters approved a Payroll Tax in 1988. The Payroll Tax is ½ percent of total compensation paid by a business to its employees for work in the City. The City Code exempts certain organizations and institutions from payment of the Payroll Tax, including religious, charitable organizations and institutions, not-for-profit civic, social service or fraternal organizations, not-for-profit hospitals, and not-for-profit educational institutions. The Payroll Tax is administered by the Collector of Revenue and is payable quarterly on the last day of January, April, July and October for the preceding calendar quarter.

The City's General Revenue Fund Payroll Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Payroll Taxes
2010	\$32,987,892
2011	33,709,243
2012	34,429,039
2013	35,868,469
2014	35,553,296

Source: City Comptroller's Office.

Franchise Tax

The Franchise Tax of the City is a tax on utilities operating within the City and on certain gross receipts of the Airport. This tax is passed on to the consumers by the utilities. The tax on Laclede Gas Company and Ameren Missouri is 10% on the gross receipts from their commercial customers and 4% on the gross receipts from their residential customers. Telecommunication companies are taxed at 7.5% of the gross receipts with the first \$13.5 million of revenue set aside in a special revenue fund to be used for employee retirement debt. Cable franchises are taxed at 5% on the gross revenues. Cable franchise tax revenues are not included in General Revenue Fund, but are included in the Communications Fund for the operation and expenses of the Communications Division of the Department of Public Utilities. Trigen Energy Corp. and the Water Division of the City are taxed at 10% on their gross receipts from all users, and the Airport pays 5% of its gross receipts, all to the General Revenue Fund. Franchise Taxes are collected and paid to the City monthly and/or quarterly.

The City's General Revenue Fund Franchise Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Franchise Tax
2010 ¹	\$46,158,287
2011	57,391,875
2012	50,126,199
2013	53,390,046
2014	53,016,914

¹Fluctuation mainly due to reclassification of telecommunication tax to a special revenue fund.
Source: City Comptroller's Office.

Sales and Use Tax

City sales taxes are authorized by the Missouri General Assembly and approved by voters. The current sales tax rate is 8.679%, which includes the State tax rate of 4.225%. The General Revenue Fund portion of the tax rate is 1.375%. The remaining portions of the tax rate are earmarked for transportation, capital improvement, public safety, parks and the School District.

On April 2, 2013, the City's voters approved the addition of three sixteenths of one cent to the tenth of one cent sales tax earmarked for Metropolitan Parks and Recreation District. The three sixteenths of one cent tax collected will be divided and distributed 60% to the Metropolitan Park and Recreation District for the Gateway Arch grounds and other regional park and trail improvements and 40% to the City for park improvements. The additional tax took effect October 1, 2013.

In addition, the City imposes a use tax on all out-of-state purchases by in-state residents that are greater than \$2,000. Use tax is earmarked to provide funds for the development and the preservation of affordable and accessible housing, public health care services and building demolition. The current use tax rate is 8.013%. The use tax revenues are revenues that are not deposited into or a part of the General Revenue Fund.

In January 2012, the Missouri Supreme Court decided, in the case of *Street v. Missouri Department of Revenue*, that the State could not impose local sales or use taxes on out-of-state purchases of motor vehicles, trailers and boats. In the decision, the court acknowledged that municipalities did have authority to impose their local use taxes on such purchases. The City does have such a local use tax. In the session, completed May 18, 2012, the Missouri Legislature approved legislation which reinstated cities' abilities to impose sales taxes on out-of-state purchases of these items. In light of the *Street* decision and the aforementioned legislation, the City has not experienced, and does not expect to experience, any interruption in revenues from these sources.

The City's General Revenue Fund Sales Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Sales Tax
2010	\$45,530,335
2011	45,999,634
2012	50,366,029
2013	47,920,321
2014	49,606,305

Source: City Comptroller's Office.

Gross Receipts Tax

The City's Gross Receipts Tax is derived from three sources: (1) public garage and parking lots tax; (2) amusement admission tax; and (3) restaurant tax. The City's Gross Receipts Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal year	Gross Receipts Tax
2010	\$8,253,393
2011	6,733,077
2012	7,074,721
2013	7,064,567
2014	7,810,667

Source: City Comptroller's Office.

Beginning with Fiscal Year 2007, the City waived the 5% amusement admission tax on Cardinals' ticket sales as an incentive to promote economic development by tying economic development to tax relief pursuant to Ordinance 65699.

Beginning with Fiscal Year 2011, amusement admission taxes from events held at the Scottrade Center are pledged to finance further improvements to the Peabody Opera House (formerly, the Kiel Opera House).

Motor Vehicle Sales Tax

The Motor Vehicle Sales Tax is collected by the State in the form of the State sales tax and remitted to the City monthly. The distribution is based on the residence of the purchaser and not the point of purchase.

The City's General Revenue Fund Motor Vehicle Sales Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Motor Vehicle Sales Tax
2010	\$2,744,917
2011	2,912,791
2012	2,789,955
2013	2,734,713
2014	2,838,298

Source: City Comptroller's Office.

Real and Personal Property Taxes

Taxes are levied on all real and personal property within the City owned as of January 1 of each year. Tax bills are mailed out in November and payment is due by December 31, after which taxes become delinquent. Residential property is currently assessed at 19% of true value, commercial property is assessed at 32% of true value, and agricultural property is assessed at 12% of true value. Real property is reassessed every two years (in odd-numbered years), as required by State law. The assessed value and estimated actual value for real and personal property in the City for calendar years 2009-2013 are set forth below:

Assessed Year	Real Property ¹		Personal Property		Manufacturers' Inventory ² Assessed Value	Total Assessed Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2009	\$3,513,720,446	\$15,031,996,471	\$781,556,645	\$2,347,016,952	\$254,873,178	\$4,550,150,269
2010	3,541,910,681	15,287,702,780	723,738,641	2,173,389,312	221,518,884	4,487,168,206
2011	3,413,832,721	14,707,999,221	705,441,160	2,118,441,922	238,661,210	4,357,935,091
2012	3,418,645,397	14,748,543,351	737,421,603	2,214,479,288	216,901,773	4,372,968,773
2013	3,225,621,568	13,766,572,663	738,539,524	2,217,836,408	253,344,255	4,217,505,347

¹Source: City Assessor's Office.

²Source: City License Collector's Office.

The estimated "Market Value" of real property in the City for calendar years 2009-2013 is set forth below:

Calendar Year	Residential	Commercial	Total Real Property
2009	\$ 9,973,218,652	\$5,058,777,819	\$15,031,996,471
2010	10,385,801,605	4,901,901,175	15,287,702,780
2011	9,944,054,074	4,763,945,147	14,707,999,221
2012	10,006,834,426	4,741,708,925	14,748,543,351
2013	9,074,474,494	4,692,098,169	13,766,572,663

Source: City Assessor's Office.

The property tax collection rates based on the Collector of Revenue's records for the Collector's fiscal year 2009 through 2013 are set forth below:

Calendar Year	Real Estate Tax	Personal Property Tax
2009	88.55%	86.86%
2010	88.15	89.27
2011	90.15	89.63
2012	91.63	88.64
2013	93.00	88.52

Source: Collector of Revenue.

Tax receipts paid in protest are distributed to the City after the normal due date for real property taxes. Consequently, the rate of collection as a percentage of current amounts due is understated. The City's General Revenue Fund Real and Personal Property Tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Real Property	Personal Property
2010	\$41,613,217	\$10,197,301
2011	43,247,378	9,547,776
2012	41,730,921	9,526,649
2013	44,102,356	10,427,406
2014	44,434,626	10,996,703

Source: City Comptroller's Office.

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Property tax rates per \$100 assessed annual valuation for calendar years 2011-2014 are set forth below:

	Calendar Year			
	2014	2013	2012	2011
City of St. Louis:				
Municipal purposes	0.9833	0.9772	0.9071	0.9002
County purposes	0.3500	0.3500	0.3270	0.3247
Hospital purposes	0.1000	0.1000	0.0933	0.0926
Public health purposes	0.0200	0.0200	0.0187	0.0186
Recreation purposes	0.0200	0.0200	0.0187	0.0186
Interest and public debt	0.1330	0.1420	0.1200	0.1144
Total City of St. Louis	1.6063	1.6092	1.4848	1.4691
Overlapping governments:				
State Blind Pension Fund	0.0300	0.0300	0.0300	0.0300
Board of Education of the City of St. Louis	4.3711	4.3711	4.4071	4.1743
St. Louis Community College	0.2200	0.2200	0.2200	0.2200
Metropolitan St. Louis Sewer District	0.0879	0.0874	0.0821	0.0818
Sheltered Workshop District	0.1500	0.1500	0.1460	0.1445
St. Louis Public Library	0.5600	0.5600	0.5814	0.5435
Community Mental Health	0.0900	0.0900	0.0876	0.0867
Community Children's Service Fund	0.1900	0.1900	0.1900	0.1900
Metropolitan Zoological Park and Museum District:				
Zoological Sub-district	0.0800	0.0800	0.0769	0.0764
Art Museum Sub-district	0.0800	0.0800	0.0769	0.0764
Museum of Science and Natural History Sub-district	0.0399	0.0399	0.0382	0.0381
Botanical Garden Sub-district	0.0399	0.0399	0.0382	0.0381
Missouri History Museum Sub-district	0.0399	0.0399	0.0382	0.0381
Total overlapping governmental	5.9787	5.9782	6.0126	5.7379
Total City of St. Louis and overlapping governmental	\$7.5850	\$7.5874	\$7.4974	\$7.2070

Source: City Assessor's Office.

In addition to the property tax rates shown above, commercial property is subject to the Merchants and Manufacturer's Inventory Replacement Tax of \$1.64 per \$100 assessed annual valuation. Proceeds of the Merchant and Manufacturer's Inventory Replacement Tax are remitted to the respective taxing districts in the same proportion as the taxing districts receive other property taxes.

Other Taxes

Other taxes collected by the City include the intangible tax, land tax suits, manufacturer's tax, miscellaneous State receipts, commercial property surcharge and the county stock insurance tax. The

City's General Revenue Fund other tax revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	Other Taxes
2010	\$1,481,725
2011	1,503,507
2012	1,735,884
2013	1,548,481
2014	1,526,215

Source: City Comptroller's Office.

License Fees

License Fees are collected by the City for use, sale or conducting business in the following categories: automobiles, cigarettes, liquor, business, contractors and certain miscellaneous items. A variety of business licenses and inspection fees were replaced with the Graduated Business License Tax and the Payroll Tax in 1988 by voter approval. The Graduated Business License Tax is a flat rate, depending on the number of City employees in the previous calendar year. The tax ranges from \$150 for employers with two or fewer employees to \$25,000 for employers with greater than 500 employees. The issuing of business licenses and the collection of license fees is administered by the License Collector's Office. The City's General Revenue Fund license fee revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

Fiscal Year	License Fees
2010	\$18,998,005
2011	16,736,004
2012	16,786,837
2013	17,900,828
2014	19,035,290

Source: City Comptroller's Office.

The City License Collector is currently holding approximately \$4.6 million in business license fees paid under protest pending the completion of an appeals process prescribed by State law.

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Departmental Receipts

Several City departments generate revenues from fees and charges. Those revenue-producing departments include the Department of Parks, Recreation and Forestry, the Public Safety Department, the Street Department, the Public Utilities Department, the Department of Health and Hospitals, the Recorder of Deeds, the Circuit Court, the Juvenile Detention Center, the Sheriff, the Medical Examiner, the Probate Court and the City Courts. Also included in Departmental Receipts are Intergovernmental Aid, Interest Earned and Miscellaneous Receipts. The City's General Revenue Fund Departmental Receipts revenues for the Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

<u>Fiscal Year</u>	<u>Departmental Receipts</u>
2010	\$48,991,352
2011	60,397,740
2012	58,690,300
2013	63,722,691
2014	60,417,653

Source: City Comptroller's Office.

In Fiscal Year 2011, the City began imposing an \$11 monthly fee for residential refuse and recycling collection. The collection fee accounted for \$12,840,927 of departmental receipts in Fiscal Year 2014 and \$14,166,563 in Fiscal Year 2013.

Operating Transfers

A major source of transferred funds is from other Special Revenue Funds. Other Special Revenue Funds consist of the Tourism Fund and pledge accounts released on lease purchase agreements. Remaining transfers represent funds which by law must first be deposited in a fund other than the General Revenue Fund. After a determination by the Comptroller that such deposits are a surplus, these funds are transferred to the General Revenue Fund in compliance with the City's operating procedures.

The City's Operating Transfers for Fiscal Years 2010 through 2014, on a cash basis, are set forth below:

<u>Fiscal Year</u>	<u>Operating Transfers¹</u>
2010	\$33,255,494
2011	33,093,370
2012	33,409,382
2013	35,708,194
2014	36,510,334

¹Figures do not include transfers related to certain employment reserves.
Source: City Comptroller's Office.

The Hancock Amendment

An amendment to the Missouri Constitution limiting taxation and government spending was approved by voters on November 4, 1980. The amendment (popularly known as the "*Hancock Amendment*") limits the rate of increase and the total amount of taxes which may be imposed in any Fiscal Year, and provides that the limit may not be exceeded without voter approval. Provisions are included in

the amendment for rolling back tax rates to produce an amount of revenues equal to that of the previous year if the definition of tax base is changed or if property is reassessed. The tax levy on the assessed valuation of new construction is exempt from this limitation. The limitation on local governmental units does not apply to taxes imposed for the payment of principal of and interest on general obligation bonds approved by the requisite percentage of voters.

The Hancock Amendment also requires political subdivisions of the State to obtain voter approval in order to increase any “tax, license or fee.” The precise meaning and application of the phrase “tax, license or fee” is unclear, but in recent decisions, the Missouri Supreme Court has opined that it does not apply to traditionally set fees. The limitations imposed by the Hancock Amendment restrict the City’s ability to increase many, but not all taxes, licenses and certain fees without obtaining voter approval.

INSURANCE

The City uses a combination of insurance and self-insurance for risk protection. Certain coverage has been obtained for high risk activities or as required by law. Damage to City property, repair or replacement costs, if excessive in nature, would have to be made from the operating budget, or possibly, bond funds. All liability claims not covered by third-party insurance are handled by the City Counselor’s Office. The City’s attorneys attempt to settle or defend all claims. Each year an appropriation is made to a judgment account, which is segregated and reserved in a nonprofit corporation, Public Facilities Corporation (“PFPC”), from which all judgments or settlements are paid. Expenditures for judgments and settlements during the Fiscal Years 2010 through 2014 are set forth below:

Fiscal Year	Expenditures
2010	\$1,504,760
2011	1,859,247
2012	1,745,778
2013	2,287,537
2014	2,053,860

Source: City Comptroller’s Office.

PFPC is the administrator for all workers’ compensation responsibilities. A third-party administrator is used to process all claims and make recommendations regarding workers’ compensation concerns. The utilization of a third party administrator working with improved City safety efforts has resulted in a reduction in the number and severity of workers’ compensation claims. This also has enabled the City to process claims and payments more timely as well as provide more timely and accurate statistical data.

DEBT OF THE CITY

General

The City is authorized to issue general obligation bonds payable from unlimited *ad valorem* taxes upon a two-thirds majority vote of the qualified voters voting on the specific proposition. In August 1988, Missouri voters approved an amendment to the Missouri Constitution that reduced the majority vote required for the incurrence of debt for various public purposes by local government and other political subdivisions from two-thirds to four-sevenths at elections on the general municipal election days or the state primary or general election days. Since the City Charter currently requires a two-thirds vote for the issuance of bonds of the City, voter approval of a Charter amendment would be needed to reduce the majority requirements as authorized by the State constitutional amendment. A proposed Charter

amendment was submitted to City voters in August and November 1988, but at each election the proposal received more than a majority of the votes cast, but less than the required 60%. The Missouri Constitution provides that the amount of bonds payable out of tax receipts (which includes bonds payable from the special assessments) will not exceed 10% of the total assessed valuation of the taxable property of the City. The Constitution permits the City to become indebted for an additional 10% of the value of the taxable tangible property for the purpose of acquiring a right-of-way, construction, extending and improving a sanitary or storm sewer system.

The City also is authorized to issue revenue bonds to finance capital improvements to its water system, sewer system and airport facilities. These types of revenue bonds require a two-thirds vote of the qualified electorate voting on the specific proposition. All revenue bonds issued by the City are payable solely out of the revenue derived from the operation of the facility that is to be financed with the proceeds of such bonds. Revenue bonds do not constitute a pledge of the full faith and credit of the City and are not considered in determining the legal debt margins resulting from the limitations described herein.

Tax Increment Financing Projects

The City has approved many TIF projects. To the extent that the City has issued or will issue TIF revenue bonds to finance projects, with the exceptions of the One City Centre bond issue for which TIF revenues are not expected to be a primary source of debt repayment, such bonds will be paid from taxes generated in the respective tax increment areas and are not anticipated to affect the City's General Revenue Fund. TIF revenues were pledged to supplement repayment in the event surplus operating revenues fall short for the Argyle TIF project, which was financed with parking revenue bonds and cost approximately \$3 million. Also, TIF will supplement the revenues available to pay the portion of the Series 2006 Bonds issued to fund the Euclid-Buckingham garage that cost approximately \$4.5 million.

Four projects have been financed with Industrial Development Authority TIF Revenue Bonds, namely, Edison Brothers for \$5.6 million issued on January 29, 2000, MLK Development for \$2.7 million issued on March 18, 2002, Southtown for \$6.4 million issued on September 14, 2006, and Loughborough for \$18.43 million issued on November 26, 2007. As of December 31, 2014, the outstanding balances on the TIF Revenue Bonds were \$1,869,000 for Edison Brothers, \$1,490,000 for MLK Development, \$2,405,000 for Southtown and \$13,500,000 for Loughborough. In addition, the Old Post Office Square TIF project was financed "pay as you go." It will receive TIF revenue based on actual tax increments generated at their projects over the life of their respective redevelopment agreements. The Argyle TIF also has a "pay as you go" component, using funds not needed to cover the parking bond commitment for neighborhood improvements.

In December of 2000, the City provided certain financial assistance in connection with the development and construction of a 165-room all-suites hotel and a 918-room convention headquarters hotel (collectively, the "*Convention Hotel*") located in downtown St. Louis. The Convention Hotel consists of two buildings, one adjacent to and the other across the street from the Convention Center. The total cost of developing and constructing the Convention Hotel was approximately \$266 million. The City contributed approximately \$50 million. The City's contribution was funded by a Section 108 loan from the Department of Housing and Urban Development, Community Development Block Grant Funds and certain moneys realized by the City from a refinancing of the Convention Center. The City is using TIF revenue and contractual payments in lieu of taxes ("*PILOTS*") payable by the owner of the Convention Hotel to repay the Section 108 loan. The City has also pledged annual Community Development Block Grant funds to secure the Section 108 loan in the event the revenues generated by and received from the owners of the Convention Hotel are insufficient to pay the Section 108 loan. The Convention Hotel is currently owned by the bond holders who hold ownership through foreclosure. The hotel has maintained continuous operation and current TIF revenue and contractual payments have been sufficient to service the debt.

The remaining TIF projects are financed with developer-held TIF revenue notes or third-party notes. All TIF revenue notes are special, limited obligations of the City payable solely from and secured by available TIF revenues. The TIF revenue notes do not constitute a general obligation of the City.

Missouri Downtown and Rural Economic Stimulus

The City approved one Missouri Downtown Economic Stimulus Act (“*MODESA*”) project for the Ballpark Village Project. *MODESA* is similar to TIF with the exception that the State’s Development Finance Board must approve a proposed *MODESA* project. The statutory authorization for *MODESA* expired in 2013 and no further *MODESA* projects may be approved without an amendment to the *MODESA* statute. The Missouri Development Finance Board approved the Ballpark Village Project on September 18, 2012. The Industrial Development Authority issued *MODESA* bonds for the Ballpark Village project in the amount of \$18,550,000 (the “*Ballpark Village Bonds*”) to fund the Ballpark Village project on January 30, 2013. In addition to the City’s local real property and sales taxes, the Ballpark Village Bonds are expected to be repaid from certain State income withholding and economic activity taxes generated from the Ballpark Village Project and other sales taxes generated from the Ballpark Village Project.

The following table entitled “City of St. Louis, Missouri – Outstanding TIF and *MODESA* Debt” shows the combined outstanding TIF debt (including Industrial Development Authority TIF Revenue Bonds and TIF revenue notes) and *MODESA* debt:

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City of St. Louis, Missouri
Outstanding TIF and MODESA Debt

TIF #	Description	Original Issue	Outstanding Balance December 31, 2014
6	Chouteau-Compton	\$ 3,600,000	\$ 2,340,000
8	Edison Brothers	5,600,000	1,869,000
12	3800 Park	390,000	382,703
13	Gravois Plaza	4,049,000	3,044,000
14	Lafayette Square	3,350,000	2,219,000
17	4200 Laclede	925,400	766,400
18	MLK	2,680,000	1,490,000
19	Tech Electronics	900,000	900,000
20	1505 Missouri	659,540	654,540
21	Grand Center	27,132,940	24,251,940
22	Walter Knoll Florist	1,036,000	979,760
23	Louderman Building	2,444,400	2,157,103
24	920 Olive St.	2,667,732	2,667,732
25	Grace Lofts	1,715,725	1,490,725
26	Paul Brown Building	3,264,200	3,228,200
27	1141-1151 S. 7th Street	1,131,600	743,600
28	Terra Cotta	3,520,000	3,505,000
29	1312 Washington	419,000	242,000
30	Southtown Centre	8,733,998	4,738,998
31	2500 South 18th St.	524,000	510,000
32	Soulard Market Apt.	4,400,000	4,400,000
33	Printers Lofts	4,410,000	4,410,000
34	City Hospital	3,672,000	2,921,000
35	Fashion Square Lofts	4,105,000	3,402,000
36	1601 Washington	3,365,000	3,288,000
37	1619 Washington	1,930,000	1,879,000
38	Highlands at Forest Park	2,412,000	1,718,000
39	Security Building	3,345,000	3,043,000
40	Catlin Townhomes	432,000	309,000
41	Shenandoah Place	254,700	213,699
42	1133 Washington	1,133,500	813,000
43	Maryland Plaza South	4,133,176	4,133,176
44	410 N. Jefferson	1,735,000	1,664,000
45	Barton Street Lofts	390,500	164,000
46	Warehouse of Fixtures	6,348,500	5,785,000
47	Maryland Plaza North	1,061,418	573,242
48	Marquette Building	4,500,000	4,311,000
49	Gaslight Square East	1,770,000	1,289,000
50	1136 Washington	3,525,000	3,255,000
51	Washington East Condo	7,997,521	7,459,521
55	1300 Convention Plaza	941,525	899,000
56	Mississippi Place	863,100	771,000
57	Loughborough Commons	18,430,000	13,500,000
58	5700 Arsenal	1,370,000	733,000
59	Adler Lofts	939,151	758,151
60	Dogtown Walk II	434,500	392,000

TIF #	Description	Original Issue	Outstanding Balance December 31, 2014
61	East Bank	1,456,825	1,456,825
62	2300 Locust	1,544,046	1,503,088
63	Pet Building	3,162,500	3,008,500
65	Moon Brothers Carriage Lofts	1,490,000	1,481,000
67	1635 Washington	2,361,500	1,780,000
68	3949 Lindell	3,027,500	2,888,000
69	Ely Walker Lofts	6,017,600	5,478,000
70	West Town Lofts	2,456,500	2,205,000
71	Southside National Bank Building	1,447,600	1,352,056
72	Packard Lofts	1,329,500	1,116,000
73	Bee Hat Lofts	1,407,329	1,169,000
76	Delmar East Loop	3,000,000	2,721,000
77	6175-81 Delmar	2,140,300	1,772,000
79	Syndicate Trust Building	8,329,200	7,888,766
80	Ludwig Lofts	1,080,000	1,080,000
82	Union Club	1,933,500	1,900,000
83	Park Pacific	20,538,000	19,946,000
84	2200 Gravois	1,040,000	1,000,000
87	4100 Forest Park II	6,116,000	6,046,000
88	Grand/Cozens/Evans	1,650,000	1,499,000
89	Ballpark Lofts	8,122,000	7,588,000
90	GEW Lofts	3,260,000	3,004,000
91	1818 Washington-Tudor	2,451,400	2,179,000
92	Ballpark Village	18,550,000	18,550,000
101	Leather Trade Building	2,885,500	2,885,500
102	City Hospital RPA 3	2,054,500	2,000,000
106	1910 Locust	1,430,000	1,332,000
112	1001 Locust	2,112,500	2,050,000
113	South Carondelet #1	2,550,924	2,461,924
114	South Carondelet #2	146,500	143,500
116	City Hospital RPA #2	4,392,000	4,320,000
118	South Carondelet #4	312,144	305,144
119	Magnolia Thurman	442,900	381,000
121	4900 Manchester	1,370,500	1,269,000
122	3693 Forest Park	1,364,500	1,300,000
123	374 South Grand	4,665,500	4,240,000
124	Midtown Lofts	744,390	605,000
125	REO Lofts	642,890	558,000
128	1225 Washington	6,425,000	6,300,000
129	Laurel	19,875,000	19,261,000
130	Chouteau Crossing	1,946,000	1,930,183
132	Ford Building	943,000	826,000
134	Taylor Carrie	4,078,800	4,029,000
137	Railway Exchange Building	9,318,920	9,268,920
139	1111 Olive	2,396,000	2,392,000
142	1549-1601 S Jefferson RPA I	1,739,000	1,700,000
144	2727 Washington	489,500	489,500
148	St. Louis Innovation RPA 1A	2,930,404	2,930,404
149	St. Louis Innovation RPA 1A(II)	22,000,000	22,000,000
150	St. Louis Innovation RPA 1B	5,121,818	5,121,818
		<u>\$ 364,931,615</u>	<u>\$328,979,418</u>

Short Term Borrowing

The City first issued Tax and Revenue Anticipation Notes (“*TRANS*”) during Fiscal Year 1984 and *TRANS* have been issued annually since 1984 to bridge timing gaps in revenue collections. The following table sets forth certain information concerning the issuance of *TRANS* since Fiscal Year 2011:

<u>Fiscal Year</u>	<u>TRANS Issued During Fiscal Year</u>	<u>As a Percent of General Revenue Fund Revenues¹</u>
2011	\$65,000,000	14.35%
2012	70,000,000	15.29
2013	65,000,000	13.79
2014	65,000,000	13.56
2015	65,000,000	13.42 ²

¹ The percentage is based on cash, rather than modified accrual revenues. Revenue also includes transfers from other funds.

² Based on estimated General Revenue Fund revenues.

Source: City Comptroller’s Office.

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Outstanding Debt

The following table sets forth the outstanding principal amount of all bonds and other long-term debt, other than TIF and MODESA obligations, issued by the City that are outstanding as of December 31, 2014:

<u>Description</u>	<u>As of December 31, 2014</u>	<u>Year Remaining In Issuance</u>	<u>Footnote #</u>
General Obligation Bonds	<u>\$ 26,495,000</u>	12	1
Section 108 Loan Guarantee:			
Convention Center Hotel	\$ 23,000,000	6	3
Darst Webbe	8,370,000	6	4
Total Section 108 Loan Guarantee	<u>\$ 31,370,000</u>		
MTFC Multimodal Direct Loan	<u>\$ 2,037,349</u>	4	6
Capital Lease- Rolling Stock	\$ 22,142,173	5	7
Kiel Certificates of Participation	<u>\$ 5,455,000</u>	7	1
Obligations with component units:			
CC Hotel Capital Lease	\$ 35,290,306	6	1
Recovery Zone Facility Special Obligation Redev Bonds 2010 (One City Centre)	17,340,000	26	1
	<u>\$ 52,630,306</u>		
Loan agreement with FPF	\$ 5,370,000	29	8
Leasehold revenue improvement and refunding bonds:			
CABS 2005	116,480,000	17	1
Convention Center Capital Improvement Projects Series 2008	21,850,000	24	1
Convention Center Capital Improvement Projects & Infra Series 2009 A&B	43,655,000	24	1
Convention Center Refunding & Capital Improvement Projects Series 2010	111,835,000	24	1
Justice Center Leasehold Revenue Bonds Series 2005	9,725,000	6	1
Justice Center Refunding Series 2011	32,745,000	5	1
Forest Park Revenue 2004	9,070,000	8	1
Carnahan Courthouse Leasehold Revenue Refunding Series 2006A	21,970,000	13	1
Abram Building Series 2007	1,155,605	3.5	1
1520 Market Series 2011	6,714,254	3.5	1
Recreation Sales Tax Series 2007	44,490,000	23	1
Pension Funding Project Series 2007	131,070,000	24	1
Police Capital Projects Series 2007	22,175,000	23	1
Public Safety Sales Tax Pension Funding 2008	10,255,000	6	1
Juvenile Detention 2008	22,575,000	25	1
Total Leasehold revenue improvement and refunding bonds	<u>\$ 605,764,859</u>		

[continued on next page]

Joint venture financing agreement:

Convention & Sports

Facility Project and Refunding Bonds

Series C 2007

(includes Preservation Payments)

\$ 35,620,000	9	1
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Enterprise Revenue Bonds:

Water Revenue Bonds	\$ 1,600,050	20	5
Parking Revenue Bonds	67,402,334	24	1,2
Airport Revenue Bonds	726,590,000	20	1
Total Enterprise Revenue Bonds	<u>\$ 795,592,384</u>		

Total Debt	<u>\$ 1,582,477,070</u>
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- 1) See Official Statement for the Bonds for more information.
- 2) Series 2003A & B Parking Revenue Bonds was a private offering & secured only by net revenues of the Cupples Garage.
- 3) HUD Section 108 Loan Guarantee Assistance Loan debt paid by TIF funds and backed by Community Development Block Grant.
- 4) HUD Section 108 Loan Guarantee Assistance Loan debt funded by Community Development Block Grant.
- 5) Agreement with the Missouri Department of Natural Resources funded by cost savings to the General Revenue Fund from project.
- 6) Agreement w/ Missouri Transportation Finance Corp. funding a portion of a transportation center. Debt paid from Capital Funds.
- 7) Lease agreements w/ Chase Equipment Leasing Corporation Debt funded by Capital Funds.
- 8) Subordinate bonds issued to Forest Park Forever, Inc.

Direct and Overlapping Debt

The direct and overlapping general obligation debt of the City as of December 31, 2014, is set forth below (these figures do not include lease agreements):

	General Obligation Bonds Outstanding	Percent Applicable to St. Louis	City's Direct and Overlapping Debt
The City of St. Louis	\$ 26,495,000	100%	\$ 26,495,000
Transitional School District of the City of St. Louis	315,392,079	100	315,392,079
Total	<u>\$ 341,887,079</u>		<u>\$ 341,887,079</u>

Source: City Comptroller's Office.

Debt Ratios

The following table sets forth the City's direct and overlapping general obligation debt ratios as of December 31, 2014 (these figures do not include lease agreements):

	Amount	Per Capita¹	Ratio to Assessed Value
Total Direct Debt	\$ 26,495,000	\$ 82.98	0.63%
Total Direct and Overlapping Debt	341,887,079	1,070.76	8.10

¹ Based on Population from U.S. Census, 2010 (319,294).
Source: City Comptroller's Office.

Legal Debt Margin

The following table sets forth the City's Legal Debt Margin as of December 31, 2014:

	City Purposes Basic Limit	Streets and Sewers Additional Limit
Assessed Value for Calendar Year 2013	\$ 4,217,505,347	\$ 4,217,505,347
Authorized Debt Limit 10% of Assessed Value	\$ 421,750,535	\$ 421,750,535
Less General Obligation Bonds	26,495,000	-
Legal Debt Margin	\$ 395,255,535	\$ 421,750,535

Source: City Comptroller's Office.

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EMPLOYEES AND EMPLOYEE RELATIONS

The City, as of July 1, 2014, employs approximately 5,000 persons who are paid from the City's General Revenue Fund, approximately 1,700 of whom are employees of the Police Department, including 1,251 police officers and approximately 451 civilian employees.

Under State law, employees of the City, including those of the Police Department, do not have the authority to bargain collectively. All public employees have "meet and confer" rights, which means, that they have the right to meet and confer with their employers to discuss salaries, benefits and other similar issues. The City is obliged to discuss these issues in good faith with its employees, although the discussions are not binding. No City employee has the right to strike. The City considers its employee relations to be good.

RETIREMENT SYSTEMS

The City contributes to four defined benefit retirement plans. St. Louis firemen are covered by two of the plans. Benefits accrued until February 1, 2013 are administered by The Firemen's Retirement System of St. Louis ("FRS"). Firefighter benefits accruing February 1, 2013 and thereafter are administered by the Firefighters' Retirement Plan ("FRP"). The City also contributes to the Police Retirement System of St. Louis (the "Police System") which is a single employer plan. The Employees' Retirement System of the City of St. Louis (the "Employees' System") is a cost-sharing multiple-employer plan. However, due to the City's participation in the Employees' System being approximately 90% of the total participation of all employers, the disclosures provided for the Employees' System are those for a single-employer plan. Each system is administered by a separate board of trustees, whose members are appointed by City officials and plan participants. Each System's fiscal year-end is as follows:

<u>System</u>	<u>System Fiscal Year-end</u>
Firemen's	September 30, 2013
Police	September 30, 2013
Employees'	September 30, 2013

a. Firemen's Retirement System of St. Louis and Firefighters' Retirement Plan

1) Description

All current firefighters are members of FRP. FRS and FRP are each required to issue publicly available financial reports that include financial statements and supplementary information may be obtained by writing to the Firemen's Retirement System of St. Louis, 1601 South Broadway, St. Louis, Missouri 63104; and/or the Firefighters' Retirement Plan, 1114 Market Street, Room 900, St. Louis, Missouri 63101.

Both FRS and FRP provide retirement benefits as well as death and disability benefits. Members can voluntarily retire after a minimum of 20 years of service. The monthly allowance varies depending upon several factors, including but not limited to the member's years of service as of February 1, 2013 and age at the time of retirement. Unused sick pay accrued prior to September 20, 2010 may increase the maximum pension benefit.

Both FRS and FRP provide a Deferred Retirement Option Plan (“FDROP”). The FDROP option is available to firemen who have achieved at least 20 years of creditable service and have achieved eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly into the FDROP account of the member, and the member’s contribution will be reduced to 1% from the normal 8% or 9%. During participation in the FDROP, the member will not receive credit for City contributions or credit for service. A member may participate in the FDROP only once for any period up to five years. At retirement, the funds in the member’s FDROP account plus interest and accrued sick leave, if elected, are available to the member in a lump sum or in installments.

2) Funding Policy

Depending on their length of service, covered members contribute 8% or 9% of their salary to the FRP as required by City ordinance. The City is required to contribute the remaining amounts necessary to fund both FRS and FRP. Members of the two systems are entitled to a lump-sum distribution of all or part of their contributions without interest upon service retirement, depending upon their length of service as of February 1, 2013.

3) Funded Status

The funded status (dollars in thousands) of the FRS as of October 1, 2013, the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
October 1, 2013	\$ 459,116	\$459,116	\$0	100%	\$ 34,266	0.0%

The FRP became effective February 1, 2013. The City will make its first required contribution during City Fiscal Year 2015.

The funded status (dollars in thousands) of the FRP as of October 1, 2013, the most recent actuarial valuation date is a follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
October 1, 2013	\$1,505	\$59,755	\$58,250	2.52%	\$34,979	166.5%

4) Annual Pension Cost and Net Pension Asset

The City's original annual pension cost and net pension asset (dollars in thousands) to the FRS for the system's year ended September 30, 2013 are as follows:

Annual required contribution	\$ (21,049)
Interest on net pension asset	3,033
Adjustment to annual required contribution	<u>(3,409)</u>
Annual pension cost	(21,425)
Contributions made	<u>20,999</u>
Increase in net pension asset	(426)
Net pension asset, beginning of year	<u>39,772</u>
Net pension asset, end of year	<u><u>\$ 39,346</u></u>

The amounts above were calculated without taking into account the fact that the FRS plan was "frozen" effective February 1, 2013. The amount is being recalculated and will result in a reduced payment obligation for the City for the relevant period. Historical trend information about the City's participation in FRS is presented below to help readers assess the FRS funding status on a going-concern basis and assess progress being made in accumulating assets to pay benefits when due.

System's Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2013	\$21,598	98.0%	\$39,346
2012	22,987	94.3	39,772
2011	19,514	118.0	41,079
2010	13,927	128.0	37,521

Significant actuarial assumptions used in the FRS valuation are as follows:

Date of actuarial valuation	October 1, 2013
Actuarial cost method	Entry age-frozen liability method
Amortization method	30 year closed period from establishment
Remaining amortization period	Various
Asset valuation method	3-year smoothed market
Inflation rate	3.0%, per year
Investment rate of return	7.625%, compounded annually
Projected salary increases	3.35%, per year to retirement age
Projected postretirement benefit increases:	
Under age 60:	
20-24 service years	1.5%, per year
25-29 service years	2.25%, per year
30 or more service years	3.0%, per year
Over age 60	3% with a maximum of 25% in increases after age 60

The City recently adopted a series of ordinances that have the effect of freezing and terminating the existing Firemen’s Retirement System and establishing a new Firemen’s Retirement Plan going forward. Under the new system, benefits would not be changed for firemen with at least 20 years of service. Benefit changes are proposed for non-vested and new firemen. All future disability claims would be under the new plan.

The existing Firemen’s Retirement System along with rank and file firemen sued to block implementation of the new plan. In June 2013, the court upheld the validity of the City’s ordinances and FRP became effective as of February 1, 2013. The decision for the City was affirmed and the Missouri Supreme Court declined to hear an appeal, ending this litigation.

The City’s annual pension cost (dollars in thousands) to the FRP for the plan’s year ended September 30, 2013 is as follows:

Annual required contribution \$ (8,902)

Significant actuarial assumptions used in the FRP valuation are as follows:

Date of actuarial valuation	October 1, 2013
Actuarial cost method	Entry age-normal cost method
Amortization method	Level percentage of payroll
Remaining amortization period	30 years (closed) from February 1, 2013
Asset valuation method	Market value
Inflation rate	3.0%, per year
Investment rate of return	7.625%, compounded annually
Projected salary increases	3.35% to 5.5% varies by, per year to retirement age
Mortality table	RP-2000 combined healthy projected to 2015 using Scale AA
Cost of living adjustment:	For Members hired after February 1, 2013, 3% per year with a maximum of 25% increase

b. Police Retirement System of St. Louis

1) System Description

All persons who become police officers and all police officers that enter or reenter St. Louis Police Department after October 1, 1957 become members of the Police System and are thereby eligible to participate from their date of hire. The Police System issues a publicly available financial report that includes financial statements and supplementary information. That information may be obtained by writing to the Police Retirement System of St. Louis, 2020 Market Street, St. Louis, Missouri 63103.

The Police System provides retirement benefits as well as death and disability benefits. Members can voluntarily retire after a minimum of 20 years of service or attaining age 55. The monthly allowance consists of 40% of the two-year average final compensation for the first 20 years of services, plus 2% of such final average compensation for each of the next five years of service, plus 4% of

average final compensation for each additional year of service after 25 years up to a maximum of 30 years. The monthly allowance of members who have in excess of 30 years of service is increased by 5%. The maximum pension is 75% of average final compensation. Such benefits are established by State statute.

The Police System implemented a Deferred Retirement Option Plan (“DROP”) feature during the Police System’s fiscal year ended September 30, 1996. The DROP option is available to members of the Police System who have at least 20 years of creditable service and have achieved eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account, and will no longer make contributions to the Police System. During participation in the DROP, the member will not receive credit for service, and the member shall not share in any benefit improvement that is enacted or becomes effective while such member is participating in the DROP. A member may participate in the DROP only once for any period up to five years, at which point the member may reenter the Police System. At retirement, the funds in the member’s DROP account, plus interest are available to the member in a lump sum or in installments.

2) Funding Policy

Police officers are required to contribute 7% of their compensation to the Police System per State statute. The City is required to contribute the remaining amounts necessary to fund the Police System, determined in accordance with City ordinances. Upon leaving employment due to service retirement, death, or disability due to an accident in the actual performance of duty, the member’s contributions are refunded. Members whose employment terminates prior to retirement are entitled to a lump-sum distribution of their contribution, plus interest thereon.

3) Funding Status

The funded status (dollars in thousands) of the Police System as of October 1, 2012, the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
October 1, 2013	\$690,731	\$879,907	\$189,176	78.5%	\$70,328	269.0%

The aggregate actuarial cost method is used to determine the annual required contribution of the employer for the Police System. Because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status of the plan.

4) Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset (dollars in thousands) to the Police System for the year ended September 30, 2013 are as follows:

Annual required contribution	\$ (32,629)
Interest on net pension asset	198
Adjustment to annual required contribution	<u>(222)</u>
Annual pension cost	(32,653)
Contributions made	<u>32,629</u>
Decrease in net pension asset	(24)
Net pension asset, beginning of year	<u>2,554</u>
Net pension asset, end of year	<u><u>\$ 2,530</u></u>

Historical trend information (dollars in thousands) about the City's participation in the Police System is presented below:

System's Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2013	\$32,653	99.9%	\$2,530
2012	28,498	99.9	2,554
2011	20,172	99.3	2,578
2010	17,590	99.4	2,713

Significant actuarial assumptions used in the valuation of the Police System are as follows:

Date of actuarial valuation	October 1, 2013
Actuarial cost method	Aggregate cost method (this method does not identify or separately amortize unfunded actuarial accrued liabilities)
Asset valuation method	5-year smoothed average of market value
Inflation rate	2.5%, per year
Investment rate of return	7.75%, per year
Projected salary increases	3.0% – 6.5%, varying by age
Projected postretirement benefit increases	2.5% maximum per year, cumulative 30% cap

c. Employees' Retirement System of the City of St. Louis

1) System Description

All non-uniformed employees of the City and certain other public entities funded by or providing services to residents of the City become members of the Employees' System upon employment, with the exception of employees hired after attaining age 60.

The Employees' System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Employees' Retirement System of the City of St. Louis, 1114 Market Street, Suite 900; St. Louis, Missouri 63101.

The Employees' System provides for defined benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base. Benefits vest with employees covered by the Employees' System after the employee has attained five years of creditable service. Employees retire with full retirement benefits after the age of 65 or if the employee's age and creditable service combined equal or exceed 85. Employees may retire and receive a reduced benefit after age 60 with five years of creditable service; age 55 with at least 20 years of creditable service; or at any age with 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted accordingly to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

On June 8, 2000, the Mayor of the City approved an ordinance passed by the Board of Aldermen, authorizing a Deferred Retirement Option Plan ("DROPP"), which became effective January 1, 2001. This plan states that when members reach retirement age, they are allowed to work for five additional years and defer receipt of their retirement allowance. The calculation of average salary for retirement benefits will not include the additional years of service after normal retirement age. The amount that would have been received as retirement benefit is put in a special DROPP account monthly. The DROPP account will not be adjusted for cost of living increases as the normal retirement benefits are. The DROPP account earns interest at the actuarial valuation rate of return and at the 10 year U.S. Treasury Bond yield as of September 30, for DROPP participants enrolling February 1, 2003 and thereafter. After the member completely terminates employment, the member can withdraw amounts from the DROPP account in a lump sum or according to a deferred retirement payment plan.

2) Funding Policy

The Employees' System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method. Employer contribution rates are established annually by the Board of Trustees of the Employees' System based on an actuarial study. The Board of Trustees established the required employer contributions rate based on active member payroll of 15.56% effective July 1, 2013, and 14.27% of active member payroll effective July 1, 2012.

Employees who became members of the Employees' System prior to October 14, 1977, and continued to make contributions, may make voluntary contributions to the Employees' System equal to 3% of their compensation until the employee's compensation equals the maximum annual taxable earnings under the Federal

Social Security Act. Thereafter, employees may contribute 6% of their compensation for the remainder of the calendar year.

3) Funded Status

The funded status (dollars in thousands) of the Employees' System for the actuarial valuation as of September 30, 2013 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage of Covered Payroll
September 30, 2013	\$685,397	\$889,449	\$(204,051)	77.06%	\$224,623	90.84%

4) Annual Pension Cost and Net Pension Obligation

Contributions to the Employees' System are paid on a bi-weekly basis; therefore the following calculation is an estimate of contributions paid through the City's Fiscal Year end. The City's estimated annual pension cost and net pension obligation (dollars in thousands) to the Employees' System for the year ended June 30, 2013 are as follows:

Annual required contribution	\$ (34,997)
Interest on net pension obligation	(3,334)
Adjustment to annual required contribution	<u>3,884</u>
Annual pension cost	(34,427)
Contributions made	<u>30,925</u>
Increase in net pension obligation	(3,502)
Net pension obligation, beginning of year	<u>(43,728)</u>
Net pension obligation, end of year	<u>\$ (47,230)</u>

Historical trend information (dollars in thousands) about the City's participation in the Employees' System is presented below.

City's Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	\$34,427	88.4%	\$ (47,230)
2013	31,481	90	(43,728)
2012	29,176	86	(40,611)
2011	28,214	85	(36,461)

Significant actuarial assumptions used in the valuation of the Employees' System are as follows:

Date of actuarial valuation	October 1, 2013
Actuarial cost method	Projected unit credit method
Amortization method	Level dollar open amortization period
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	3.125%
Investment rate of return	8.00%
Projected salary increases	varies by age, ranging from 3.50% to 7.017%
Cost of living adjustments	3.125% simple with a 25% lifetime cap

Actuarial Methods and Assumptions

The projection of future benefit payments for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and includes the types of benefits provided at the time of each valuation, as amended for significant changes to the plan that would impact the valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

LITIGATION

General

The City is involved in various claims and lawsuits arising in the ordinary course of business that are covered by insurance or that the City does not believe to be material. As noted above, when no independent insurance coverage exists, payments of settlements and judgments are administered by PFPC, the City's self-insurance plan. The Law Department prepares vouchers for such payments which are submitted to the Comptroller's Office and drawn on PFPC's account.

Specific

On May 15, 2013 a criminal indictment was filed in the United States District Court for the Eastern District of Missouri against Joseph S. Vacca and Thomas D. Stritzel. The indictment alleged as follows: Joseph S. Vacca was the Deputy Director for the Parks Division of the City. Thomas D. Stritzel was the Chief of Park Rangers for the City. The indictment claimed that Joseph S. Vacca and Thomas D. Stritzel engaged in a scheme from January 1, 2005 to December 31, 2012 to divert approximately \$464,722 from the City for their own personal use. On or about September 9, 2013 Joseph S. Vacca and Thomas D. Stritzel pled guilty to charges contained in the indictment. Joseph S. Vacca was sentenced to three years in prison on or about December 19, 2013 and ordered to pay restitution to the City in the amount of \$472,722.26. Thomas Stritzel was sentenced to three years in prison on or about January 27, 2014 and ordered to pay restitution to the City in the amount of \$472,722.26. This diversion of the City's funds did not involve the use

of any bond proceeds, did not prevent any legitimate vendor from being paid and has not impacted the timely payment of any of the City's outstanding bonds.

On December 22, 2011, a lawsuit styled *Tanisha Ross-Paige v. the St. Louis Board of Police Commissioners* was filed in the Twenty Second Judicial Circuit Court of the State of Missouri by Tanisha Ross-Paige, a former police officer, against the St. Louis Board of Police Commissioners, claiming that her supervising sergeant sexually harassed her and that she suffered retaliation for complaining about the conduct. On March 21, 2014, the jury awarded Ms. Ross-Paige \$7.5 million in damages, consisting of \$300,000 in compensatory damages and \$7.2 million in punitive damages. The verdict is against the St. Louis Board of Police Commissioners, a State agency, based on allegations made before the State turned over control of the police department to the City in 2013. The St. Louis Board of Police Commissioners is in the process of considering its options to appeal the case. The State is responsible for paying up to one half of the costs of such verdict up to a Fiscal Year total of \$1 million, with the City responsible for the balance. The St. Louis Board of Police Commissioners has sought to reduce the amount owed and its maximum exposure on this matter. After taking into account contributions by the State, the City's exposure may be from \$1 to \$3 million. The City believes that it has adequate reserves in its self-insurance program to cover its exposure on this matter.

In addition, some types of litigation relating to the City involve the possibility of lost revenue rather than awards of monetary damages. One such suit involves the City's red light camera ordinance, which authorizes the issuance of red light violation citations to the owner of a vehicle based on camera recordings of such vehicle violating a red light. A trial court has held that the City's red light ordinance is invalid. The decision was appealed to the Missouri Supreme Court and is under submission. A successful challenge of the City's red light camera ordinance would result in a loss of net revenue to the City in the approximate amount of \$2 million to \$3 million per year.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE
PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE: KPMG LLP, THE CITY'S INDEPENDENT AUDITOR, HAS NOT BEEN ENGAGED TO PERFORM AND HAS NOT PERFORMED, SINCE THE DATE OF ITS REPORT INCLUDED HEREIN, ANY PROCEDURES ON THE FINANCIAL STATEMENTS ADDRESSED IN THAT REPORT. KPMG LLP ALSO HAS NOT PERFORMED ANY PROCEDURES RELATING TO THIS OFFICIAL STATEMENT.

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PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

Basic Financial Statements and Other Information

June 30, 2014 and 2013

(With Independent Auditors' Report Thereon)

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

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KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

Independent Auditors' Report

The Honorable Mayor and
Board of Aldermen
City of St. Louis, Missouri:

Report on the Financial Statements

We have audited the accompanying financial statements of the Parking Division of the City of St. Louis, Missouri, an enterprise fund of the City of St. Louis, Missouri, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Parking Division of the City of St. Louis, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Parking Division of the City of St. Louis, Missouri, as of June 30, 2014 and 2013, and the respective changes in financial position and its cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.



Emphasis of Matters

As discussed in note 1, the basic financial statements of the Parking Division of the City of St. Louis, Missouri present only the financial position and the changes in financial position and, where applicable, cash flows of the Parking Division of the City of St. Louis, Missouri, an enterprise fund of the City of St. Louis, Missouri, and do not purport to, and do not, present fairly the financial position of the City of St. Louis, Missouri as of June 30, 2014 and 2013, the changes in its financial position, or, where applicable, its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Effective July 1, 2013 the Parking Division of the City of St. Louis, Missouri implemented Government Accounting Standards Board (GASB) No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Parking Division of the City of St. Louis, Missouri's basic financial statements. The other information included in Schedules 1 and 2 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other information in Schedules 1 and 2 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

KPMG LLP

St. Louis, Missouri
October 24, 2014

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

Management's Discussion and Analysis - Unaudited

June 30, 2014 and 2013

Our discussion and analysis of the Parking Division of the City of St. Louis, Missouri (Parking Division) for the City of St. Louis, Missouri's (the City) financial performance provides an overview of the Parking Division's financial activities for the fiscal years ended June 30, 2014 and 2013. Please read it in conjunction with the Parking Division's financial statements, which are attached.

The Parking Division

The Parking Division manages off-street parking, on-street parking meters, and on-street parking enforcement programs. Off-street parking includes seven operating parking garages and multiple surface parking lots. The on-street parking system comprises over 9,000 parking meters throughout downtown and in a number of key commercial and institutional districts outside of downtown. The on-street parking enforcement division enforces parking ordinances, primarily in the areas of the City where parking meters are installed.

Using this Annual Report

The Parking Division is an enterprise fund, which is similar to a business-type activity in which the fees charged to customers are structured to cover the costs of the services provided. This annual report consists of a series of financial statements. The statement of net position and the statement of revenues, expenses, and changes in fund net position help answer the following question: Is the Parking Division fiscally better off or worse off than the year before? These statements are intended to account for all assets, deferred outflow of resources and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. These statements also include the activities of the City of St. Louis Parking Commission Finance Corporation (SLPCFC) and the Municipal Parking Finance Corporation (MPFC) as blended component units.

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
 (An Enterprise Fund of the City of St. Louis, Missouri)

Management's Discussion and Analysis - Unaudited

June 30, 2014 and 2013

A condensed summary of the Parking Division's net position at June 30 is shown below:

	2014	2013	2012	2014 vs 2013	
				Change	Percentage change
Assets:					
Current assets	\$ 17,486,735	18,660,209	18,730,148	(1,173,474)	(6)%
Capital assets	75,097,416	77,702,538	78,969,989	(2,605,122)	(3)
Other noncurrent assets	10,596,074	5,169,477	6,432,313	5,426,597	105
Deferred Outflow of Resources	4,681,577	5,015,977	—	(334,400)	(7)
Total assets and deferred outflow of resources	<u>107,861,802</u>	<u>106,548,201</u>	<u>104,132,450</u>	<u>1,313,601</u>	<u>1</u>
Liabilities:					
Current liabilities	6,099,546	5,700,576	6,801,730	398,970	7
Noncurrent liabilities	69,125,329	70,314,440	67,344,186	(1,189,111)	(2)
Total liabilities	<u>75,224,875</u>	<u>76,015,016</u>	<u>74,145,916</u>	<u>(790,141)</u>	<u>(1)</u>
Net position:					
Net investment in capital assets	5,058,487	6,788,009	12,385,405	(1,729,522)	(25)
Restricted – bond reserve funds	12,362,451	12,419,322	11,961,271	(56,871)	—
Unrestricted	15,215,989	11,325,854	5,639,858	3,890,135	34
Total net position	<u>\$ 32,636,927</u>	<u>30,533,185</u>	<u>29,986,534</u>	<u>2,103,742</u>	<u>7%</u>

Total Assets and Deferred Outflows of Resources: Total assets and deferred outflow of resources did not significantly change in the current or the previous fiscal year. The increase in other noncurrent assets was the result of investments in Federal Home Loan Bank notes with a maturity date of more than 1 year.

Total Liabilities: Total liabilities continued to decline in the current fiscal year by 1% following fiscal year 2013 decline of 4%. In the current fiscal year, current liabilities increased as the Parking Division's due to the general fund of the City of St. Louis, Missouri increased from \$633,708 to \$1,200,300. Simultaneously, accounts payable decreased due to timing. The fluctuation in Noncurrent liabilities is a result of fiscal year 2014 debt payments made.

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

Management's Discussion and Analysis - Unaudited

June 30, 2014 and 2013

	2014	2013	2012	2014 vs 2013	
				Change	Percentage change
Operating revenues	\$ 15,794,032	14,645,331	14,986,148	1,148,701	8%
Operating expenses	10,735,885	10,165,981	9,707,555	569,904	6
Operating income	5,058,147	4,479,350	5,278,593	578,797	13
Nonoperating expenses, net	(3,106,612)	(3,096,490)	(3,216,675)	(10,122)	—
Income before transfers	1,951,535	1,382,860	2,061,918	568,675	41
Transfers in	932,207	906,960	827,744	25,247	3
Transfers out	(780,000)	(500,000)	(800,000)	(280,000)	56
Increase in net position	\$ 2,103,742	1,789,820	2,089,662	313,922	18%
Cumulative effect-Change in Accounting Principle	—	(1,243,169)	—	1,243,169	(100)%
Net position, end of year	\$ 32,636,927	30,533,185	29,986,534	2,103,742	7%
Total assets and deferred outflow of resources, end of year	107,861,802	106,548,201	104,132,450	1,313,601	1

Operating Income: Operating revenues increased 8% following a 2% decline in fiscal year 2013. The current year increase is directly attributable to the return of hockey after the lockout in fiscal year 2013, which was associated with the Kiel Garage.

Operating expenses increased 6% following a 5% increase in the fiscal year 2013. The fiscal year 2014 increase is due to contractual expenses associated with ending the existing third-party contract for the collection of parking meter revenue and exploring contracts while piloting the acceptance of credit cards at various parking lot pay stations (known as the Meter Pilot Program) for February through July of 2014. The fiscal year 2013 increase was the result of the non-capitalizable cost of replacing the lights at the Kiel Garage with energy efficient lights and an increase in the commissions paid for renewing several tenants' leases that expired during the year.

The 8% increase in revenues, coupled with a 6% increase in operating expenses, resulted in operating income increase by \$579,000 or 13%, following last year's decrease of \$864,000 or 16%.

Non-operating Expenses, Net: The current year's non-operating expenses, net, remained fairly consistent with the previous two fiscal years. Non-operating expenses, net, consist mainly of investment income, interest expense, and debt service expenses.

Transfers-In: Transfers-in represent the funds received from the Taxable Increment Financing (TIF) on the Argyle Garage and the Euclid/Buckingham Garage. The TIF revenues are collected by the City of St. Louis Comptroller's office and transferred to the Parking Division twice a year to cover the lesser of the debt service attributable to the Argyle Garage and any net operating shortfalls. TIF revenues increased by 3% following the 10% increase in fiscal year 2013 when more TIF funds were needed to meet the debt service obligation. No TIF funds were needed to supplement the actual operations of the Argyle Garage in either fiscal year.

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

Management's Discussion and Analysis - Unaudited

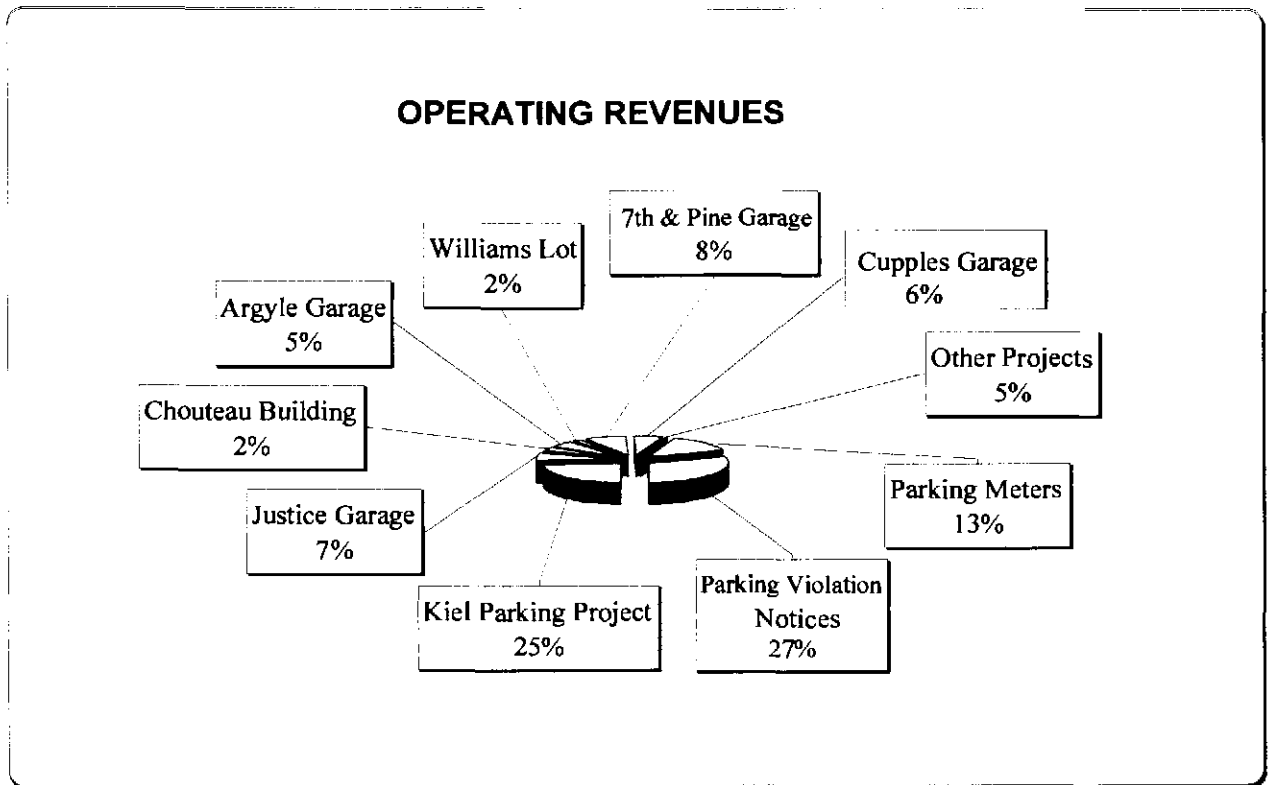
June 30, 2014 and 2013

Transfers-Out: The Parking Division, per State Statutes, may transfer up to 40% of the increase in Net Position to the General Fund of the City. The Parking Division was able to contribute \$780,000 and \$500,000 to the general fund of the City of St. Louis, Missouri, respectively, for fiscal years 2014 and 2013.

Net Position: The Parking Division's total net position increased 7% in fiscal year 2014, and 6% in fiscal year 2013, after having remained consistent over the prior two years.

Revenues, Expenses, and Changes in Net Position

The following chart shows the major sources of operating revenues and their percentage share of total operating revenues for the year ended June 30, 2014:



PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

Management's Discussion and Analysis - Unaudited

June 30, 2014 and 2013

The following table summarizes all Parking Division operating revenues and their change from the previous year:

	2014	2013	2012	2014 vs 2013	
				Change	Percentage change
Parking meters, net	\$ 2,082,665	2,166,595	2,211,397	(83,930)	(4)%
Parking violation notices, net	4,357,290	4,458,916	4,499,853	(101,626)	(2)
Kiel Parking Project	3,987,250	3,239,917	3,497,116	747,333	23
7th & Pine Garage	1,233,471	1,190,763	1,282,719	42,708	4
Argyle Garage	763,022	698,202	716,101	64,820	9
Williams Lot	363,006	223,308	261,663	139,698	63
Justice Garage	1,198,490	1,055,254	993,996	143,236	14
Euclid/Buckingham Garage	133,828	142,677	86,145	(8,849)	(6)
Abrams Garage	138,679	124,610	112,113	14,069	11
Cupples Garage	895,623	750,139	840,770	145,484	19
Rental property (Chouteau Building)	389,794	435,345	428,724	(45,551)	(10)
Miscellaneous	250,914	159,605	55,551	91,309	57
Total operating revenues	\$ 15,794,032	14,645,331	14,986,148	1,148,701	8%

Parking Meters Revenue, Net: Gross parking meter revenue increased \$127,000 and \$21,000, respectively, for the fiscal years 2014 and 2013 (note 1(g)). Net parking meter revenues include a reduction of \$1,930,000 and \$1,718,000, respectively, for fiscal years 2014 and 2013 for outsourcing costs. The outsourcing costs increased in fiscal 2014 due to the parking meter pilot as multiple vendors were used during the parking meter pilot program compared to only one vendor in fiscal year 2013. The outsourcing of the collection and maintenance of the meters began in June 2009. The increase in outsourcing costs resulted in an \$84,000 decline in net parking meter revenues for fiscal year 2014.

Parking Violation Notices Revenue, Net: Net parking violation notice revenues declined \$102,000 following a decrease of \$41,000 in fiscal year 2013. In fiscal 2014, the number of tickets issued increased by 2%, but tickets collected declined by 3%. In fiscal 2013, the number of tickets issued declined by 6% resulting in a 3% decline in the actual number of tickets collected.

Kiel Parking Project: Revenue from the Kiel Garage Project increased by 23% after a 7% decline for fiscal year 2013. The current increase is directly attributable to the return of hockey after the lockout in fiscal 2013, resulting in increased event revenue of \$745,000. The lockout resulted in 18 less home games in fiscal 2013.

7th & Pine Garage: The revenues at the 7th & Pine Garage increased 4% after a decline of 7% in fiscal 2013. The decline in fiscal 2013 was primarily the result of losing several monthly parkers. The increase in fiscal 2014 is attributable to the 2013 World Series and a total increase in event revenues of \$30,000. Monthly parking revenues attributed to the remaining increase.

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Williams Lot: The Williams Lot is directly across the street from the Kiel Garage. As such, it was also affected by the return of the hockey season, resulting in an increase in revenues by 63%. Total event revenue increased by \$135,000, while the remaining revenue classes were consistent between years.

Argyle Garage: The revenues at the Argyle Garage increased by 9% primarily due to an increase in monthly parking of \$45,000 that was generated by the continuing development of the Central West End. The previous year had a 2% decrease, driven by a decrease in monthly parkers.

Justice Garage: This was the fifth year that the Justice Garage revenues increased. This year's increase is mainly due to event revenue related to the Cardinal playoffs and the 2013 World Series, which resulted in \$150,000. In fiscal 2013, both daily and monthly revenues increased, however this increase was offset by the loss in event revenues caused by the hockey lockout. Fiscal 2013 was, also, the first year for retail rent revenue equal to \$72,000, which continued and increased to \$96,000 in fiscal 2014.

Euclid/Buckingham Garage: The revenues at the Euclid/Buckingham Garage decreased by 6% after three consecutive years of increase. Monthly parking permits continued to increase in fiscal 2014, as in previous years. However, daily parking revenues decreased by \$10,000 vs. a \$15,000 increase in fiscal 2013. Parking rates for daily parking were decreased in fiscal 2014 by \$2.00/hr for the 1st hour of parking and by \$1.00/hr for additional hours.

Cupples Garage: The revenues generated in fiscal 2014 by the Cupples Garage increased by \$145,000. In fiscal 2012, the Cupples Building #7, located next to the garage, was declared unsafe by the City of St. Louis. As a result, several streets surrounding the building were closed to traffic for safety reasons. These road closures made it difficult for customers to reach the garage, causing even more monthly parkers to leave (see note (11) to the basic financial statements.) The demolition of the building began in fiscal 2013 and was completed in early fiscal 2014, allowing for access to the parking facility.

Chouteau Building: The Chouteau building is an office building located next to the Justice Garage. The building houses the executive, fiscal, and personnel offices of the Parking Division. Approximately two-thirds of the building's office space is leased to various professional businesses. Fiscal year 2014 lease revenues declined by 10% due to an unbudgeted 3 month decrease for one tenant and the decision by the Treasurer's office to not bill back unexpected front lobby security services to tenants.

Miscellaneous Revenues: Miscellaneous revenues increased \$91,000 in fiscal year 2014. As in fiscal 2013, the Streets Department is collecting the Parking Permits at the same time that the Street Permits fees are collected. This both allows for stricter control over the Permits while making it easier for the citizens to pay at one location and accounts for \$65,000 of the increase.

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The following table summarizes the operating expenses for the current year compared to the prior year:

	2014	2013	2012	2014 vs 2013	
				Change	Percentage change
Personnel services	\$ 5,186,664	4,914,663	4,877,133	272,001	6%
Materials and supplies	176,978	175,224	242,132	1,754	1
Contractual services	1,366,338	1,062,677	1,084,320	303,661	29
Utilities	258,471	258,310	266,864	161	—
Insurance	197,409	186,182	174,829	11,227	6
Operating services	166,802	323,816	271,812	(157,014)	(48)
Noncapitalizable repairs	585,567	398,953	—	186,614	47
Interfund services used	142,468	153,255	138,000	(10,787)	(7)
Depreciation and amortization	2,655,188	2,692,901	2,652,465	(37,713)	(1)
	<u>\$ 10,735,885</u>	<u>10,165,981</u>	<u>9,707,555</u>	<u>569,904</u>	<u>6%</u>

Personnel Services: Personnel salaries and benefits remain the largest annual expense of the Parking Division representing almost 50% of both the current and prior years' total expenses. Personnel costs have increased in fiscal 2014 by 6% primarily due to an increase in event workers of \$20,000 and three new administrative positions for \$210,000 with benefits.

Materials and Supplies: Materials and supplies remained consistent in fiscal year 2014 compared to fiscal year 2013.

Contractual Services: Contractual service costs increased \$304,000 this year after having decreased \$22,000 in the previous year. The increase is due to repair and replacement costs for Kiel and 7th & Pine. The decline in fiscal 2013 was the result of lower legal fees, which were partially offset by the hiring of a professional consultant to review and assist in reorganizing the personnel department.

Utilities and Insurance: Fiscal year 2014 showed little change from the previous year. The Parking Division had to pay a small increase in fiscal year 2014 premiums to maintain the same level of insurance.

Operating Services: Operating services decreased \$160,000 following last year's increase of \$52,000. The most significant reason for the current year's decrease is the commission fee charged for the Chouteau building of \$58,000 and an expense in the amount of \$176,000 in fiscal year 2013 not recurring in fiscal year 2014.

Noncapitalizable repairs: In fiscal year 2014, all expenses are associated with the demolition of Cupples #7 and the cost of issuance for the subordinated debt used to fund the project. In fiscal 2013, the Parking Division agreed to make improvements to a park located in front of the Opera House for \$177,000 and to change all the lights in the Kiel Garage from high pressure sodium to LED lighting for environmental purposes for a cost of \$222,000.

Interfund Services Used: Interfund services represent the cost allocation fees charged to the Parking Division by the General Fund for using City services. These costs decreased \$10,000 in fiscal year 2014 due to the removal of Treasury allocated expenses for Paymaster and Banking services. The prior year's increase resulted

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from the Parking Division being allocated its share of the citywide unemployment insurance costs. The Parking Division was not charged a share of this cost in the previous years. This remained constant in fiscal year 2014.

Depreciation and Amortization: Depreciation remained relatively constant. The slight decrease of \$38,000 is mostly attributable to assets in their final year of depreciation and vehicles that were retired. See capital asset discussion below.

Significant Capital Assets and Long-Term Debt Activities

No significant capital assets were purchased during fiscal 2014.

On August 19, 2013, the City of St. Louis, Missouri issued \$1,500,000 of Subordinated Parking Revenue Bonds, Series 2013A (the Series 2013A Bond), acting through the Treasurer of the City in her capacity as Supervisor of Parking Meters. The Series 2013A Bond constitutes debt of the Parking Division and was issued for the purpose of financing the acquisition of the Cupples 7 building, the subsequent demolition of the building, the landscaping and improvement of the site, and the cost of issuance.

Standard & Poor's did affirm the Parking Division's "A-" rating and stable outlook.

Additional information on capital assets and long-term debt can be found in notes 4 and 6, respectively, to the basic financial statements.

Economic Factors Affecting Next Year's Budget and Rates

- Our office launched a meter pilot program from February 2014 through July 2014 as part of the RFP to select a new vendor to manage on-street parking and install new meter equipment/technology. The Xerox Corporation was selected in August 2014. This technology will include alternate forms of payment such as credit cards and payment via cell phone applications. It will also result in a reduction in labor and service charges. Desman won the RFP to conduct a parking study regarding optimal placement of the new meters and moderate rate increases. The parking study will be completed in October 2014.
- Issuance of subordinated debt in the amount of \$5,000,000 is being proposed to finance the purchase of the new meter equipment.
- The Parking Division has projected \$1.2 million in excess revenues over expenses for the 2014-2015 fiscal year.

Contacting the Parking Division's Financial Management

This financial report is designed to provide our citizens and creditors with a general overview of the Parking Division's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's Office, 1200 Market Street, City Hall – Room 220, Saint Louis, Missouri.

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
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Statements of Net Position
June 30, 2014 and 2013

Assets	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents:		
Restricted	\$ 2,241,377	7,544,846
Unrestricted	15,063,476	10,965,936
Receivables	161,882	129,427
Other assets	20,000	20,000
Total current assets	<u>17,486,735</u>	<u>18,660,209</u>
Noncurrent assets:		
Restricted investments	10,121,074	4,874,477
Capital assets, net:		
Nondepreciable-Land	22,903,153	22,903,153
Nondepreciable-Infrastructure	6,026	—
Depreciable	52,188,237	54,799,385
Intangible and other assets, net	475,000	295,000
Total noncurrent assets	<u>85,693,490</u>	<u>82,872,015</u>
Deferred outflow of resources	<u>4,681,577</u>	<u>5,015,977</u>
Total assets and deferred outflow of resources	<u>\$ 107,861,802</u>	<u>106,548,201</u>
Liabilities		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable and accrued expenses	\$ 112,071	537,360
Accrued salaries and other benefits	215,796	191,302
Accrued vacation and compensatory benefits	183,567	153,318
Due to the City of St. Louis, Missouri	1,200,300	633,708
Due to other governmental agencies	48,075	54,512
Unearned revenue and other deposits	1,637,219	1,712,759
Total payable from unrestricted assets	<u>3,397,028</u>	<u>3,282,959</u>
Payable from restricted assets:		
Accrued interest	116,851	119,617
Current portion of revenue bonds payable	2,585,667	2,298,000
Total payable from restricted assets	<u>2,702,518</u>	<u>2,417,617</u>
Total current liabilities	<u>6,099,546</u>	<u>5,700,576</u>
Noncurrent liabilities:		
Revenue bonds payable, net	67,453,262	68,616,529
Other	1,672,067	1,697,911
Total noncurrent liabilities	<u>69,125,329</u>	<u>70,314,440</u>
Total liabilities	<u>75,224,875</u>	<u>76,015,016</u>
Net position:		
Net investment in capital assets	5,058,487	6,788,009
Restricted – bond reserve funds	12,362,451	12,419,322
Unrestricted	15,215,989	11,325,854
Total net position	<u>32,636,927</u>	<u>30,533,185</u>
Total liabilities and net position	<u>\$ 107,861,802</u>	<u>106,548,201</u>

See accompanying notes to basic financial statements.

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
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Statements of Revenues, Expenses, and Changes in Fund Net Position

Years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Parking meters, net	\$ 2,082,665	2,166,595
Parking violation notices, net	4,357,290	4,458,916
Parking facilities	8,713,369	7,424,870
Rental property	389,794	435,345
Miscellaneous	250,914	159,605
Total operating revenues	<u>15,794,032</u>	<u>14,645,331</u>
Operating expenses:		
Personnel services	5,186,664	4,914,663
Materials and supplies	176,978	175,224
Contractual services	1,366,338	1,062,677
Utilities	258,471	258,310
Insurance	197,409	186,182
Operating services	166,802	323,816
Noncapitalizable repairs	585,567	398,953
Interfund services used	142,468	153,255
Depreciation	2,655,188	2,692,901
Total operating expenses	<u>10,735,885</u>	<u>10,165,981</u>
Operating income	<u>5,058,147</u>	<u>4,479,350</u>
Nonoperating revenues (expenses):		
Investment income	191,484	217,900
Interest and debt service expenses	(3,308,272)	(3,326,740)
Other	10,176	12,350
Total nonoperating expenses, net	<u>(3,106,612)</u>	<u>(3,096,490)</u>
Income before transfers	<u>1,951,535</u>	<u>1,382,860</u>
Transfers from the City of St. Louis, Missouri TIF Districts	932,207	906,960
Transfers to the City of St. Louis, Missouri	(780,000)	(500,000)
Total transfers, net	<u>152,207</u>	<u>406,960</u>
Increase in net position	2,103,742	1,789,820
Total net position, beginning of year	30,533,185	29,986,534
Cumulative effect of change in accounting principle	—	(1,243,169)
Total net position, beginning of year, adjusted	<u>30,533,185</u>	<u>28,743,365</u>
Total net position, end of year	\$ <u>32,636,927</u>	<u>30,533,185</u>

See accompanying notes to basic financial statements.

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
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Statements of Cash Flows

Years ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Receipts from customers and users	\$ 15,235,122	14,362,526
Other operating cash receipts	259,625	159,605
Payments to suppliers of goods and services	(2,739,167)	(3,624,444)
Payments to employees	(5,157,764)	(4,923,450)
Net cash provided by operating activities	7,597,816	5,974,237
Cash flows from noncapital financing activities:		
Transfers from the State of Missouri	10,176	12,350
Transfers from the City of St. Louis, Missouri TIF Districts	932,207	906,960
Transfers to the City of St. Louis, Missouri	(780,000)	(500,000)
Net cash provided by noncapital financing activities	162,383	419,310
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(50,067)	(1,425,451)
Proceeds from issuance of revenue bonds	1,500,000	—
Principal paid on revenue bonds payable	(2,348,000)	(2,236,000)
Interest paid on revenue bonds payable	(3,004,238)	(3,024,962)
Net cash used in capital and related financing activities	(3,902,305)	(6,686,413)
Cash flows from investing activities:		
Purchase of investments	(18,338,003)	(9,517,648)
Proceeds from maturities of investments	13,091,406	9,517,315
Investment income on cash and investments	182,774	213,982
Net cash (used in) provided by investing activities	(5,063,823)	213,649
Net (decrease) increase in cash and cash equivalents	(1,205,929)	(79,217)
Cash and cash equivalents, beginning of year	18,510,782	18,589,999
Cash and cash equivalents, end of year	\$ 17,304,853	18,510,782
Cash flows from operating activities:		
Operating income	\$ 5,058,147	4,479,350
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	2,655,188	2,692,901
Change in assets and liabilities:		
Increase in receivables	(223,744)	(5,360)
Decrease in intangible and other assets, net	20,000	20,000
(Decrease) increase in accounts payable and accrued expenses	(425,289)	157,406
Increase in accrued salaries and other benefits	24,494	4,295
Increase (decrease) in accrued vacation and compensatory benefits	30,249	(8,560)
Increase (decrease) in due to City of St. Louis, Missouri and other government agencies	560,155	(1,243,433)
Decrease in unearned revenue and other deposits	(75,540)	(117,840)
Decrease in other noncurrent liabilities	(25,844)	(4,522)
Net cash provided by operating activities	\$ 7,597,816	5,974,237
Supplemental disclosure for noncash financing activities:		
Unrealized gains on investments	\$ 38,310	115,253

See accompanying notes to basic financial statements.

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Notes to Basic Financial Statements

June 30, 2014 and 2013

(1) Summary of Significant Accounting Policies

The Parking Division, established by state statute, is operated by the City of St. Louis, Missouri (the City). The management of the Parking Division is overseen by the Parking Commission, as established by Section 82.487 of the Missouri Revised Statutes. The Parking Division represents an enterprise fund of the City, and therefore, the financial statements of the Parking Division are not intended to present the financial position and changes in financial position of the City as a whole in conformity with U.S. generally accepted accounting principles. The Parking Division operates over 9,000 parking meters and various off-street parking lots, garages, and parking zones.

(a) Reporting Entity

The Parking Division's financial reporting entity consists of the Parking Division and two blended component units:

The City of St. Louis Parking Commission Finance Corporation (SLPCFC). The SLPCFC, a legally separate not-for-profit corporation established in 2003, is governed by a five-member board of directors as appointed by the Parking Commission. The SLPCFC finances the purchase of and owns, leases, and sells certain real property on behalf of the Parking Commission. SLPCFC is considered to be a component unit of the Parking Division because the Parking Division is financially accountable for SLPCFC, as it appoints all of SLPCFC's directors and is able to impose its will on SLPCFC. SLPCFC provides services entirely to the Parking Division and is reported as if it were part of the Parking Division because its sole purpose is to lessen the burden on the Parking Division by coordinating real property transactions. Separate financial statements and notes, that conform to U.S. generally accepted accounting principles for SLPCFC, are not available.

Grand Center Municipal Parking Finance Corporation (MPFC) was established during the year ended June 30, 2009. The MPFC is a legally separate not-for-profit public benefit corporation with the Parking Commission as the sole member of the MPFC. Because the Parking Division appoints all of MPFC's directors and is able to impose its will on the MPFC, it is considered to be a component unit of the Parking Division. The MPFC's goal is to employ innovative public parking programs, services, technology, and products to strengthen the economic vitality and competitiveness of arts and entertainment venues and supporting enterprises operating in the Grand Center area. An additional goal is to improve the coordination of public parking regulations and enforcement, along with the quality marketability, availability, and accessibility of public parking spaces in the Grand Center area. Separate financial statements and notes, that conform to U.S. generally accepted accounting principles for MPFC, are not available.

(b) Basis of Accounting

Governmental enterprise funds are used to account for operations of governmental entities that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

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The financial statements of the Parking Division are reported using the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned and expenses when incurred. In reporting financial activity, the Parking Division applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Parking Division are charges to customers for parking fees and fines. Operating expenses include the cost of services, administrative expenses, and depreciation and amortization. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(c) Capital Assets

Capital assets are recorded at historical cost, including applicable interest incurred during the construction period. Donated capital assets are recorded at estimated fair market value at the date of donation. The contributions are reflected as capital contributions. Depreciation is computed using the straight-line method over the estimated useful lives of the various classes of assets. The estimated useful lives for depreciable capital assets are as follows:

	Years
Buildings, land improvements, and parking garages	5 to 40
Equipment	5 to 15
Parking meters and lot equipment	5 to 10

Non-depreciable assets include land and infrastructure.

(d) Intangible and Other Assets, net

Intangible and other assets, net of \$495,000 and \$315,000 at June 30, 2014 and 2013, respectively, represent the outstanding amount of a payment previously made by the Parking Division for the right to place and operate parking meters on a privately owned parking lot and for advance payments made relating to an agreement to utilize a parking lot. The intangible asset is being amortized on the straight-line method over 40 years.

(e) Amortization

Bond discounts are recorded as a reduction of the debt obligation and are recorded as a deferred charge. Such amounts are amortized using the straight-line method, which approximates the effective-interest method, over the term of the related revenue bonds. Bond issuance costs were

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treated the same, but have been revised in accordance with GASB 65 which states that this costs should be recognized as an outflow of resources and expensed rather than amortized. Fiscal 2013 and Fiscal 2014 have been restated to reflect this change. See Notes 1(i) and 6.

(f) *Compensated Absences*

The Parking Division grants vacation to full-time employees based on years of continuous service. Compensatory time is granted to certain employees for hours worked in excess of a normal work week that are not taken within the current biweekly pay period. These benefits are allowed to accumulate and to carry over, with limitations, into the next calendar year and will be paid to employees upon departure from service for any reason. The Parking Division accrues vacation and compensatory time as earned.

(g) *Revenues, net*

Parking meter revenues, net represents operating revenues collected in conjunction with the collection of parking meters, net of related outsourcing expenses. The outsourcing of parking meter collections and maintenance began on June 1, 2009. Gross parking meter revenues and outsourcing expenses for the years ended June 30, 2014 and 2013 are as follows:

	2014	2013
Parking meter revenues	\$ 4,012,119	3,884,821
Outsourcing expenses	(1,929,454)	(1,718,226)
Parking meter revenues, net	\$ 2,082,665	2,166,595

Parking violation notices revenues, net represents operating revenues collected in conjunction with the parking violations issued, net of related expenses and overpayments by citizens. Gross parking violation notices revenues and parking violation notices expenses for the years ended June 30, 2014 and 2013 are as follows:

	2014	2013
Parking violation notices revenues and related boot fees	\$ 6,022,655	6,325,520
Parking violation notices expenses	(1,665,365)	(1,866,604)
Parking violation notices revenues, net	\$ 4,357,290	4,458,916

(h) *Statements of Cash Flows*

For purposes of the statements of cash flows, cash and cash equivalents are defined as all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

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(i) Accounting Pronouncements

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement addresses service concession arrangements (SCAs) defined as public-private partnerships where the public institution retains specific control criteria. The Parking Division evaluated this statement and does not currently have any SCAs that meet the criteria set forth. Adoption of GASB Statement No. 60 had no effect on the Parking Division's financial statements.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity Omnibus*, an amendment of GASB Statements No. 14 and No. 34. This Statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial report entity display and disclosure requirements. Adoption of GASB Statement No. 61 had no effect on the Parking Division's financial statements.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. Adoption of GASB Statement No. 62 had no effect on the Parking Division's financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Adoption of GASB Statement No. 63 has no effect on the Parking Division's financial statements other than renaming various report titles and certain line items. These changes have been incorporated in the Parking Division's financial statements.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this Statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. In adopting this standard, the Parking Division recognized the effect of a change in accounting principle, which decreased net position by \$1,243,169 for prior periods' capitalized bond issue costs which were previously reported as "Deferred Charges" on the Statement of Net Position. Future bond issue costs will be included in interest expense when incurred. The Parking Division also changed the classification of the difference between the carrying value of defeased debt and the

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offsetting new debt to a deferred outflow of resources from long-term debt. The Statement also limited the use of the term deferred to deferred outflow of resources.

Effective for fiscal year 2014, the Parking Division adopted GASB Statement No. 66, *Technical Corrections – 2012* which intends to improve financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Adoption of GASB Statement No. 66 had no effect on the Parking Division's financial statements.

In June 2012, GASB issued GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, which intends to improve financial reporting by state and local governmental pension plans. Also, in June 2012, GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment to GASB Statement No. 27*, which will enhance accounting and financial reporting by state and local governments for pensions and improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The adoption of Statements No. 67 and No. 68 will require the Parking Division to record a Net Pension Liability on its Statement of Net Position. The Parking Division has determined adoption will have a significant impact on its financial statements and reduce its unrestricted net position when implemented.

In January 2013, GASB issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* effective for financial statements for periods beginning after December 15, 2013, which intends to improve financial reporting by establishing standards for reporting government combinations and disposals of governmental operations. The Parking Division has not yet determined the effect that adoption of GASB Statement No. 69 will have on its financial statements.

Effective for fiscal year 2014, the Parking Division adopted GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* which intends to improve financial reporting by state and local governments that extend and receive nonexchange financial guarantees. Adoption of GASB Statement No. 70 had no effect on the Parking Division's financial statements.

(j) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Parking Division to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenses during the reporting period. Actual results could differ from those estimates.

(k) Reclassifications

Certain prior year amounts have been reclassified to conform to current year amounts.

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(2) Deposits and Investments

Investments are recorded at fair value, which is determined by closing market prices at year-end as reported by the investment custodian.

The Parking Division deposits all cash with the Office of the Treasurer of the City, which maintains all banking relationships for the Parking Division.

Money market mutual funds are classified as cash and cash equivalents on the Statement of Net Position, but as investments for custodial and other risk disclosure.

As of June 30, 2014 and 2013, the Parking Division had the following cash deposits and investments:

	<u>2014</u>	<u>2013</u>
U.S. Treasuries	\$ 2,497,425	2,496,476
Federal Home Loan Mortgage Corporation	3,564,600	2,378,001
Federal Home Loan Bank	4,059,049	—
Money market mutual funds	2,241,377	7,544,846
Cash deposits	<u>15,063,476</u>	<u>10,965,936</u>
Total cash and investments	<u>\$ 27,425,927</u>	<u>23,385,259</u>

State statutes and City investment policies authorize the deposit of funds in financial institutions. For City funds, investments may be made in obligations of the U.S. government or any agency or instrumentality thereof, bonds of the State of Missouri or any city within the state with a population of 400,000 inhabitants or more, or time certificates of deposit. In addition, the City may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations, obligations of the U.S. government agencies, or instrumentalities of any maturity as provided by law.

(a) Interest Rate Risk

The Parking Division seeks to minimize its exposure to fair value losses arising from changes in interest rates by selecting investments in adherence to the Investment Policy for the City of St. Louis, Missouri (the Investment Policy). The Investment Policy provides that, to the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities or make a time deposit with a stated maturity of more than five years from the date of purchase. The average maturity for collateral provided to the City for deposits in connection with a repurchase agreement shall not exceed five years without the written approval of the Treasurer. In connection with any outstanding bond issue, debt service reserve funds may be invested to a maximum maturity of 15 years and up to 30 years with the written approval of the Treasurer.

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The Parking Division's investments (excluding cash deposits) had the following maturities (in years) on June 30, 2014:

	<u>Fair value</u>	<u>Less than 1</u>	<u>1 – 5</u>
U.S. Treasuries	\$ 2,497,425	2,497,425	—
Federal Home Loan Mortgage Corporation	3,564,600	3,564,600	—
Federal Home Loan Bank	4,059,049	—	4,059,049
Money market mutual funds	2,241,377	2,241,377	—
	<u>\$ 12,362,451</u>	<u>8,303,402</u>	<u>4,059,049</u>

(b) Credit Risk

The City's Investment Policy limits the types of securities available for investment to collateralized public deposits, obligations of the U.S. government or its agencies, obligations of government-sponsored corporations, banker's acceptances, and commercial paper. Banker's acceptances must be rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs) at the time of purchase. Investments in commercial paper is limited to issuing corporations that have a total commercial paper program size in excess of \$250,000,000 and have long-term debt ratings "AA" or better from at least one NRSRO. The Parking Division currently does not have any banker's acceptances or commercial paper in its portfolio.

The Parking Division's investments in U.S. Treasuries are explicitly guaranteed by the U.S. government and, therefore, do not require a rating. At June 30, 2014, the Federal Home Loan Mortgage Corporation investments were rated Aa2 and Aaa, respectively, by Moody. The Federal Home Loan Bank Investments were rated AA+ and Aaa as of June 30, 2014 by Standard & Poor's and Moody, respectively. Parking Division's holdings in a money market mutual fund were rated AAAm/Aaa-mf/AAAmf as of June 30, 2014 by Standard & Poor's, Moody's and Fitch, respectively.

(c) Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Parking Division will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party.

The City's Investment Policy requires that all cash deposits, time certificates of deposit, deposits with listed institutions, and repurchase agreements be covered by adequate pledged collateral. Acceptable collateral includes U.S. Treasury obligations, other interest-bearing securities guaranteed as to principal and interest by the U.S. government or an agency or instrumentality of the U.S. government, bonds of the State of Missouri, or bonds of the City. The market value of the principal and accrued interest of the collateral must equal 103% of the deposits secured, less any

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amount subject to federal deposit insurance. All City securities and securities pledged as collateral must be held in a segregated account on behalf of the City by an independent third party with whom the City has a current custodial agreement and has been designated by the Treasurer and Funds Committee as eligible to serve in such a capacity.

At June 30, 2014 and 2013, all Parking Division investments and all securities pledged as collateral are held by the counterparty's trust department or agent in the City's name.

(d) Concentration of Credit Risk

The Investment Policy provides that, with the exception of U.S. Treasury Securities and money market mutual funds, no more than 35% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. The Parking Division does not have a separate investment policy.

At June 30, 2014 and 2013, the concentration of the Parking Division's investments (excluding cash deposits) was as follows:

	2014	2013
U.S. Treasuries	20%	20%
Federal Home Loan Mortgage Corporation	29%	19%
Federal Home Loan Bank	33%	—%
Money market mutual funds	18%	61%
	100%	100%

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(3) Restricted Assets

Cash and investments restricted in accordance with bond indentures at June 30, 2014 and 2013 are as follows:

	2014	2013
Series 2013A bonds:		
Debt service account	85,228	—
Series 2013A project account	62,560	—
Total series 2013A bonds	147,788	—
Series 2007 and 2006 bonds:		
Debt service reserve	\$ 4,891,630	4,942,091
Debt service	1,307,289	1,222,612
Net project revenues	125,439	120,269
Parking trust – Parking Division accounts	1,909,780	1,921,108
Repair and replacement	3,579,881	3,852,992
Total series 2007 and 2006 bonds	11,814,019	12,059,072
Series 2003A and 2003B bonds:		
Gross revenues	83,425	69,758
Bond	156,112	158,770
Repair and replacement	21,205	12,239
Operating reserve	100,000	100,000
Redemption	39,902	19,484
Total series 2003A and 2003B bonds	400,644	360,251
Total restricted cash and investments	\$ 12,362,451	12,419,323

Descriptions of the funds required by the Series 2013A Subordinated Bond Indentures are as follows:

- 1) Debt service account – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.
- 2) Series 2013A project account – Maintains funds used to fund the debt service account.

Descriptions of the funds required by the Series 2007 and 2006 Bond Indentures are as follows:

- 1) Debt service reserve – Maintains funds from the proceeds of the respective bond series to be available to pay principal of and interest on the respective bonds if other funds are not available.
- 2) Debt service – Moneys deposited into this account pay principal and accrued and unpaid interest on the respective bonds.

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- 3) Net project revenues – Maintains funds used to fund the debt service account.
- 4) Argyle TIF revenues – Argyle TIF revenues are used for the payment of debt service on the Series 2006 Bonds.
- 5) Parking trust – Parking Division accounts – Maintains funds transferred from the respective bond account to be available to pay principal and interest on the respective refunded bonds if other funds are not available.
- 6) Repair and replacement – Provides for the repair and upkeep of parking garages.

Descriptions of the funds required by the Series 2003A and 2003B Bond Indenture are as follows:

- 1) Gross revenues – Maintains revenues resulting from the operations of the Cupples Garage and uses these to pay the operating and debt service costs associated with the Cupples Garage.
- 2) Bond – Moneys deposited into this account pay principal and accrued and unpaid interest on the Series 2003A and 2003B bonds.
- 3) Repair and replacement – Provides for the repair and upkeep of the Cupples Garage.
- 4) Operating reserve – Maintains operating reserve as required by the Bond Indenture.
- 5) Redemption – Maintains funds set aside for the future redemption of the Series 2003A and 2003B bonds.

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(4) Capital Assets

Following is a summary of the changes in capital assets for the year ended June 30, 2014:

	Balances, June 30, 2013	Reclassifications and additions	Retirements	Balances, June 30, 2014
Capital assets being depreciated:				
Buildings and parking garages	\$ 74,532,980	8,255	—	74,541,235
Equipment	1,507,263	48,260	(83,481)	1,472,042
Parking meters and lot equipment	7,518,775	—	—	7,518,775
	<u>83,559,018</u>	<u>56,515</u>	<u>(83,481)</u>	<u>83,532,052</u>
Less accumulated depreciation:				
Buildings and parking garages	(21,354,910)	(2,254,750)	—	(23,609,660)
Equipment	(939,640)	(100,832)	71,006	(969,466)
Parking meters and lot equipment	(6,465,083)	(299,606)	—	(6,764,689)
Total accumulated depreciation	<u>(28,759,633)</u>	<u>(2,655,188)</u>	<u>71,006</u>	<u>(31,343,815)</u>
Total capital assets being depreciated	<u>54,799,385</u>	<u>(2,598,673)</u>	<u>(12,475)</u>	<u>52,188,237</u>
Capital assets not being depreciated:				
Land	22,903,153	—	—	22,903,153
Infrastructure	—	6,026	—	6,026
Total capital assets not being depreciated	<u>22,903,153</u>	<u>6,026</u>	<u>—</u>	<u>22,909,179</u>
	<u>\$ 77,702,538</u>	<u>(2,592,647)</u>	<u>(12,475)</u>	<u>75,097,416</u>

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Following is a summary of the changes in capital assets for the year ended June 30, 2013:

	<u>Balances, June 30, 2012</u>	<u>Reclassifications and additions</u>	<u>Retirements</u>	<u>Balances, June 30, 2013</u>
Capital assets being depreciated:				
Buildings and parking garages	\$ 72,163,764	2,369,216	—	74,532,980
Equipment	1,479,678	102,351	(74,766)	1,507,263
Parking meters and lot equipment	7,370,944	147,831	—	7,518,775
	<u>81,014,386</u>	<u>2,619,398</u>	<u>(74,766)</u>	<u>83,559,018</u>
Less accumulated depreciation:				
Buildings and parking garages	(19,125,721)	(2,229,189)	—	(21,354,910)
Equipment	(881,206)	(101,847)	43,413	(939,640)
Parking meters and lot equipment	(6,103,218)	(361,865)	—	(6,465,083)
Total accumulated depreciation	<u>(26,110,145)</u>	<u>(2,692,901)</u>	<u>43,413</u>	<u>(28,759,633)</u>
Total capital assets being depreciated	<u>54,904,241</u>	<u>(73,503)</u>	<u>(31,353)</u>	<u>54,799,385</u>
Capital assets not being depreciated:				
Land	22,053,153	850,000	—	22,903,153
Construction in process	2,012,595	(2,012,595)	—	—
Total capital assets not being depreciated	<u>24,065,748</u>	<u>(1,162,595)</u>	<u>—</u>	<u>22,903,153</u>
	<u>\$ 78,969,989</u>	<u>(1,236,098)</u>	<u>(31,353)</u>	<u>77,702,538</u>

(5) Related-Party Transactions

The Parking Division is required by a state statute to remit no more than 40% of the increase in Net Position to the City. During the years ended June 30, 2014 and 2013, the Parking Division recorded a transfer to the City of St. Louis, Missouri of \$780,000 and \$500,000, respectively, for this requirement. Of such amount, \$580,000 and \$200,000 was still outstanding as of June 30, 2014 and 2013, respectively, recorded as a due to the City of St. Louis, Missouri.

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Additionally, at June 30, 2014 and 2013, the Parking Division had the following amounts due to the City of St. Louis, Missouri:

- An amount of \$393,333 and \$242,227, respectively, due to the City for reimbursement of Parking Division vouchers paid by the City, net of \$8,612 and \$11,216 as of June 30, 2014 and 2013, respectively, representing amounts due to the Parking Division for City parking fees.
- An amount of \$293,111 and \$211,950, respectively, due to the City for unreimbursed workers' compensation claim liabilities (note 9).
- Under the terms of the Bond Indenture for the Series 2007 and 2006 bonds, the Parking Trust Funds consist of the Net Parking Division Revenues and City General Fund Parking Revenues. These funds are to be used in equal amounts to pay principal and interest on the bonds if other funds are not available. As of the end of the current fiscal year, none of the General Fund Parking Revenues was used to meet the debt service requirements and the Parking Division has a payable to the City of St. Louis, Missouri for this amount.

During the years ended June 30, 2014 and 2013, the City charged the Parking Division \$162,140 and \$153,255, respectively, for services rendered by various City departments, which are included in the Parking Division's operating expenses as interfund services used. The charges for fiscal 2014 and 2013 were reduced by \$19,672 and \$0, respectively, for Treasury services related to paymaster and banking services.

During the years ended June 30, 2014 and 2013, the City transferred \$932,207 and \$906,960, respectively, to the Parking Division from the City's Tax Increment Financing Special Revenue Fund. Of this transfer, \$630,492 and \$609,409, respectively, was applied by the Parking Division towards the principal and interest payments on the Series 1999 Argyle bonds. The remaining \$301,715 and \$297,551, respectively, related to the Buckingham/Euclid TIF project.

(6) Revenue Bonds Payable

On August 19, 2013, the City of St. Louis, Missouri issued \$1,500,000 of Subordinated Parking Revenue Bonds, Series 2013A (the Series 2013A Bond), acting through the Treasurer of the City in her capacity as Supervisor of Parking Meters. The Series 2013A Bond constitutes debt of the Parking Division and was issued for the purpose of financing the acquisition of the Cupples 7 building, the subsequent demolition of the building, the landscaping and improvement of the site, and the cost of issuance. The Series 2013A Bond is a tax-exempt subordinate parking revenue bond, bearing interest at the rate of 2.30% per annum, maturing on December 15, 2022.

On December 13, 2007, the Parking Division issued \$9,370,000 in Series 2007A Parking Revenue Tax Exempt Bonds and \$3,335,000 in Series 2007B Parking Revenue Taxable Bonds. The Series 2007 Bonds were issued for the purpose of providing funds, together with other available funds, for the construction of the Downtown Justice Center Garage, adjacent to the City's new criminal justice center. In addition, the

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Series 2007 Bonds provided funding for debt service reserves, capitalized interest and bond insurance premiums, and other costs of issuance with respect to the Series 2007 Bonds.

On December 14, 2006, the Parking Division issued \$46,250,000 in Series 2006A Parking Revenue Tax Exempt Bonds and \$11,650,000 in Series 2006B Parking Revenue Taxable Bonds. The bonds were issued for the purpose of refunding the outstanding Series 1996 and Series 1999 parking revenue bonds, and advance refunding the outstanding Series 2002 parking revenue bonds to achieve present value savings, provide debt service relief, modernize and streamline the issuance of future revenue bonds, fund the construction of the Euclid/Buckingham Garage, fund the Series 2006A and Series 2006B debt service reserves, and to fund the bond insurance premium and other costs of issuance of the Series 2006A and Series 2006B bonds. The bond series refunded and the amount outstanding were:

- 1) Parking Revenue Refunding Bonds, Series 1996 – \$22,085,000
- 2) Parking Revenue Bonds (Argyle Project), Series 1999 – \$9,805,000
- 3) Subordinated Parking Revenue Bonds (Downtown Parking Facilities), Series 2002 – \$20,170,000

A portion of the net proceeds from the Series 2006A and Series 2006B issuance in the amount of \$53,685,448, plus an additional \$923,804 from the Series 2002 Revenue Bonds debt service monies, \$312,059 from the Series 2002 Revenue Bonds debt service reserve fund, and \$275,914 from the Series 1999 Revenue Bonds debt service reserve funds were deposited into an irrevocable trust with an escrow agent to currently refund the Series 1996 and Series 1999 Bond issuances on December 15, 2006, and to advance refund the Series 2002 Bond issuance on February 1, 2012. Therefore, as of June 30, 2014 and 2013, the Series 1996, Series 1999, and Series 2002 bonds are no longer outstanding. All remaining defeased 2002 Bonds were called on February 1, 2012.

The current and advance refundings resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$7,029,476. In accordance with GASB 65, the loss on bond defeasance has been recorded as a deferred outflow of resources, net of the accumulated amortization and will be recognized as a component of interest expense over its deemed remaining life.

The current and advance refunding increases total debt service payments over the life of the Series 2006A and Series 2006B bond issuances by \$5,745,015, and results in an economic gain (difference between the present values of the old and new debt service payments) of \$2,102,308.

On November 20, 2003, the SLPCFC issued \$6,730,000 in Series 2003A Tax Exempt Parking Revenue Bonds at a variable interest rate not to exceed 12% and \$6,882,000 in Series 2003B Taxable Parking Revenue Bonds at a variable interest rate not to exceed 5% for the purpose of purchasing the Cupples Garage located in downtown St. Louis. The net proceeds of the bonds were \$13,127,018, after the deduction of \$484,982 in underwriting fees and issuance costs. The Series 2003A and 2003B bonds are secured solely by the net revenues of the Cupples Garage and do not constitute a general obligation of the Parking Division or of the City of St. Louis. The Series 2003A bonds are secured by an irrevocable direct pay letter of credit with the Bank of America, N.A. (the Bank) in the original amount of \$6,807,441. The

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letter of credit automatically extends for successive one-year periods until the absolute termination date of June 6, 2028, unless written notice is given not less than one year prior to the actual or anticipated termination date beyond which the Bank elects not to renew the letter of credit. The Parking Division has not received notice of termination as of the date of this report. As of June 30, 2014, there are no outstanding draws related to this letter of credit.

Revenue bonds outstanding at June 30, 2014 and 2013 are as follows:

	2014	2013
SLPCFC Series 2003A tax-exempt revenue bonds, interest rates variable, not to exceed 12%, payable in varying amounts through 2028	\$ 2,880,000	3,165,000
SLPCFC Series 2003B taxable revenue bonds, interest rates variable, not to exceed 5%, payable in varying amounts through 2038	6,039,000	6,142,000
Series 2006 revenue bonds interest ranging from 3.75% to 5.14% payable in varying amounts through 2032	47,975,000	49,615,000
Series 2007 revenue bonds interest ranging from 4.125% to 6.0% payable in varying amounts through 2034	11,285,000	11,605,000
Series 2013A subordinated parking revenue bond, interest rates variable, not to exceed 2.30%, payable in varying amounts through 2022	1,500,000	—
	69,679,000	70,527,000
Unamortized discount and premium	359,929	387,529
Current portion of revenue bonds payable	(2,585,667)	(2,298,000)
	\$ 67,453,262	68,616,529

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Debt service requirements of the revenue bonds at June 30, 2014 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2015	\$ 2,585,667	3,133,072	5,718,739
2016	2,750,666	3,015,800	5,766,466
2017	2,855,666	2,904,992	5,760,658
2018	2,970,666	2,789,540	5,760,206
2019	3,103,667	2,655,856	5,759,523
2020 – 2024	17,416,668	11,013,598	28,430,266
2025 – 2029	19,302,000	6,939,812	26,241,812
2030 – 2034	16,999,000	2,000,481	18,999,481
2035 – 2038	1,695,000	210,600	1,905,600
	<u>\$ 69,679,000</u>	<u>34,663,751</u>	<u>104,342,751</u>

Following is a summary of the changes in revenue bonds payable for the years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Balances, beginning of year, net	\$ 68,616,529	70,992,129
Revenue bonds paid or reclassified as current	(1,135,667)	(2,348,000)
Amortization of discounts and premiums	(27,600)	(27,600)
Balances, end of year, net	<u>\$ 67,453,262</u>	<u>68,616,529</u>
Amount due within one year	\$ 2,585,667	2,298,000

Debt-Related Items Presented as Deferred Outflows of Resources

As required by GASB, the Parking Division recognizes certain debt-related items as deferred outflows of resources. The detail of the debt-related items recognized as deferred outflows of resources is presented below.

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Debt-Related Deferred Outflow of Resources

	2014	2013
Loss on Bond Defeasance	\$ 4,681,577	5,015,977
Deferred Outflow of Resources	\$ 4,681,577	5,015,977

For the years ended June 30, 2014 and 2013, the amortization of the Loss on Bond Defeasance totaled \$334,400, respectively, which increases interest expense.

(7) Employees Retirement System of the City of St. Louis

The Parking Division contributes to the Employees Retirement System of the City of St. Louis (Employees System), a cost-sharing, multiple-employer public defined benefit pension plan.

(a) Plan Description

All Parking Division employees become members of the Employees System upon employment, with the exception of employees hired after attaining age 60.

The Employees System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Employees Retirement System of the City of St. Louis; 1114 Market Street, Suite 900; St. Louis, Missouri 63101.

The Employees System provides for defined benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base. Benefits vest to employees covered by the Employees System after the employee has attained five years of creditable service. Employees retire with full retirement benefits after the age of 65 or if the employee's age and creditable service combined equal or exceed 85 years. Employees may retire and receive a reduced benefit after age 60 with five years of creditable service; age 55 with at least 20 years of creditable service; or at any age with 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted according to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

On June 8, 2000, the Mayor of the City approved an ordinance passed by the Board of Aldermen, authorizing a Deferred Retirement Option Plan (DROP), which became effective January 1, 2001. This plan states that when members reach retirement age, they are allowed to work for five additional years and defer receipt of their retirement allowance. The calculation of average salary for retirement benefits will not include the additional years of service after normal retirement age. The amount that would have been received as retirement benefit is put in a special DROP account monthly. The DROP account will not be adjusted for cost of living increases as the normal retirement benefits are. The DROP account earns interest at the actuarial valuation rate of return and

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at the 10-year U.S. Treasury Bond yield as of September 30 for DROP participants enrolling February 1, 2003 and thereafter. After the members completely terminate employment, the member can withdraw amounts from the DROP account in a lump sum or according to a deferred retirement payment plan.

(b) Funding Policy

The Employees System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method.

Employer contribution rates are established annually by the Board of Trustees of the Employees System based on an actuarial study. Deductions from plan net assets are financed from plan additions. The Board of Trustees established the required employer contributions rate based on active member payroll of 15.56% effective July 1, 2013 and 14.27% of active member payroll effective July 1, 2012.

At September 30, 2013, the actuarial accrued liability of the Employees System was \$889,448,579 and the actuarial value of assets was \$685,397,323. At September 30, 2012, the actuarial accrued liability of the Employees System was \$866,890,445 and the actuarial value of assets was \$653,001,852. However, a determination of the actuarial status is not made for individual funds.

Employees who became members of the Employees System prior to October 14, 1977, and continued to make contributions, may make voluntary contributions to the Employees System equal to 3% of their compensation until the employee's compensation equals the maximum annual taxable earnings under the Federal Social Security Act. Thereafter, employees may contribute 6% of their compensation for the remainder of the calendar year.

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(c) **Annual Pension Cost**

The Parking Division's allocation of the City's annual pension cost and net pension obligation to the Employees System for the years ended June 30, 2014 and 2013 are as follows:

	2014	2013
Annual required contribution	\$ 438,793	423,232
Interest on net pension obligation	53,812	54,406
Adjustment to annual required contribution	(59,750)	(60,410)
Annual pension cost	432,855	417,228
Contributions made	(458,368)	(406,461)
Increase (decrease) in net pension obligation	(25,513)	10,767
Net pension obligation, beginning of year	690,845	680,078
Net pension obligation, end of year	\$ 665,332	690,845

The net pension obligation of \$665,332 and \$690,845 as of June 30, 2014 and 2013, respectively, is reflected as other noncurrent liabilities in the accompanying basic financial statements. During fiscal year 2008, the City of St. Louis Municipal Finance Corporation issued \$46,700,000 in Taxable Leasehold Revenue and Refunding Bonds Series 2007 (Pension Funding Project) to fund the Employees Retirement System. While the Parking Division is not legally responsible for these bonds, \$887,282 of the proceeds was allocated to the Parking Division. Additionally, an \$846,076 liability is reflected as part of the other noncurrent long-term liabilities on the Statement of Net Position and is payable to the City of St. Louis by June 30, 2037.

The following were some of the significant actuarial assumptions used in the valuation of the Employees System:

Valuation date	October 1, 2013
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	Level dollar amount for unfunded liability, open
Remaining amortization period	30 years as of October 1, 2013
Asset valuation method	5-year smoothed market
Inflation rate	3.125%
Investment rate of return	8.00%
Projected salary increases	Varies by age, ranging from 3.500% to 7.0174%
Cost of living adjustments	3.125% per year, simple with a 25% lifetime cap

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
 (An Enterprise Fund of the City of St. Louis, Missouri)

Notes to Basic Financial Statements

June 30, 2014 and 2013

Three-year trend information for the Employees System is as follows:

Fiscal year:	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
2014	\$ 432,855	105.89%	\$ 665,332
2013	417,228	97.42	690,845
2012	365,233	98.16	680,078

(8) Change in Noncurrent Liabilities

The following table shows the changes in noncurrent liabilities for the fiscal year ended June 30, 2014:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due within one year
Revenue bonds payable (see note 6)	\$ 70,527,000	1,500,000	(2,348,000)	69,679,000	2,585,667
Net pension obligation (see note 7)	690,845	—	(25,513)	665,332	—
Pension funding project (see note 7)	846,076	—	(15,551)	830,525	—
Unamortized discounts and premiums, net	387,529	—	(27,600)	359,929	—
Other	160,990	15,220	—	176,210	—
Total	<u>\$ 72,612,440</u>	<u>1,515,220</u>	<u>(2,416,664)</u>	<u>71,710,996</u>	<u>2,585,667</u>

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

Notes to Basic Financial Statements

June 30, 2014 and 2013

The following table shows the changes in noncurrent liabilities for the fiscal year ended June 30, 2013:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due within one year
Revenue bonds payable (see note 6)	\$ 72,763,000	—	(2,236,000)	70,527,000	2,298,000
Net pension obligation (see note 7)	680,078	10,767	—	690,845	—
Pension funding project (see note 7)	860,677	—	(14,601)	846,076	—
Unamortized discounts and premiums, net	415,129	—	(27,600)	387,529	—
Other	161,678	52,783	(53,471)	160,990	—
Total	<u>\$ 74,880,562</u>	<u>63,550</u>	<u>(2,331,672)</u>	<u>72,612,440</u>	<u>2,298,000</u>

(9) Risk Management & Litigation

The Parking Division is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Parking Division participates in the Public Facilities Protection Corporation (PFPC) internal service fund of the City of St. Louis, Missouri. The purpose of PFPC is to account for risks in which the City is self-insured, primarily workers' compensation, unemployment benefits, certain general liability, and various other claims and legal actions. All self-insured claims, liabilities, and payments are recorded in PFPC. The Parking Division reimburses PFPC for workers' compensation claims on a cost-reimbursement basis. At June 30, 2014 and 2013, the Parking Division owed PFPC \$293,111 and \$211,950, respectively, for unreimbursed workers' compensation claim liabilities, which is recorded as part of due to the City of St. Louis, Missouri. All other self-insured risks are paid for by the General Fund of the City on behalf of the Parking Division. The Parking Division also purchases commercial insurance for other risks it considers significant, including surety bonds on various employees that handle cash, general liability, and property damage for its buildings and parking garages. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

(10) Pledged Revenue

The Parking Division has pledged specific net Parking Division project revenues and net Parking Division revenues, net of specified operating expenses, to secure the repayment of the City of St. Louis Parking Revenue Bonds, Series 2006 and 2007. The general purpose of the bonds is to build parking facilities in the City. As of June 30, 2014 the remaining principal and interest requirement is \$88,413,088 payable through fiscal year 2034. Principal and interest paid for the Series 2006 and 2007 Parking Revenue Bonds was \$4,770,973 and \$4,770,631 for the years ended June 30, 2014 and 2013, respectively. The pledged net

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

Notes to Basic Financial Statements

June 30, 2014 and 2013

revenue recognized for the year ended June 30, 2014 and 2013 was \$8,937,106 and \$8,687,275, respectively.

(11) Capital Commitments and Subsequent Events

On June 10, 2010, several employees who were part of an outsourcing of the meter collections, filed suit against the Parking Division. On August 24, 2012, the Court found the Parking Division liable by outsourcing the duties of the employees. However, in fiscal 2014, the Parking Division won the case on appeal and there is a possibility that this case will be taken by the Supreme Court. The process continues to be managed by the legal firm.

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
(An Enterprise Fund of the City of St. Louis, Missouri)

Cupples Garage

Schedules of Assets, Liabilities, and Fund Net Position

(Unaudited)

June 30, 2014 and 2013

Assets	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents	\$ 387,287	345,414
Accounts receivable	5,412	4,641
Total current assets	<u>392,699</u>	<u>350,055</u>
Noncurrent assets:		
Capital assets:		
Equipment	62,266	62,266
Cupples Garage building	11,159,440	11,159,440
Less accumulated depreciation	<u>(3,357,608)</u>	<u>(3,026,823)</u>
	7,864,098	8,194,883
Cupples Garage land	<u>1,950,000</u>	<u>1,950,000</u>
Total capital assets	<u>9,814,098</u>	<u>10,144,883</u>
Total noncurrent assets	<u>9,814,098</u>	<u>10,144,883</u>
Total assets	<u><u>\$ 10,206,797</u></u>	<u><u>10,494,938</u></u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 61,240	60,335
Accrued interest	421	917
Accrued salaries and other benefits	6,200	5,246
Due to the City of St. Louis, Missouri	5,710	88
Unearned revenue and other deposits	33,976	28,261
Current portion of revenue bonds payable	<u>354,000</u>	<u>338,000</u>
Total current liabilities	<u>461,547</u>	<u>432,847</u>
Noncurrent liabilities:		
Revenue bonds payable, net	<u>8,565,000</u>	<u>8,969,000</u>
Total noncurrent liabilities	<u>8,565,000</u>	<u>8,969,000</u>
Total liabilities	<u>9,026,547</u>	<u>9,401,847</u>
Net position – net investment in capital assets	<u>1,180,250</u>	<u>1,093,091</u>
Total liabilities and net position	<u><u>\$ 10,206,797</u></u>	<u><u>10,494,938</u></u>

See accompanying independent auditors' report.

Schedule 2

PARKING DIVISION OF THE CITY OF ST. LOUIS, MISSOURI
 (An Enterprise Fund of the City of St. Louis, Missouri)

Cupples Garage

Schedules of Revenues, Expenses, and Changes in Fund Net Position

(Unaudited)

Years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Cupples Garage	\$ 895,623	750,139
Total operating revenues	<u>895,623</u>	<u>750,139</u>
Operating expenses:		
Parking Division management fees	109,841	79,837
Personal services	112,691	109,337
Materials and supplies	5,921	2,360
Contractual services	88,999	45,032
Insurance	29,871	28,958
Utilities	34,065	34,011
Miscellaneous	—	5,800
Depreciation and amortization	330,784	347,386
Total operating expenses	<u>712,172</u>	<u>652,721</u>
Operating income	<u>183,451</u>	<u>97,418</u>
Nonoperating revenues (expenses):		
Investment income	47	46
Interest expense	(96,339)	(71,007)
Total nonoperating expenses, net	<u>(96,292)</u>	<u>(70,961)</u>
Income before transfers	87,159	26,457
Transfers from the City of St. Louis, Missouri	—	—
Change in net position	87,159	26,457
Total net position, beginning of year	1,093,091	1,393,916
Cumulative effect of change in accounting principle	—	(327,282)
Total net position, beginning of year, adjusted	<u>1,093,091</u>	<u>1,066,634</u>
Total net position, end of year	\$ <u><u>1,180,250</u></u>	<u><u>1,093,091</u></u>

See accompanying independent auditors' report.

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APPENDIX C

DEFINITIONS AND SUMMARY OF THE INDENTURE

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APPENDIX C

DEFINITIONS AND SUMMARY OF THE INDENTURE

The following are summaries of certain provisions of the Indenture, including certain defined terms used therein. The summaries do not purport to be complete, and reference is made to the full text of the Indenture for a complete recital of its terms, as well as a complete recital of the defined terms used therein.

DEFINITIONS

In addition to the words and terms defined elsewhere in this Official Statement the following words and terms shall have the following meanings, unless some other meaning is plainly intended.

“Account” or “Accounts” means one or more of the separate accounts created in the Funds established in the Indenture.

“Accountant’s Certificate” means a certificate signed by an independent certified public accountant or firm of independent certified public accountants of nationally recognized standing, selected by the Issuer, which may be the accountant or firm of accountants who regularly audit the books of the Parking Division.

“Accreted Value” means, with respect to any Capital Appreciation Bonds, (a) as of any Valuation Date, the amount specified as the value of such Bonds on such Valuation Date as set forth in the Supplemental Indenture authorizing such Bonds, and (b) as of any date other than a Valuation Date the sum of (i) the Accreted Value on the next preceding Valuation Date and (ii) the product of (A) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (B) the difference between the Accreted Values for such Valuation Dates.

“Act” means Section 82.470 et seq., Revised Statutes of Missouri, as amended from time to time.

“Annual Budget” means the annual operating budget established for the Parking Division by the Supervisor of Parking Meters, reviewed by the Parking Commission and approved by the Board of Aldermen, as amended or supplemented, and in effect for a particular Fiscal Year as provided in the Act and the Indenture.

“Authorized Representative” means (a) the Supervisor of Parking Meters and (b) such other person or persons at the time designated to act on behalf of the Issuer in matters relating to the Indenture as evidenced by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed by the Supervisor of Parking Meters.

“Balloon Bonds” means any Series or subseries of Bonds, other than a Series or subseries of Bonds that has a final maturity within one year of the original issue date of such Bonds, designated as “Balloon Bonds” by the Issuer in the Supplemental Indenture authorizing the issuance of such Series or subseries of Bonds.

“Board of Aldermen” means the Board of Aldermen of the City.

“Bond Insurance Policy” means bond insurance policy issued by the Bond Insurer insuring the scheduled payment when due of principal of and interest on the Series 2015A Bonds, which constitutes a Qualified Credit Facility under the Indenture.

“Bond Insurer” means the bond insurer specified on the cover page of the Official Statement relating to the Series 2015A Bonds and its successors and assigns, in its capacity as issuer of the Bond Insurance Policy.

“Bondowner”, “Owner” or “Registered Owner” means the Person in whose name any Bond is registered as shown on the bond register kept by the Bond Registrar.

“Bond Registrar” means the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by the Trustee to perform the duties of Bond Registrar enumerated in the Indenture.

“Bonds” means bonds, notes or other obligations (other than Subordinated Indebtedness) authorized by and at any time issued, authenticated and Outstanding under the indenture.

“Book-Entry System” means the book-entry system maintained by the Securities Depository.

“Business Day” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the Trustee is located are required or authorized by law to remain closed, or (c) a day on which the New York Stock Exchange or the Securities Depository is closed.

“Capital Appreciation Bonds” means any Bonds for which interest (a) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Series of Bonds, and (b) is payable only at the maturity of such Bonds, upon the redemption of such Bonds before maturity, or upon the conversion of such Bonds to Bonds with interest payable periodically in installments prior to maturity or prior to redemption or conversion before maturity.

“City” means The City of St. Louis, Missouri, a constitutional charter city and political subdivision.

“Commitment Indebtedness” means the obligation to repay amounts disbursed pursuant to a binding commitment from a Qualified Financial Institution (including a line of credit, letter of credit, standby bond purchase agreement, reimbursement agreement or similar credit or liquidity facility or arrangement established in connection with the issuance or incurrence of any Indebtedness) to refinance, pay, purchase or redeem when due, tendered or required to be paid, purchased or redeemed, other Indebtedness which was incurred or issued in accordance with the provisions of the Indenture, and the obligation to pay interest payable on amounts disbursed for such purposes, plus any fees payable to such financial institution for such commitment.

“Common Debt Service Reserve Account” means the Common Debt Service Reserve Account established in the Debt Service Reserve Fund in the Indenture.

“Common Debt Service Reserve Requirement” means, as of any date of calculation, with respect to the Covered Bonds, an amount equal to the least of (a) 10% of the aggregate original principal amount (or “issue price”, as computed for federal income tax purposes, if original issuance premium or discount is greater than 2%) of the Covered Bonds, (b) Maximum Annual Debt Service on the Covered Bonds, and (c) 125% of the average annual Debt Service Requirements on the Covered Bonds.

“Completion Indebtedness” means Long-Term Indebtedness incurred for the purpose of financing, without materially changing the scope thereof, (a) the completion of facilities for which Long-Term Indebtedness was previously incurred under the provisions of the Indenture, or (b) the improvement, replacement or substitutions for, or additions to, facilities for which Long-Term Indebtedness was previously incurred, necessitated by faulty design, damage to or destruction of such facilities.

“Consultant” means an independent consultant or firm of consultants, or an independent accountant or firm of independent accountants, selected by the Issuer and acceptable to the Trustee, that has skill and experience in the preparation of parking facility management studies and financial feasibility studies for use in connection with the financing and operation of parking facilities, and has a favorable reputation for such skill and experience.

“Costs of Issuance” means costs and expenses incurred in connection with the authorization, sale and issuance of a Series of Bonds described in the Internal Revenue Code, including but not limited to the following:

- (a) underwriter’s fees (whether realized directly or derived through purchase of Bonds at a price below the price at which they are expected to be sold to the public);

- (b) counsel fees (including bond counsel, underwriter’s counsel, Issuer’s counsel, Trustee’s counsel, counsel to the provider of a Qualified Credit Facility or Qualified Liquidity Facility, as well as any other specialized counsel fees incurred in connection with the borrowing);
- (c) financial advisor fees of any financial advisor or swap advisor to the Issuer or the Supervisor of Parking Meters incurred in connection with the issuance of the Bonds;
- (d) initial costs of the Qualified Credit Facility or Qualified Liquidity Facility, if any;
- (e) rating agency fees, if any;
- (f) trustee, escrow agent and paying agent fees;
- (g) accountant fees, feasibility consultant fees and other expenses related to issuance of the Bonds;
- (h) printing costs (for the Bonds and of the preliminary and final official statements relating to the Bonds); and
- (i) fees and expenses of the Issuer or the Supervisor of Parking Meters incurred in connection with the issuance of the Bonds.

“Costs of Issuance Fund” means the Costs of Issuance Fund established in the Indenture.

“Costs of the Project” means all costs of the Issuer properly attributable to the acquisition, construction, improvement and equipping of a Project and all expenses preliminary and incidental thereto incurred by the Issuer in connection therewith and in the issuance of the Bonds, including payment to the Issuer of any amounts, if necessary, to reimburse advances and payments previously made or incurred for any item of Costs of the Project, including but not limited to:

- (a) all amounts payable in connection with the acquisition, construction, improving and equipping of a Project, including all costs and expenses incurred by the Issuer in connection with its development of a Project, and necessary contingency reserves;
- (b) planning and development costs, engineering fees, contractors’ fees, costs of real property, labor, materials, equipment, supplies, insurance and surety bond costs, and legal and financing costs;
- (c) interest on the Bonds during the period of the acquisition, construction, improvement and equipping of a Project and for such period thereafter as may be permitted by law;
- (d) legally required or permitted federal, state and local taxes and payments in lieu of taxes incurred in connection with the acquisition and construction period of a Project;
- (e) any other costs and expenses during the acquisition and construction period of a Project, including fees and expenses of the Trustee and of professional services to comply with the requirements of the Internal Revenue Code; and
- (f) all other costs incurred in connection with, and properly chargeable to, the acquisition, construction, improvement and equipping of a Project and placing the same in operation.

“Costs of the Series 2015A Project” means Costs of the Project relating to the Series 2015A Project.

“Covered Bond” or “Covered Bonds” means all Series of Bonds with respect to which the Issuer has specified pursuant to the Master Indenture and the Supplemental Indenture authorizing such Series of Bonds that such Series of Bonds will be secured by the Common Debt Service Reserve Account in the Debt Service Reserve Fund.

“Credit Facility Provider” means, with respect to a Series of Bonds, the provider of the Qualified Credit Facility with respect to such Series of Bonds, if any.

“Debt Service Coverage Ratio” means, for the period of time for which calculated, the ratio determined by dividing (a) a numerator equal to the Pledged Revenues for such period by (b) a denominator equal to the Debt Service Requirements for all Outstanding Bonds and Parity Indebtedness for such period.

“Debt Service Fund” means the Debt Service Fund established in the Indenture, and within such Fund a Series Debt Service Account to be established under the Supplemental Indenture for each Series of Bonds.

“Debt Service Requirements” means, for the period of time for which calculated and for the Bonds or Parity Indebtedness subject to such calculation, the aggregate principal payments (whether at maturity, or upon mandatory sinking fund redemption, mandatory prepayment or otherwise) and interest payments required to be made during such period on such Bonds or Parity Indebtedness; provided that:

- (a) the amount of such payments for any future period shall be calculated in accordance with the assumptions described under the caption “Calculation of Debt Service Requirements”; and
- (b) such payments shall be excluded from Debt Service Requirements to the extent that such payments were paid or are payable from Escrowed Deposits, or from the proceeds of Refunding Indebtedness or other Long-Term Indebtedness or other amounts held under the Indenture for purposes of making such payments (e.g., accrued and capitalized interest).

“Debt Service Reserve Fund” means the Debt Service Reserve Fund established in the Indenture, and within such Fund the Common Debt Service Reserve Account and each Series Debt Service Reserve Account, if any, established under a Supplemental Indenture for a particular Series of Bonds.

“Debt Service Reserve Requirements” means the Common Debt Service Reserve Requirement and the Series Debt Service Reserve Requirements.

“Defeasance Obligations” means:

- (a) Cash.
- (b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series “SLGs”).
- (c) Direct obligations of the Treasury, which have been stripped by the Treasury itself, as well as CATS, TIGRS and similar securities.
- (d) The interest component of Resolution Funding Corp. (REFCORP) strips, which have been stripped by request to the Federal Reserve Bank of New York in book entry form.
- (e) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated prerefunded municipals to satisfy this condition.
- (f) Obligations issued by the following agencies that are backed by the full faith and credit of the U.S.:
 - (1) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

- (2) Farmers Home Administration (FmHA)
Certificates of beneficial ownership
- (3) Federal Financing Bank
- (4) General Services Administration
Participation certificates
- (5) U.S. Maritime Administration
Guaranteed Title XI financing
- (6) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds;

provided that any such obligations described in (b) through (f) above are not subject to redemption prior to maturity or the date such obligations must be liquidated for their intended purposes.

“Depository” means any bank or trust company or national banking association that satisfies the requirements of the Indenture, including the Trustee, selected by the Issuer and satisfactory to the Trustee as a depository of moneys and securities held under the provisions of the Indenture.

“Event of Default” means any of the events specified as Events of Default in the Indenture and described under the caption “Events of Default”.

“Excluded Facilities” means all parking facilities, lots, garages, spaces or meters located within the City that:

- (a) are owned or leased by the Parking Commission Finance Corporation and operated by the Supervisor of Parking Meters pursuant to a Management Agreement between the Supervisor of Parking Meters and the Parking Commission Finance Corporation, including without limitation, the Cupples Garage Project;
- (b) (1) become owned in whole or in part, leased or managed by the Parking Division on a date subsequent to the date of issuance of the original Series of Bonds, (2) have not generated any Parking Division Revenues prior to such date, (3) are designated by the Supervisor of Parking Meters as “Excluded Facilities” pursuant to the Indenture within 30 days of such date by written notice to the Trustee and (4) are not a Project; or
- (c) are designated by the Supervisor of Parking Meters as “Excluded Facilities” pursuant to the Indenture at any time by written notice to the Trustee, so long as such written notice is submitted to the Trustee together with an Issuer’s Certificate demonstrating that the ratio determined by dividing (i) a numerator equal to the average of the Pledged Revenues for the two most recent Fiscal Years for which audited financial statements are available, less any portion of the Pledged Revenues for such Fiscal Years attributable to the property to be designated as an “Excluded Facility” (taking into account both revenues and expenses attributable to such property) , by (ii) a denominator equal to the Maximum Annual Debt Service with respect to all Bonds and Parity Indebtedness, is not less than 1.50.

“Fiscal Year” means the annual 12-month accounting period of the Issuer as from time to time in effect, initially a period commencing on July 1 of each year and ending on the next succeeding June 30.

“Fund” or “Funds” means one or more of the funds established pursuant to the Indenture, including the Project Fund, the Costs of Issuance Fund, the Revenue Fund, the Parking Trust Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Subordinated Indebtedness Fund, the Rebate Fund and the Repair and Replacement Fund, together with any additional funds established by a Supplemental Indenture pursuant to the Indenture.

“General Fund Bond Contribution” means, as of any date, the difference between (a) the sum of all payments or transfers made prior to such date from the General Fund Parking Revenues Account of the Revenue Fund pursuant to the Indenture and (b) the sum of all moneys paid to the Treasurer, as the City official charged with receiving and keeping the money of the City, for immediate deposit in the general fund of the City prior to such date pursuant to the applicable provisions of the Indenture.

“General Fund Parking Revenues” means all monies collected by the PVB, the TVB or any other similar entity providing a similar function from the issuance, assessment or assignment of parking violation tickets, tags, fees, fines, charges, penalties or other similar revenues presently or in the future generated by and payable to the City for or in connection with the parking of motor vehicles that (a) are collected by employees, agents or representatives of the City other than the employees, agents or representatives of the Supervisor of Parking Meters and (b) would be deposited in the City’s general fund if the provisions of the Indenture providing for the deposit of such monies into the Revenue Fund were not in effect.

“Indebtedness” means all indebtedness or obligations of the Issuer or the Parking Division for the repayment of borrowed money (including Bonds, capital leases and installment purchase contracts) payable out of revenues derived from the operation of the Parking System and shown as liabilities on the balance sheet of the Parking Division or which are properly capitalized on the balance sheet of the Parking Division in accordance with generally accepted accounting principles.

“Indenture” means the Trust Indenture as originally executed by the Issuer, the Parking Commission and the Trustee, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of the Indenture.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

“Investment Securities” means and includes any of the following securities which are at the time legal for investment of the Issuer’s funds under applicable law and the investment policies adopted by the Treasurer:

- (a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.
- (b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):
 - (1) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
 - (2) Farmers Home Administration (FmHA)
Certificates of beneficial ownership
 - (3) Federal Financing Bank

- (4) Federal Housing Administration (FHA)
Debentures
 - (5) General Services Administration
Participation certificates
 - (6) Government National Mortgage Association (GNMA or “Ginnie Mae”)
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
 - (7) U.S. Maritime Administration
Guaranteed Title XI financing
 - (8) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds
- (c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
- (1) Federal Home Loan Bank System
Senior debt obligations
 - (2) Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”) Participation Certificates
Senior debt obligations
 - (3) Federal National Mortgage Association (FNMA or “Fannie Mae”) Mortgage-backed securities and senior debt obligations
 - (4) Resolution Funding Corp.
(REFCORP) obligations
 - (5) Farm Credit System
Consolidated system wide bonds and notes
- (d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G, AAA-m, or AAm, and if rated by Moody’s rated Aaa, Aa1, or Aa2.
- (e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks (including the Trustee or any of its affiliates). The collateral must be held by the Trustee or a third party and the Trustee, on behalf of the Bondowners, must have a perfected first security interest in the collateral.
- (f) Certificates of deposit, savings accounts, deposit accounts or money market deposits that are fully insured by FDIC, including BIF and SAIF.
- (g) Investment agreements (including guaranteed investment contracts, forward purchase agreements and reserve fund put agreements) constituting an obligation of a bank, bank holding company,

savings and loan association, trust company, insurance company or other financial institution whose outstanding unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by a nationally recognized rating agency.

- (h) Commercial paper rated, at the time of purchase, “Prime - I” by Moody’s and “A-1” or better by S&P.
- (i) Bonds or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest rating categories assigned by such agencies.
- (j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime - 1” or “A3” or better by Moody’s and “A-1” or “A” or better by S&P.
- (k) Repurchase Agreements for an initial or renewal term of 30 days or less must follow the following criteria. Repurchase Agreements which exceed an initial or renewal term of 30 days must be acceptable to the Issuer and the provider(s) of any affected Qualified Credit Facility.
 - (1) Repos must be between the Issuer and a dealer bank or securities firm:
 - (A) Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor’s Corporation and Moody’s Investor Services, or
 - (B) Banks rated “A” or above by Standard & Poor’s Corporation and Moody’s investor Services.
 - (2) The written repo contract must include the following:
 - (A) Securities which are acceptable for transfer are:
 - (i) Direct U.S. governments, or
 - (ii) Federal agencies backed by the full faith and credit of the U.S. government (and direct obligations of FNMA & FHLMC if rated “Aaa” by Moody’s and “AAA” by S&P)
 - (B) The initial or any renewal term of the repo may be up to 30 days
 - (C) The collateral must be delivered to the Issuer, the Trustee (if the Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
 - (D) Valuation of Collateral:
 - (i) The securities must be valued weekly, marked-to-market at current market price plus accrued interest
 - (ii) The value of collateral must be equal to 103% of the amount of cash transferred by the Issuer to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 103% of the value of the cash transferred by the Issuer, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(3) Legal opinion which must be delivered to the Issuer:

(A) Repo meets guidelines under state law for legal investment of public funds.

(l) Such other investments permitted by a Supplemental Indenture that are rated in either of the two highest categories by a nationally recognized rating agency (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise) or that are approved in writing by the provider of a Qualified Credit Facility.

“Issuer” means the City, acting through the Treasurer of the City in her capacity as Supervisor of Parking Meters, and its successors and assigns.

“Issuer’s Certificate” means a written certificate, written order or written request of the Issuer signed on behalf of the Issuer by an Authorized Representative, which certificate shall be deemed to constitute a representation of, and shall be binding upon, the Issuer with respect to matters set forth therein, and which certificate in each instance, including the scope, form, substance and other aspects thereof, is acceptable to the Trustee.

“Long-Term Indebtedness” means (a) Indebtedness having an original stated maturity or term greater than one year, or (b) Indebtedness having an original stated maturity or term equal to or less than one year that is renewable or extendable at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof, or with respect to which the Issuer has incurred Commitment Indebtedness that would refinance such Indebtedness for a period extending beyond one year from the date of original issuance or incurrence thereof.

“Maximum Annual Debt Service” means, for the Bonds or Parity Indebtedness subject to such calculation, the maximum amount of Debt Service Requirements on such Bonds or Parity Indebtedness as computed for the then current or any future Fiscal Year.

“Net Parking Division Revenues” means, for any period of calculation, the difference between (a) Parking Division Revenues for such period that are not attributable to the Projects, and (b) Operation and Maintenance Expenses for such period that are not attributable to the Projects.

“Net Project Operating Revenues” means, for any period of calculation, the difference between (a) all Parking Division Revenues for such period that are attributable to the Projects and (b) the Operation and Maintenance Expenses attributable to the Projects during such period.

“Net Project Revenues” means, for any period of calculation, the sum of (a) Net Project Operating Revenues with respect to such period and (b) Supplemental Project Revenues with respect to such period.

“Non-Recourse Indebtedness” means any Indebtedness secured by a mortgage, lien or security interest in an Excluded Facility and/or the income and revenues attributable to an Excluded Facility, the liability for which is effectively limited to such property, with no recourse to any other property of the Issuer or the Parking Division.

“Operation and Maintenance Expenses” means all of the reasonable, necessary and lawful costs and expenses payable by the Parking Division relating to the operation, maintenance, administration and monitoring of the Parking System and the enforcement of parking statutes and ordinances incurred in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period, including amounts reasonably required to be set aside in reserves for items of operation and maintenance expenses the payment of which is not then immediately required. Operation and Maintenance Expenses shall not include (a) items that are capitalized pursuant to then existing accounting practices of the Issuer, (b) any amounts transferred by the Supervisor of Parking Meters to the general fund of the City pursuant to the Act during such period, (c) depreciation and amortization or (d) payments with respect to Bonds, Parity Indebtedness or Subordinated Indebtedness.

“Opinion of Bond Counsel” means a written opinion of Armstrong Teasdale LLP, or other legal counsel selected by the Issuer who is nationally recognized as expert in matters pertaining to the validity of obligations of

governmental issuers and the exemption from federal income taxation of interest on such obligations, addressed and delivered to the Issuer and the Trustee.

“Opinion of Counsel” means a written opinion of legal counsel having expertise in the matters covered in such opinion, selected by the Issuer. Any Opinion of Counsel may be based, insofar as it relates to factual matters or information which is in the possession of the Issuer, upon an Issuer’s Certificate, unless such counsel knows, or in the exercise of reasonable care should know, that such Issuer’s Certificate is erroneous.

“Outstanding” means, as of the date of determination (subject to the defeasance provisions of the Indenture), all Bonds theretofore authenticated and delivered under the Indenture, except the following:

- (a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation as provided in the Indenture;
- (b) Bonds for whose payment or redemption money or Defeasance Obligations in the necessary amount has been deposited with the Trustee in trust for the Owners of such Bonds as provided in the Indenture, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made;
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture; and
- (d) Bonds alleged to have been destroyed, lost or stolen which have been paid as provided in the Indenture.

“Parity Indebtedness” means Indebtedness that is incurred by the Issuer or the Parking Division pursuant to the Indenture and is on a parity with the Bonds pursuant to the provisions of the Indenture. See the caption “Permitted Indebtedness”.

“Parity Indebtedness Account” means the Parity Indebtedness Account created within the Debt Service Fund pursuant to the Indenture.

“Parking Commission” means the Parking Commission of the City established pursuant to the Act.

“Parking Commission Finance Corporation” means the City of St. Louis Parking Commission Finance Corporation, a Missouri nonprofit corporation.

“Parking Division” means the Parking Division of the City established pursuant to the Act.

“Parking Division Bond Contribution” means, as of any date, the difference between (a) the sum of all payments or transfers made prior to such date from the Net Parking Division Revenues Account of the Revenue Fund pursuant to the Indenture, and (b) the sum of certain moneys paid to the Supervisor of Parking Meters prior to such date pursuant to the Indenture.

“Parking Division Revenues” means:

- (a) all monies derived from the issuance, assessment or assignment of fees, fines, tickets, tags, charges, penalties, interest earnings or other similar revenues by employees, agents or representatives of the Supervisor of Parking Meters (including employees, agents or representatives of the Parking Division and any parking violation enforcement division established by the Supervisor of Parking Meters), presently or in the future generated by and payable to the Supervisor of Parking Meters for or in connection with the parking of motor vehicles on streets or in or on present or future off-street and on-street parking lots, areas, garages or other similar

facilities, including parking fees, meter collections, parking violations, fines, penalties, permit fees and administrative costs;

- (b) lease revenue from tenants leasing a portion of the Parking System and any other revenues, rents, income, receipts and other moneys received by the Parking Division from and in connection with the operation of the Parking System; and
- (c) the proceeds of insurance covering business interruption loss relating to the Parking System.

Parking Division Revenues shall not include: (1) any revenues, rents, income, receipts and other moneys received by the Parking Division from and in connection with the operation of Excluded Facilities; (2) amounts received by the Issuer as a result of the sale of any portion of the Parking System that is duly conveyed to a third party by the Issuer; (3) insurance proceeds resulting from casualty damage to the Parking System (other than proceeds of any business interruption loss insurance); (4) the proceeds from the sale of the Bonds; (5) interest and other investment income received or to be received on any moneys or securities held pursuant to an indenture of trust entered into by the Issuer with respect to bonds, notes or other evidences of indebtedness payable on a basis subordinate to the Bonds, except to the extent that the Issuer specifies in a Supplemental Indenture that such interest and other investment income shall constitute Parking Division Revenues; (6) amounts received by or on behalf of the Issuer pursuant to any Qualified Swap Facility, except to the extent that the Issuer specifies in a Supplemental Indenture that such amounts shall constitute Parking Division Revenues; (7) amounts received by or on behalf of the Issuer pursuant to a Qualified Credit Facility, except to the extent that the Issuer specifies in a Supplemental Indenture that such amounts shall constitute Parking Division Revenues; or (8) moneys that are not derived from the activities listed in clauses (a) through (c) above but are nonetheless pledged to the repayment of the Bonds in a Supplemental Indenture pursuant to clause (e) of the definition of “Pledged Revenues.”

“Parking Meter Fund” means the parking meter fund established and maintained by the Supervisor of Parking Meters pursuant to the Act, into which all Parking Division Revenues are deposited as provided in the Act.

“Parking System” means all public parking facilities, lots, garages, spaces, and meters that are owned in whole or in part, leased or managed by the Parking Division as provided in the Act, and all other assets owned in whole or in part by the Parking Division; provided, however, that, for purposes of the Indenture, the Parking System shall not include the Excluded Facilities.

“Parking Trust Fund” means the Parking Trust Fund established by the Trustee pursuant to the Indenture, and within such Fund the General Account, the Net Parking Division Revenues Account and the General Fund Parking Revenues Account.

“Parking Trust Fund Requirement” means, as of any date of calculation, an amount equal to one-half of the Maximum Annual Debt Service for the Bonds then Outstanding. An increase or decrease in the Maximum Annual Debt Service for the Bonds shall result in an increase or decrease, respectively, in the Parking Trust Fund Requirement.

“Paying Agent” means the Trustee, any other bank or trust company or national banking association designated as Paying Agent for the Bonds of any Series, and its successor or successors appointed in the manner provided in the Indenture.

“Permitted Encumbrances” means, with respect to any portion of the Parking System, as of any particular time, the following:

- (a) liens for taxes, assessments, and other governmental charges not delinquent, or if delinquent are being contested in good faith by appropriate proceedings and as to which the Parking Division shall have set aside on its books adequate reserves with respect thereto;
- (b) mechanic’s, laborer’s, materialman’s, supplier’s or vendor’s liens not filed of record and similar charges not delinquent, or if filed of record are being contested in good faith and have not

proceeded to judgment and as to which the Parking Division shall have set aside on its books adequate reserves with respect thereto;

- (c) liens in respect of judgments or awards with respect to which the Issuer or the Parking Division is in good faith currently prosecuting an appeal or proceedings for review, and with respect to which the Issuer or the Parking Division shall have secured a stay of execution pending such appeal or proceedings for review, provided the Parking Division shall have set aside on its books adequate reserves with respect thereto;
- (d) utility, access and other easements and rights-of-way, restrictions, encumbrances and exceptions that do not materially affect the marketability of title to such property and do not in the aggregate materially impair the use of such property for the purposes for which it is held;
- (e) such minor defects and irregularities of title as normally exist with respect to property similar in character to the property affected thereby and which do not materially affect the marketability of title to or value of such property and do not materially impair the use of such property for the purposes for which it is held;
- (f) zoning laws, ordinances or regulations and similar restrictions that are not violated by the property affected thereby;
- (g) statutory liens and rights of setoff granted to banks or other financial institutions with respect to funds on deposit in the ordinary course of business;
- (h) liens arising by reason of good faith deposits with the Issuer or the Parking Division in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money);
- (i) liens existing on property at the time of its acquisition by the Issuer or the Parking Division through purchase, lease or otherwise; provided, that no such lien may be increased, extended, renewed, or modified after such date to apply to any property of the Issuer or the Parking Division not subject to such lien on such date unless such lien as so increased, extended, renewed or modified otherwise qualifies as a Permitted Encumbrance;
- (j) leases, under which the Issuer or the Parking Division is the lessor, that relate to property of the Issuer or Parking Division that is of a type that is customarily the subject of such leases, provided that in the event that any such lease relates to a Project, an Opinion of Bond Counsel addressed to the Issuer and the Trustee to the effect that the execution of such lease will not adversely affect the exclusion of the interest on any tax-exempt Bonds from gross income for federal income tax purposes shall be delivered to the Trustee prior to the execution of such lease;
- (k) purchase money mortgages, security interests, and liens securing Purchase Money Indebtedness, placed upon property in order to obtain the use of such property or to secure a portion of the purchase price thereof;
- (l) liens on property securing Commitment Indebtedness issued in support of any Long-Term Indebtedness which are equal in rank and priority with or subordinate to the liens granted to secure such Long-Term Indebtedness;
- (m) liens on property securing Parity Indebtedness, provided that a parity lien on the same property is granted to secure all Bonds;
- (n) liens on property securing Subordinated Indebtedness, provided that a superior lien on the same property is granted to secure all Bonds;

- (o) liens on property which are existing at the date of the Indenture; provided that no such lien (or the amount of Indebtedness secured thereby) may be increased, extended, renewed or modified to apply to any property of the Issuer or the Parking Division not subject to such lien on such date unless such lien as so increased, extended, renewed or modified otherwise qualifies as a Permitted Encumbrance;
- (p) any other lien or encumbrance created or incurred in the ordinary course of business which does not secure, directly or indirectly, the repayment of borrowed money or the payment of installment sales contracts or capital leases and which, individually or in the aggregate, does not materially impair the value or the utility of the property subject to such lien or encumbrance; and
- (q) any other liens on property approved in writing by the owners of all of the Bonds.

“Permitted Transfer” means, with respect to any portion of the Parking System or any property essential to the proper operation of the Parking System or to the maintenance of the Parking Division Revenues, as of any particular time, any of the following:

- (a) a transfer of property to any Person in the ordinary course of business;
- (b) the disposal of property, or a transfer of property to any Person, if in the reasonable judgment of the Supervisor of Parking Meters, such property has, or within the next succeeding 12 calendar months is reasonably expected to, become inadequate, obsolete or worn out, or otherwise unsuitable, unprofitable, undesirable or unnecessary for the operation of the Parking Division’s primary business;
- (c) a transfer of property other than a Project to any Person if in the reasonable judgment of the Supervisor of Parking Meters, the property to be transferred is not essential to the Parking Division’s primary business operation, and the proceeds of such transfer are used to acquire additional facilities that will become a part of the Parking System or are essential to the proper operation of the Parking System or to the maintenance of the Parking Division Revenues, to repay the principal of Long-Term Indebtedness of the Issuer, or otherwise used in a productive manner to the benefit of the Parking Division’s operations; and
- (d) a retirement or removal from service of any property, including the removal of parking meters or the closure of a parking facility, if in the reasonable judgment of the Supervisor of Parking Meters, such property is no longer essential or appropriate for the operation of the Parking System and such retirement or removal from service is authorized by the Parking Commission based on a finding that such action will not materially adversely affect Pledged Revenues.

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

“Pledged Revenues” means, collectively, (a) Net Project Revenues, (b) Net Parking Division Revenues, (c) General Fund Parking Revenues, (d) interest and other investment income received or to be received on any moneys or securities held pursuant to the Indenture and required to be paid into the Revenue Fund and (e) any other amounts pledged to the repayment of the Bonds or a portion thereof in a Supplemental Indenture.

“Principal Installment” means, with respect to any Series of Bonds, (a) the principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance of any Sinking Fund Installment due on a certain future date for Bonds of such Series.

“Project” or **“Projects”** means any facility or facilities constituting a part of the Parking System that are financed or refinanced in whole or in part with proceeds of Bonds, and all substitutions therefor, additions thereto and replacements thereof, including the land, lots and attendant easements and rights of way relating thereto. With

respect to the Series 2015A Bonds and as used in the Supplemental Indenture relating to the Series 2015A Bonds, the term “Project” means the purchase and installation of modern parking meters for 7,700 parking spaces and revenue control equipment for the Cupples Garage located in the City.

“**Project Fund**” means the Project Fund established in the Indenture, and within such Fund a separate Series Project Account for each Series of Bonds that finances Costs of the Project established pursuant to the Indenture and the Supplemental Indenture authorizing each Series of Bonds.

“**Project Insurance Proceeds**” means insurance proceeds (other than proceeds of any business interruption loss insurance) paid to the Issuer or the Trustee on account of the damage or destruction of any portion of a Project following the completion of the acquisition and construction of such Project.

“**Project Sale Proceeds**” means amounts received by the Issuer as a result of the sale, transfer or assignment of any Project or portion thereof duly conveyed to a third party by the Issuer.

“**Prudent Practice**” means, as of any particular time, any of the practices, methods and acts engaged in or approved by a significant portion of the parking industry at such time, or which, in the exercise of reasonable judgment in light of facts known at such time, could have been expected to accomplish the desired results at a reasonable cost consistent with good business practices, reliability, safety and expedience. Prudent Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others or to be limited to the lowest-cost practice, method or act, but rather to be a spectrum of possible practices, methods and acts.

“**Purchase Money Indebtedness**” means Indebtedness incurred pursuant to a purchase money contract, conditional sale agreement, installment purchase contract, capitalized lease, or other similar debt or title retention agreement in connection with the acquisition of real or personal property and secured by a purchase money mortgage, security interest or lien with respect to the property acquired by the Parking Division, where the lien of the seller or lender under such agreement is limited to such property.

“**PVB**” means the Parking Violations Bureau of the City, a bureau within the office of the Supervisor of Parking Meters.

“**Qualified Credit Facility**” means with respect to any Bonds or Series of Bonds, an insurance policy, surety bond, letter of credit, line of credit or other form of credit enhancement in favor of the Owners of such Bonds, issued by a bank, trust company, national banking association, insurance company or other credit enhancer with a credit rating in one of the two highest rating categories of any nationally recognized rating service (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise), for the purpose of providing a source of funds for the payment of all or a portion of the principal of and interest on such Bonds when due.

“**Qualified Financial Institution**” means a bank, trust company, national banking association, insurance company or other financial services company or entity, approved by each Credit Facility Provider and whose unsecured long term debt obligations (in the case of a bank, trust company, national banking association or other financial services company or entity) or whose claims paying abilities (in the case of an insurance company) are rated in one of the two highest rating categories by a nationally recognized rating service (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise).

“**Qualified Liquidity Facility**” means with respect to any Bonds or Series of Bonds, a letter of credit, line of credit, standby bond purchase agreement, or other liquidity facility or arrangement for liquidity support in favor of the Owners of such Bonds, issued by a bank, trust company, national banking association or other liquidity provider with a credit rating in one of the two highest rating categories of any nationally recognized rating service (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise), for the purpose of providing a source of funds for the payment of all or a portion of the purchase price of such Bonds that are tendered for purchase by the Owners thereof.

“Qualified Reserve Facility” means with respect to any Bonds or Series of Bonds, a letter of credit, surety bond or similar instrument issued by a bank, insurance company or other financial institution with a credit rating in one of the two highest rating categories (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise) by any nationally recognized rating service, for the purpose of satisfying all or any portion of the Debt Service Reserve Requirement with respect to a Series of Bonds.

“Qualified Swap Facility” means with respect to any Bonds or Series of Bonds, an interest rate exchange, hedge or similar agreement or facility entered into by the Issuer and a counterparty who is a member of the International Swap Dealers Association, pursuant to which the Issuer is obligated to make interest-like payments to or on behalf of another Person (based on a specific rate or formula for interest) and that Person is obligated to make similar interest-like payments to or on behalf of the Issuer (based on a different rate of, or formula for, interest), with neither party obligated to repay any principal, which agreement:

- (a) may include, without limitation, an interest rate swap, a forward or futures contract or an option (e.g., a call, put, cap, floor or collar); and
- (b) does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof;

provided that either (1) the credit rating of the swap counterparty (or any guarantor thereof) is in one of the two highest rating categories of any nationally recognized rating service (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise), or (2) if such Bonds are secured by a Qualified Credit Facility, such Qualified Swap Facility is approved in writing by the provider of such Qualified Credit Facility.

“Rebate Fund” means the Rebate Fund established in the Indenture, and within such Fund a separate Series Rebate Account established with respect to each Series of Bonds the interest on which is intended to be tax-exempt for the purpose of facilitating compliance with Section 148 of the Internal Revenue Code.

“Record Date” means, with respect to any interest payment date for any Series of Bonds, the date specified as the Record Date in the Supplemental Indenture authorizing the issuance of such Series of Bonds. The Record Date for the Series 2015A Bonds is the close of business on the 1st day (whether or not a Business Day) of the calendar month in which an interest payment date with respect to the Series 2015A Bonds occurs.

“Redemption Price” means, with respect to any Bond, the principal thereof plus the applicable redemption premium, if any, payable upon redemption thereof.

“Refunding Bonds” means any Series of Bonds issued, authenticated and delivered on original issuance pursuant to the Indenture, for the purpose of refunding other Indebtedness of the Issuer (including bonds commonly referred to as current refunding bonds, advance refunding bonds or cross-over refunding bonds where the proceeds of such Refunding Bonds are deposited in an irrevocable escrow or trust account to secure the payment on the applicable payment dates of the interest on and principal or Redemption Price of such bonds being refunded and/or such Refunding Bonds).

“Refunding Indebtedness” means Long-Term Indebtedness issued for the purpose of refunding other Long-Term Indebtedness (including Long-Term Indebtedness commonly referred to as current refunding indebtedness, advance refunding indebtedness or cross-over refunding indebtedness where the proceeds of such Refunding Indebtedness are deposited in an irrevocable escrow or trust account to secure the payment on the applicable payment dates of the interest and principal on such Refunding Indebtedness and/or the Indebtedness being refunded).

“Reimbursement Obligation” means any amounts payable by the Issuer to reimburse or repay the provider of a Qualified Credit Facility, a Qualified Liquidity Facility or a Qualified Reserve Facility for amounts paid or advanced thereunder in connection with any Bonds, to refinance, pay, purchase or redeem when due, tendered or required to be paid, purchased or redeemed, Bonds under the Indenture, and the obligation of the Issuer to pay

interest payable on amounts disbursed for such purposes, plus any fees payable to the provider of such Qualified Credit Facility, Qualified Liquidity Facility or Qualified Reserve Facility.

“Repair and Replacement Fund” means the Repair and Replacement Fund established in the Indenture.

“Repair and Replacement Requirement” means the amount specified by the Issuer to the Trustee in writing, which shall be based upon the recommendation of a Consultant, which amount shall be reviewed at least once every three years by a Consultant and shall be modified by written notice to the Trustee in accordance with the recommendations of such Consultant.

“Required Interest” means, as of any date of calculation, with respect to a Series of Bonds or any Parity Indebtedness, the sum of (a) the interest on such Series of Bonds or such Parity Indebtedness that has accrued and is unpaid as of the date of calculation and (b) the interest on such Series of Bonds or such Parity Indebtedness that will be accrued during the period commencing on the date of calculation and ending on the interest payment date immediately preceding the date that is six months from the date of calculation. In determining the Required Interest on any Variable Rate Bonds or Parity Indebtedness bearing interest at a variable rate, the interest rate on such Variable Rate Bonds or Parity Indebtedness for any period prior to the date of calculation or for which the interest rate has been determined shall be the actual interest rate payable during such period, and the interest rate on such Variable Rate Bonds or Parity Indebtedness for any period for which the actual interest rate cannot be determined shall be the interest rate then in effect for such Variable Rate Bonds or Parity Indebtedness plus 50 basis points.

“Required Principal” means, as of any date of calculation, with respect to a Series of Bonds or any Parity Indebtedness, the sum of (a) all Principal Installments of such Series of Bonds or principal payments with respect to such Parity Indebtedness that are due and are unpaid as of the date of calculation and (b) that portion of the next due and payable Principal Installment for such Series of Bonds or principal payments with respect to such Parity Indebtedness occurring not later than 12 months after the date of calculation that represents: (1) if such Principal Installment or principal payment is due more than six months after the date of calculation, 50% of the amount of such next due and payable Principal Installment or principal payment or (2) if such Principal Installment or principal payment occurs not later than 6 months after the date of calculation, the amount of such next due and payable Principal Installment or principal payment.

“Revenue Fund” means the Fund by that name established pursuant to the Indenture, and within such Fund the General Account, the Net Parking Division Revenues Account and the General Fund Parking Revenues Account.

“Securities Depository” means The Depository Trust Company, New York, New York, or its nominee, and its successors and assigns, acting as securities depository under a Book-Entry System.

“Series” means all of the Bonds designated as being of the same Series authenticated and delivered on original issuance and identified pursuant to the Indenture and the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture.

“Series 2015A Project” means the purchase and installation of modern parking meters for 7,700 parking spaces and revenue control equipment for the Cupples Garage located in the City.

“Series Debt Service Account” means, with respect to any Series of Bonds, the Debt Service Account created within the Debt Service Fund pursuant to the Indenture and the Supplemental Indenture authorizing such Series of Bonds.

“Series Debt Service Reserve Account” means, with respect to any Series of Bonds that are not Covered Bonds, the Series Debt Service Reserve Account, if any, created within the Debt Service Reserve Fund pursuant to the Indenture and the Supplemental Indenture authorizing such Series of Bonds.

“Series Debt Service Reserve Requirement” means, as of any date of calculation, with respect to any Series of Bonds that are not Covered Bonds, an amount equal to the least of (a) 10% of the aggregate original

principal amount (or “issue price”, as computed for federal income tax purposes, if original issuance premium or discount is greater than 2%) of such Series of Bonds, (b) Maximum Annual Debt Service on such Series of Bonds, and (c) 125% of the average annual Debt Service Requirements for such Series of Bonds.

“Series Project Account” means, with respect to any Series of Bonds, the Project Account created within the Project Fund pursuant to the Trust Indenture and the Supplemental Indenture authorizing such Series of Bonds.

“Short-Term Indebtedness” means Indebtedness having an original maturity less than or equal to one year from the date of original incurrence thereof, and not renewable or extendible at the option of the obligor thereon for a term greater than one year beyond the date of original issuance.

“Sinking Fund Installment” means, with respect to any Series of Bonds, a principal amount of such Series of Bonds that is subject to mandatory redemption prior to maturity on a specified date, as provided in the Supplemental Indenture authorizing such Series of Bonds.

“Subordinated Indebtedness Fund” means the Fund by that name established pursuant to the Indenture.

“Subordinated Indebtedness” means any bond, note or other Indebtedness which is expressly made subordinate and junior in right of payment to the Bonds and which complies with the provisions of the Indenture. Subordinated Indebtedness shall not be, nor shall be deemed to be, Bonds for purposes of the Indenture, except as may be expressly provided by Supplemental Indenture.

“Supervisor of Parking Meters” means the Treasurer of the City, acting in her capacity as Supervisor of Parking Meters pursuant to the Act and under the designation Supervisor of Parking Meters pursuant to any valid City Ordinance.

“Supplemental Indenture” means any indenture supplemental or amendatory to the Indenture entered into by the Issuer and the Trustee pursuant to the Indenture, including Supplemental Indenture No. 4 relating to the Series 2015A Bonds.

“Supplemental Project Revenues” means, for any period of calculation, all revenues relating to a Project that are received by the Issuer or the Trustee during such period, including but not limited to tax revenues received in connection with a tax increment financing district or a transportation development district, that (a) do not constitute Project Operating Revenues and (b) are pledged to the repayment of the Bonds or a portion thereof pursuant to a Supplemental Indenture.

“Total Operating Revenues” means the aggregate operating revenues of the Parking Division for the most recent Fiscal Year for which audited financial statements are available, which shall include the Parking Division Revenues with respect to such Fiscal Year as well as the revenues excluded from the definition of “Parking Division Revenues” in clauses (1), (5) and (8) thereof with respect to such Fiscal Year.

“Treasurer” means the Treasurer of the City, acting in her capacity as the head of the treasury division of the City pursuant to Article XV, Section 24 of the City Charter, as amended.

“Trustee” means UMB Bank, N.A., and its successors and assigns, and any other corporation or association which may at any time be substituted in its place as provided in the Indenture.

“Trust Estate” means the property described as the Trust Estate in the Granting Clauses of the Indenture, including:

- (a) the proceeds of the sale of the Bonds;
- (b) the Pledged Revenues;
- (c) all right, title and interest of the Issuer in, to and under the City Agreement;

- (d) all money and securities in the Funds held by the Trustee under the Indenture (except for the Costs of Issuance Fund, the Rebate Fund and the Repair and Replacement Fund) including the investments thereof, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture; and
- (e) any and all other property (real, personal or mixed) of every kind and nature from time to time, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security under the Indenture by the Issuer or by anyone on its behalf or with its written consent, to the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

“**TVB**” means the Traffic Violation Bureau of the City, a bureau of the City’s Municipal Court that is administered by the Clerk of the Court.

“**Valuation Date**” means, with respect to any Capital Appreciation Bonds, the date or dates for which specific Accreted Values are assigned to the Capital Appreciation Bonds as set forth in the Supplemental Indenture relating to such Bonds.

“**Variable Rate Bonds**” means Bonds that provide for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the Supplemental Indenture with respect to such Bonds and which for any future period of time is not susceptible of precise determination.

SUMMARY OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. This summary does not purport to be complete, and reference is made to the full text of the Indenture for a complete recital of its terms, as well as a complete recital of the defined terms used therein.

Authorization of Bonds

The Issuer is authorized to issue Bonds in one or more Series from time to time under the Indenture and pursuant to one or more Supplemental Indentures for the purpose of (a) paying all or a portion of the Costs of the Project, (b) refunding all or a portion of one or more Series of Bonds then Outstanding or all or a portion of any Indebtedness issued or incurred by the Issuer to finance a portion of the Parking System, (c) funding reserve deposits and capitalized interest with respect to such Bonds and/or (d) paying Costs of Issuance. The number of Series of Bonds and the aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Indenture is not limited except as may hereafter be provided in the Indenture or as may be limited by law. A Series of Bonds may be issued in one or more subseries.

One or more Series of Bonds may be authenticated and delivered upon original issuance from time to time in such principal amount for each such Series as may be determined by the Issuer for an authorized purpose. Each such Series shall be in such principal amount which, when taken together with funds previously used, funds then legally available, or funds to be obtained in the future for such authorized purpose, will provide the Issuer with sufficient funds to pay the estimated Costs of the Project with respect to the Project being financed, or the costs of refunding any Bonds, as shall be set forth in an Issuer’s Certificate furnished pursuant to the Indenture.

Any Bonds may be issued as Capital Appreciation Bonds pursuant to the terms of the Supplemental Indenture authorizing such Bonds. Whenever the term “principal amount” is used in the Indenture, other than in connection with the original principal amount of a Series of Bonds, such term shall mean “Accreted Value” as of the relevant date when such term is used in connection with Capital Appreciation Bonds.

Nothing contained in the Indenture shall prevent the issuance, authentication and delivery of one or more Series of Bonds for any combination of the authorized purposes set forth above in the Indenture, if so directed by the Issuer, pursuant to a Supplemental Indenture; provided that each of the tests, conditions and other requirements

contained in the Indenture, as applicable to each such separate Series, shall be met and complied with. Except as otherwise provided in the Indenture or in such Supplemental Indenture, such a consolidated Series shall be treated as a single Series for all purposes of the Indenture.

General Provisions for Issuance of Bonds

The Bonds of each Series shall be executed by the Issuer for issuance under the Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered by the Trustee to or upon the order of the Issuer, but only upon compliance with the conditions set forth in the Indenture and upon the receipt by the Trustee of the documents specified in the Indenture, including:

- (a) An Issuer's Certificate that contains the following:
 - (1) the estimated Costs of the Project with respect to the Project being financed by such Series of Bonds or the costs of refunding the Indebtedness of the Issuer to be refunded;
 - (2) a statement of the authorized purpose of such Series of Bonds, and that such Series is in such principal amount which, when taken together with funds previously used, funds then legally available, or funds to be obtained in the future for such authorized purpose, will provide the Issuer with sufficient funds to pay the estimated Costs of the Project of the Project being financed by such Series of Bonds, or the costs of refunding the applicable Indebtedness of the Issuer;
 - (3) except in the case of the initial Series of Bonds issued under the Indenture and any Series of Refunding Bonds, a statement that, upon the authentication and delivery of the Bonds of such Series, no Event of Default has occurred and is then continuing under the Indenture and no event has or will have occurred which, with the passage of time or the giving of notice, or both, would give rise to an Event of Default under the Indenture;
 - (4) a statement that the issuance of such Series of Bonds complies with the requirements of the Indenture;
 - (5) except in the case of any Series of Refunding Bonds that is being issued to refund Outstanding Bonds and that does not cause the Maximum Annual Debt Service on the Bonds to increase by more than 5%,
 - (A) evidence demonstrating that the Debt Service Coverage Ratio, excluding the Bonds proposed to be issued, for the most recent Fiscal Year for which audited financial statements are available was not less than 1.35; and
 - (B)
 - (i) evidence demonstrating that the ratio determined by dividing (x) a numerator equal to the average of the Pledged Revenues for the two most recent Fiscal Years for which audited financial statements are available by (y) a denominator equal to the Maximum Annual Debt Service with respect to all Outstanding Bonds and Parity Indebtedness after giving effect to the Bonds proposed to be issued, is not less than 1.35; or
 - (ii) if such Bonds are being issued in connection with the financing of a Project, evidence demonstrating that the ratio determined by dividing (x) a numerator equal to the average of the Pledged Revenues for the two most recent Fiscal Years for which audited financial statements are available, plus the Project Revenues projected to be generated by the facilities to be financed with the proceeds of the proposed Bonds during the Fiscal Year immediately succeeding the projected completion date of such facilities as projected in a written report of a Consultant

provided to the Trustee, by (y) a denominator equal to the Maximum Annual Debt Service with respect to all Outstanding Bonds and Parity Indebtedness after giving effect to the Bonds proposed to be issued, is not less than 1.50.

- (b) An Opinion of Bond Counsel to the effect that:
- (1) the Issuer has the right and power to enter into the Indenture, and the Indenture has been duly and lawfully authorized by the Issuer, is in full force and effect and is valid and binding upon the Issuer in accordance with its terms, and no other authorization for the Indenture is required;
 - (2) the Indenture creates the valid pledge which it purports to create of the Pledged Revenues and other funds held under the Indenture subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and the conditions set forth in the Indenture;
 - (3) the Bonds of such Series are valid and binding obligations of the Issuer as provided in the Indenture, and are entitled to the benefits of the Indenture and of the Act, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act as amended to the date of such Opinion, and in accordance with the Indenture; and
 - (4) if the interest on such Series of Bonds, or a subseries of such Series of Bonds, is intended to be tax-exempt, the interest on such Bonds is excludable from gross income for federal income tax purposes;

provided, that such Opinion of Bond Counsel may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally and need not express any opinion as to the availability of any specific remedy.

Refunding Bonds

One or more Series of Refunding Bonds may be issued, authenticated and delivered under the Indenture to refund any outstanding Indebtedness of the Issuer. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding.

Subordinated Indebtedness

The Issuer and the Parking Division may from time to time issue Subordinated Indebtedness for any purpose in connection with the Parking System, including, without limitation, the financing of any part of the Costs of the Project with respect to a Project being financed by such Subordinated Indebtedness or the refunding of any Subordinated Indebtedness or Outstanding Bonds or other Indebtedness of the Issuer. Such Subordinated Indebtedness shall be payable out of and may be secured by a pledge of such amounts in the Subordinated Indebtedness Fund as may from time to time be available therefor, provided, however, that any such payment or pledge shall be, and shall be expressed to be, subordinate and junior in all respects to the pledge and lien created under the Indenture as security for the Bonds; and provided, further, that unless the Indenture or other resolution, indenture or instrument, including any Supplemental Indenture, authorizing any issue of Subordinated Indebtedness shall provide that no such certificate shall be required, no such Subordinated Indebtedness may be so issued except upon receipt by the Trustee of an Issuer's Certificate upon original issuance stating that the Issuer is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture. Any issue of Subordinated Indebtedness may have such rank or priority with respect to any other issue of Subordinated Indebtedness as may be provided in the Indenture or other resolution, indenture or instruments, including any Supplemental Indentures, securing such issue of Subordinated Indebtedness and may contain such other provisions as are not in conflict with the provisions of the Indenture.

Qualified Credit Facilities

The Supplemental Indenture providing for the issuance of a Series of Bonds may provide that the Issuer obtain or cause to be obtained as additional security for such Series of Bonds (or one or more maturities thereof) a Qualified Credit Facility providing for payment of the principal and interest due or to become due on such Bonds of such Series. Any such additional security with respect to a particular Series of Bonds (or one or more maturities thereof) need not extend to any other Series of Bonds unless required under the Indenture. The Supplemental Indenture pursuant to which any Series of Bonds is issued may provide for such additional security and permit realization upon such security solely for the benefit of the Bonds entitled thereto, and as are not inconsistent with the intent of the Indenture.

Unless otherwise provided in a Supplemental Indenture, if a Series of Bonds is secured by a Qualified Credit Facility, so long as the Qualified Credit Facility is in full force and effect, and payment on the Qualified Credit Facility is not in default, (a) the provider of the Qualified Credit Facility shall be deemed to be the Owner of the Outstanding Bonds of such Series (or portion thereof secured thereby) when the approval, consent or action of the Bondowners of such Series of Bonds is required or may be exercised under the Indenture, including upon occurrence of an Event of Default, except that such issuer may not cause a modification of the Indenture without the consent of the Owner of each Outstanding Bond affected thereby, and (b) the Indenture may not be amended in any manner which adversely affects the rights of the issuer of such Qualified Credit Facility without its prior written consent.

Qualified Liquidity Facilities

The Supplemental Indenture providing for the issuance of a Series of Bonds may provide that the Issuer obtain or cause to be obtained for such Series of Bonds (or one or more maturities thereof) a Qualified Liquidity Facility providing for payment of the purchase price of such Bonds that are tendered for purchase by the Owners thereof.

Qualified Swap Facilities

In connection with the issuance of a Series of Bonds or at any time thereafter so long as a Series of Bonds remains Outstanding, the Issuer may obtain or enter into a Qualified Swap Facility providing for certain payments by the Issuer and a swap counterparty, which payments are calculated by reference to fixed or variable rates and constituting a financial accommodation between the Issuer and such swap counterparty if (a) the Issuer determines that any such agreement (I) will assist the Issuer in more effectively managing its interest costs or cash flow, and (2) will not result in a downward revision or withdrawal of any rating on any Series of Bonds by a nationally recognized rating service, (b) the Issuer would be in compliance with the conditions for the issuance of such Series of Bonds to which the Qualified Swap Facility relates assuming such Bonds were being issued at the time the Issuer enters into the Qualified Swap Facility and (c) the Qualified Swap Facility is approved in writing by the provider(s) of the Qualified Credit Facilities, if any.

The Issuer may determine from time to time to enter into one or more Qualified Swap Facilities, provided that the Issuer and the Trustee execute a Supplemental Indenture that shall include provisions that:

- (a) Set forth the manner or method for the calculation of the payments and receipts under such Qualified Swap Facility and the scheduled payment dates therefor,
- (b) Provide that payments under such Qualified Swap Facility (other than the amount, if any, payable by the Issuer, or by the Trustee for the account of the Issuer, upon the commencement or termination of such Qualified Swap Facility, or for other fees, expenses, or indemnification obligations under such Qualified Swap Facility) shall be made (1) by the Issuer, or by the Trustee for the account of the Issuer, out of a special subaccount in the related Series Debt Service Account, on a parity with the principal of and interest on the Bonds, or (2) by the Issuer out of the Subordinated Indebtedness Fund; provided, however, that no payments under such Qualified Swap Facility may be payable from or secured by amounts on deposit in the Debt Service Reserve Fund

or the Parking Trust Fund; and provided further, that payments made upon the commencement or termination of such Qualified Swap Facility, or for other fees, expenses or indemnification obligations under such Qualified Swap Facility, shall be payable as provided herein under the caption "Disbursements from Revenue Fund";

- (c) Provide that any amounts received by the Issuer or the Trustee from a swap counterparty under such Qualified Swap Facility (other than a lump sum payment made upon the commencement or termination of such Qualified Swap Facility) shall be deposited promptly upon receipt as follows: (1) to the extent that at the time of the receipt by the Issuer or the Trustee of such amount, the amount then on deposit in the related Series Debt Service Account shall be less than the amount then required to be on deposit therein, such amounts shall be deposited into a special subaccount in such Series Debt Service Account; and (2) any remaining amounts shall be deposited into the General Account of the Revenue Fund and applied as provided herein under the caption "Disbursements from Revenue Fund"; and
- (d) Provide that any lump sum payment made upon the commencement or termination of such Qualified Swap Facility (1) owed by the Issuer shall be payable solely as provided herein under the caption "Disbursements from Revenue Fund", or (2) received by the Issuer or the Trustee shall be deposited into the General Account of the Revenue Fund and applied as provided herein under the caption "Disbursements from Revenue Fund".

The Issuer may enter into a Qualified Swap Facility under which swap payments, including swap termination payments, are to be made solely from the Subordinated Indebtedness Fund.

Calculation of Debt Service Requirements

For purposes of the various calculations under the Indenture, the amount of Bonds, the amortization schedule of such Bonds and the Debt Service Requirements with respect to such Bonds shall be calculated in accordance with the actual amortization schedule for such Bonds, except as follows:

- (a) *Balloon Bonds.* The Debt Service Requirements on Balloon Bonds may be deemed to be payable as follows:
 - (1) If the Issuer or the Parking Division has incurred and there is in effect at the time Commitment Indebtedness to provide refinancing sufficient to pay the principal amount of any such Balloon Bonds becoming due in each Fiscal Year in which 25% or more of the original principal amount of such Balloon Bonds comes due, such Bonds may be deemed to be payable in accordance with the terms of such Commitment Indebtedness; or
 - (2) If the Supervisor of Parking Meters delivers an Issuer's Certificate to the Trustee that establishes an amortization schedule for any such Balloon Bonds, which provides for payments of principal and interest for each Fiscal Year that are sufficient to make any actual payments required to be made in such Fiscal Year by the terms of such Bonds; and the Supervisor of Parking Meters agrees in such Issuer's Certificate that the Issuer will deposit for each Fiscal Year with a bank or trust company (pursuant to an agreement between the Issuer and such bank or trust company, which agreement shall be satisfactory in form and substance to the Trustee) the amount of principal shown on such amortization schedule net of any amount of principal actually paid on such Bonds during such Fiscal Year (other than from amounts on deposit with such bank or trust company), which deposit shall be made prior to any such required actual payments, then such Indebtedness may be deemed to be payable in accordance with the terms of such amortization schedule and agreement; or
 - (3) Such Bonds, in a principal amount not in excess of 25% of the Bonds Outstanding, may be deemed to be payable on a level annual debt service basis over a period of up to 25

years from the date of issuance or incurrence of such Bonds (or such longer period as set forth and deemed reasonable in a written report of a Consultant), as designated by the Issuer, bearing interest on the unpaid principal balance at the assumed rate equal to the rate set forth in the 25-year Bond Buyer Revenue Bond Index most recently published in The Bond Buyer plus 50 basis points (or such other index as set forth and deemed reasonable in a report of a Consultant).

- (b) *Capital Appreciation Bonds.* The principal amount of Bonds that constitutes Capital Appreciation Bonds shall be deemed to be the Accreted Value thereof as of the relevant date.
- (c) *Bonds Supported By Commitment Indebtedness.* The Debt Service Requirements on Bonds with respect to which the Issuer or the Parking Division has incurred Commitment Indebtedness that would refinance such Bonds for a period extending beyond its original maturity date, may be deemed to be payable in accordance with the terms of such Commitment Indebtedness.
- (d) *Qualified Credit Facilities.* No Reimbursement Obligations shall be deemed payable with respect to Bonds supported by a Qualified Credit Facility until such time as amounts are paid under such Qualified Credit Facility and the obligation to make payments under the Qualified Credit Facility actually arises (and only to the extent of advances actually made under such Qualified Credit Facility). From and after such funding, the amount of the Debt Service Requirement with respect to the Qualified Credit Facility shall be calculated in accordance with the actual amount of Reimbursement Obligations required to be repaid on such Qualified Credit Facility and the actual interest rate and amortization schedule applicable thereto. No Debt Service Requirement shall be deemed to arise with respect to a Qualified Credit Facility when any funding occurs under any such commitment if such funding is immediately repaid and such commitment is reinstated in accordance with its terms, or when any such commitment is renewed upon terms which provide for substantially the same terms of repayment of amounts disbursed pursuant to such commitment as existed prior to such renewal.
- (e) *Qualified Swap Facilities.* If the Issuer has entered into a Qualified Swap Facility with respect to a Series of Bonds (or portion thereof), such Bonds shall be deemed to bear interest for the period of time the Qualified Swap Facility is in effect at a net interest rate which takes into account the interest payments made or to be made by the Issuer with respect to such Bonds and the net payments expected to be paid or received by the Issuer under the Qualified Swap Facility; if such net amount is less than zero, such net amount may be credited against other interest coming due in so calculating Debt Service Requirements so long as the credit rating of the swap counterparty (or any guarantor thereof) is in one of the two highest rating categories of a nationally recognized rating service (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise).
- (f) *Variable Rate Bonds.* In determining the Debt Service Requirements on any Series of Bonds that constitute Variable Rate Bonds, the interest rate on such Bonds for any period prior to the date of calculation or for which the interest rate has been determined shall be the actual interest rate payable during such period, and for each year in which such Bonds are Outstanding and for which the actual interest rate cannot be determined, the interest rate on such Bonds for the period of determination shall be deemed to be the greater of (1) the variable rate certified by the Issuer's financial advisor, underwriter or other agent, including a remarketing agent or auction agent, to be the variable rate then in effect for such Series of Bonds and (2) an assumed rate equal to the rate set forth in the 25-year Bond Buyer Revenue Bond Index most recently published in The Bond Buyer (or such other index as may be deemed comparable in a report of a Consultant) plus 50 basis points.

When calculating interest payable during such Fiscal Year for any Series of Variable Rate Bonds which are issued with a Qualified Swap Facility in which the Issuer has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Qualified Swap Facility so long as the credit rating of

the swap counterparty (or any guarantor thereof) is in one of the two highest rating categories of a nationally recognized rating service (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise); provided that such effective fixed annual rate may be utilized only if the Qualified Swap Facility has been reviewed and approved by each of the rating agencies then rating the Series of Variable Rate Bonds and each provider of a Qualified Credit Facility with respect to payment of the Series of Variable Rate Bonds; and provided further that such effective fixed annual interest rate may be utilized only so long as such a Qualified Swap Facility is contracted to remain in full force and effect.

Bonds Limited Obligations

The Bonds and the interest thereon shall be special, limited obligations of the Issuer payable solely out of the Pledged Revenues and certain other funds held under the Indenture, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Bonds, as provided in the Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State of Missouri or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of Missouri or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State of Missouri or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Nothing contained in the Indenture shall be construed to prevent the Issuer from acquiring and financing through the issuance of its bonds, notes or other evidences of indebtedness any interests which do not constitute a part of the Parking System for the purposes of the Indenture; provided such bonds, notes or other evidences of indebtedness shall not be payable out of or secured by the Revenues or any Fund held under the Indenture.

Method and Place of Payment

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

Unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the interest payable on each Bond on any interest payment date shall be paid by the Trustee to the Registered Owner of such Bond as shown on the bond register at the close of business on the Record Date, (a) by check or draft mailed to such Registered Owner at the address as it appears on the bond register or at such other address as is furnished to the Trustee in writing by such Owner, or (b) with respect to Variable Rate Bonds or Bonds held by a Securities Depository, or at the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least \$1,000,000, by electronic transfer to such Owner upon written notice to the Trustee from such Owner containing the electronic transfer instructions to which such Owner wishes to have such transfer directed, provided such written notice is given by such Owner to the Trustee not less than 15 Business Days before the applicable Record Date. Any such written notice for electronic transfer shall be signed by such Owner and shall include the name of the bank (which shall be located in the continental United States), its address, its ABA routing number and the name, number and contact name related to such Owner's account at such bank to which the payment is to be credited.

Registration, Transfer and Exchange

No service charge shall be made for any registration, transfer or exchange of Bonds, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Issuer. In the event any Registered Owner fails to provide a certified taxpayer identification number to the Trustee, the Trustee may impose 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 Internal Revenue Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Registered Owner under the Indenture or the Bonds.

The Trustee shall not be required (a) to transfer or exchange any Bond during a period beginning 15 days before the day of the mailing of a notice of redemption of such Bond and ending at the close of business on the day of such mailing, or (b) to transfer or exchange any Bond so selected for redemption in whole or in part, during a period beginning at the opening of business on any Record Date for such Bond and ending at the close of business on the relevant interest payment date therefor.

The Trustee will keep the bond register on file at its corporate trust office or such other office as the Trustee shall designate, which shall include a list of the names and addresses of the last known Owners of all Bonds of each Series and the numbers of such Bonds held by each of such Owners. At reasonable times and under reasonable regulations established by the Trustee, the list may be inspected and copied by the Issuer or the Owners of 10% in principal amount of Bonds Outstanding or the authorized representative thereof, provided that the ownership of such Owner and the authority of any such designated representative shall be evidenced to the satisfaction of the Trustee.

Persons Deemed Owners of Bonds

The Person in whose name any Bond is registered on the bond register shall be deemed and regarded as the absolute owner thereof for all purposes, except as otherwise provided in the Indenture or a Supplemental Indenture with respect to a Series of Bonds secured by a Qualified Credit Facility or when a Book-Entry System is in effect for a particular Series of Bonds, and payment of or on account of the principal or Redemption Price of and interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative, but such registration may be changed as provided in the Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Mutilated, Destroyed, Lost and Stolen Bonds

If (a) any mutilated Bond is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Trustee such security or indemnity as may be required by the Trustee to save each of them harmless, then, in the absence of notice to the Trustee that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same principal amount, bearing a number not contemporaneously outstanding. Upon the issuance of any new Bond, the Issuer and the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Cancellation of Bonds

All Bonds surrendered to the Trustee for payment, redemption, transfer, exchange or replacement shall be promptly cancelled by the Trustee. The Issuer may at any time deliver to the Trustee for cancellation any Bonds previously authenticated and delivered under the Indenture, which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Trustee. No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in the Indenture, except as expressly provided by the Indenture. All cancelled Bonds held by the Trustee shall be destroyed and disposed of by the Trustee in accordance with applicable record retention requirements. The Trustee shall execute and deliver to the Issuer a certificate describing the Bonds so cancelled.

Establishment of Funds and Accounts

Pursuant to the Indenture, the following Funds and Accounts are established, each of which shall be held by the Trustee:

- (a) Project Fund, which shall consist of a separate Series Project Account for each Series of Bonds, in which the Trustee may establish such subaccounts (including insurance proceeds subaccounts) as shall be necessary to segregate and account for Bond proceeds and other amounts to be deposited in the Project Fund.
- (b) Costs of Issuance Fund, which shall consist of a separate Series Costs of Issuance Account for each Series of Bonds.
- (c) Revenue Fund, including therein a General Account, a Net Parking Division Revenues Account and a General Fund Parking Revenues Account.
- (d) Parking Trust Fund, including therein a General Account, a Net Parking Division Revenues Account and a General Fund Parking Revenues Account.
- (e) Debt Service Fund, which shall consist of a separate Series Debt Service Account for each Series of Bonds, in which the Trustee may establish separate subaccounts (including capitalized interest subaccounts) as set forth in the Supplemental Indenture authorizing such Series of Bonds, and a Parity Indebtedness Account.
- (f) Debt Service Reserve Fund, which shall consist of a Common Debt Service Reserve Account and may contain a separate Debt Service Reserve Account for any one or more Series of Bonds.
- (g) Subordinated Indebtedness Fund, which may contain separate Subordinated Indebtedness Accounts for any one or more issues of Subordinated Indebtedness.
- (h) Rebate Fund, which shall consist of a separate Series Rebate Account for each Series or subseries of Bonds the interest on which is intended to be tax-exempt.
- (i) Repair and Replacement Fund.

Each Supplemental Indenture authorizing the issuance of Variable Rate Bonds and providing for the tender of such Variable Rate Bonds by the Owners thereof shall create and establish a separate trust fund held by the Trustee and known as the “Purchase Fund” (inserting therein the Series designation of such Bonds). The deposits to and withdrawals from such Purchase Fund shall be as set forth such Supplemental Indenture.

The Issuer may, by Supplemental Indenture, establish one or more additional funds, accounts or subaccounts to be held by the Trustee or the Issuer.

The Supplemental Indenture relating to the Series 2015A Bonds establishes in the custody of the Trustee the following Accounts and subaccounts with respect to the Series 2015A Bonds:

- (a) Within the Project Fund, the Series 2015A Project Account (the “*Series 2015A Project Account*”).
- (b) Within the Costs of Issuance Fund, the Series 2015A Costs of Issuance Account (the “*Series 2015A Costs of Issuance Account*”).
- (c) Within the Subordinated Indebtedness, the Series 2015A Debt Service Account (the “*Series 2015A Debt Service Account*”).
- (d) Within the Debt Service Reserve Fund, the Series 2015A Debt Service Reserve Account (the “*Series 2015A Debt Service Reserve Account*”).
- (e) Within the Rebate Fund, the Series 2015A Rebate Account (the “*Series 2015A Rebate Account*”).

All moneys deposited with or paid to the Trustee or the Issuer for the Funds and Accounts held by the Trustee or the Issuer, respectively, under the Indenture shall be held and applied by the Trustee or the Issuer, as applicable, only in accordance with the provisions of the Indenture and each applicable Supplemental Indenture. Until used or applied as provided in the Indenture, all moneys in the Funds and Accounts held by the Trustee under the Indenture (except for moneys in the Costs of Issuance Fund, the Rebate Fund and the Repair and Replacement Fund) shall be held by the Trustee in trust and shall constitute part of the Trust Estate and be subject to the lien, terms and provisions of the Indenture and shall not be commingled with any other funds and accounts of the Trustee except as provided in the Indenture for investment purposes.

Project Fund

There shall be paid into the Project Fund the amounts required to be so paid by the provisions of the Indenture and any Supplemental Indenture with respect to a Series of Bonds, and there may be paid into the Project Fund, at the direction of the Issuer, any moneys received for or in connection with the Parking System from any other source, unless required to be otherwise applied as provided by the Indenture. Amounts in the Project Fund shall be applied to the payment of the Costs of the Project or the costs of refunding any Indebtedness of the Issuer in the manner provided in the Indenture.

Except as provided herein under the caption “Reconstruction; Application of Insurance Proceeds” or in any Supplemental Indenture with respect to a Series of Bonds, the proceeds of insurance, including the proceeds of any self-insurance fund, maintained pursuant to the Indenture against physical loss of or damage to the Parking System or casualty loss, or of contractors’ performance bonds or other assurances of completion with respect thereto, pertaining to the period of acquisition and construction thereof, shall be paid into the appropriate separate Series Project Account in the Project Fund.

Notwithstanding any of the other provisions described under this caption, to the extent that other moneys are not available therefor, amounts in the Project Fund shall be applied to the payment of principal of and interest on the applicable Series of Bonds when due.

The completion of acquisition and construction of the Project for which a separate Series Project Account has been established in the Project Fund shall be evidenced by an Issuer’s Certificate filed with the Trustee, stating that such Project has been completed substantially in accordance with the plans and specifications applicable thereto. Upon the filing of such Issuer’s Certificate with respect to the Series 2015A Project, the balance in the Series 2015A Project Account shall be applied as follows (in any order as determined by the Issuer): (1) deposited into the Series 2015A Debt Service Reserve Account to fund any amounts required to be deposited therein, so long as such deposit does not violate Section 148(d)(2) of the Internal Revenue Code as provided for in an Opinion of Bond Counsel delivered to the Trustee; (2) deposited into the Series Debt Service Account with respect to the applicable Series of Bonds and used to redeem Bonds as described in this Official Statement under the caption “THE SERIES 2015A BONDS – Redemption Provisions – Optional Redemption from Moneys Remaining in Series 2015A Project Account”; (3) used to purchase Series 2015A Bonds as provided under the caption “Purchase of Bonds”; (4) used for capital improvements with respect to the Parking System as permitted under applicable law and covenants regarding the use of proceeds of the Series 2015A Bonds as provided for in an Opinion of Counsel delivered to the Trustee; or (5) used for any other purpose, so long as such use will not adversely affect the exclusion of the interest on any tax-exempt Bonds from gross income for federal income tax purposes as set forth in an Opinion of Bond Counsel.

Costs of Issuance Fund

Moneys in the Series Costs of Issuance Accounts of the Costs of Issuance Fund shall be used solely for the purpose of paying Costs of Issuance with respect to the applicable Series of Bonds, as provided in the Indenture.

Disbursements From Revenue Fund

Amounts on deposit in the Revenue Fund shall be disbursed as described in this Official Statement under the caption “SECURITY FOR THE SERIES 2015A BONDS — Application of Moneys in Revenue Fund.”

Debt Service Fund

Each Series of Bonds is required to be secured by an Account established within the Debt Service Fund. The Issuer has established under the Indenture the Series 2015A Debt Service Account. See the caption “SECURITY FOR THE SERIES 2015A BONDS — Debt Service Fund” in this Official Statement.

Parking Trust Fund

Amounts on deposit in the Parking Trust Fund shall be applied as described in this Official Statement under the caption “SECURITY FOR THE SERIES 2015A BONDS — Parking Trust Fund”

Debt Service Reserve Fund

Each Series of Bonds is required to be secured by an Account established within the Debt Service Reserve Fund. The Issuer has established under the Indenture a Common Debt Service Reserve Account that shall be funded to secure the Covered Bonds in an amount equal to the Common Debt Service Reserve Requirement. In addition, a Series Debt Service Reserve Account has been established for the benefit of the Series 2015A Bonds as set forth in a Supplemental Trust Indenture No. 4. Each Supplemental Indenture shall either (1) specify that the Series of Bonds issued pursuant to such Supplemental Indenture will be secured by the Common Debt Service Reserve Account or (2) create a Series Debt Service Reserve Account for such Series of Bonds and establish a related Series Debt Service Reserve Requirement, in which case such Bonds shall have a claim for payment on the related Series Debt Service Reserve Account as set forth therein. Except as otherwise provided in the Indenture, amounts held in an Account of the Debt Service Reserve Fund shall be applied only to prevent deficiencies in the payments of principal of and interest on the related Series of Bonds that have a claim on such Account.

The Issuer has established a separate account within the Debt Service Reserve Fund for the Series 2015A Bonds as described in this Official Statement under the caption “SECURITY FOR THE SERIES 2015A BONDS — Debt Service Reserve Fund”.

Upon the issuance of a Series of Covered Bonds, the Issuer shall calculate the amount of the Common Debt Service Reserve Requirement to reflect the issuance of such Covered Bonds. Any resulting increase in the amount of the Common Debt Service Reserve Requirement shall be funded in whole at the time of issuance of a Series of Covered Bonds by the deposit of cash, Investment Securities or a Qualified Reserve Facility. Upon the issuance of any Series of Bonds that are not Covered Bonds but are secured by a Series Debt Service Reserve Account, such Series Debt Service Reserve Account will be funded in an amount and in the manner to be set forth in the Supplemental Indenture authorizing such Series of Bonds.

Amounts on deposit in the Debt Service Reserve Fund in the Common Debt Service Reserve Account or any Series Debt Service Reserve Account established for a Series of Bonds shall be disbursed and expended by the Trustee solely for the payment of the principal of and interest on the one or more Series of Bonds secured by the applicable Account of the Debt Service Reserve Fund if sufficient moneys therefor are not available in the applicable Accounts relating to such Series of Bonds, first, in the Debt Service Account(s) established with respect to such Series of Bonds, and second, in the Parking Trust Fund. In the event the balance of moneys in the applicable Debt Service Account(s) and the Parking Trust Fund are insufficient to pay the principal of and interest on a Series of Bonds secured by an Account of the Debt Service Reserve Fund when due and payable, the Trustee shall apply amounts from the applicable Account of the Debt Service Reserve Fund to the payment of principal of and interest on such Series of Bonds to the extent necessary to cure such deficiency with respect to such Series of Bonds pro rata based on the amount of such deficiency. The Trustee may use moneys in an Account of the Debt Service Reserve Fund for such purpose whether or not the amount in such Account at that time equals the applicable Debt Service Reserve Requirement. Such moneys shall be used first to make up any deficiency in the payment of interest and then principal with respect to such Series of Bonds.

The Issuer may cause to be deposited into the Common Debt Service Reserve Account or any Series Debt Service Reserve Account in the Debt Service Reserve Fund one or more Qualified Reserve Facilities to satisfy a Debt Service Reserve Requirement. Each Qualified Reserve Facility in an Account of the Debt Service Reserve

Fund shall be payable (upon the giving of notice as required thereunder and, unless otherwise authorized by any Supplemental Indenture), on a pro rata basis with any other Qualified Reserve Facilities on deposit in such Account of the Debt Service Reserve Fund based on the available principal amount of such Qualified Reserve Facilities on any day on which moneys will be required to be withdrawn from such Account and applied to make up any deficiency in the Debt Service Accounts pursuant to (d) above with respect to the Bonds secured by such Account of the Debt Service Reserve Fund; provided, that prior to drawing on any Qualified Reserve Facility, any cash or Investment Securities in the applicable Account of the Debt Service Reserve Fund shall be applied to cure such deficiency. Not less than 60 days prior to the expiration of any Qualified Reserve Facility, the Issuer shall provide a commitment for the extension of the term thereof or a new Qualified Reserve Facility to be deposited in the related Account of the Debt Service Reserve Fund on or before the date of such expiration or shall make provision for the deposit of cash and Investment Securities into such Account in an amount necessary to provide that the amount held therein at the expiration of the Qualified Reserve Facility shall equal the applicable Debt Service Reserve Requirement.

If the rating of any provider of a Qualified Reserve Facility is down-graded below the required ratings or the Qualified Reserve Facility is otherwise terminated or not renewed by the Issuer, then the Issuer must immediately either (1) direct the Trustee to draw on such Qualified Reserve Facility and deposit the proceeds of said drawing to the applicable Account of the Debt Service Reserve Fund, or (2) otherwise provide funds for deposit in the applicable Account of the Debt Service Reserve Fund in an amount sufficient to satisfy the related Debt Service Reserve Requirement. In the event that the Issuer fails to take action as required by the immediately preceding sentence within 5 Business Days after the Trustee receives notice from the provider of such Qualified Reserve Facility or from the Issuer or its representatives of the downgrade or termination, the Trustee shall draw on such Qualified Reserve Facility and deposit the proceeds of said drawing to the applicable Account of the Debt Service Reserve Fund.

If on the date of any valuation as provided in the Indenture, the value of the Common Debt Service Reserve Account or any Series Debt Service Reserve Account of the Debt Service Reserve Fund exceeds the applicable Debt Service Reserve Requirement, the cash or Investment Securities held in such Account in excess of the required amount shall be transferred by the Trustee to the General Account of the Revenue Fund.

If on the date of any valuation as provided in the Indenture, the value of the Common Debt Service Reserve Account or any Series Debt Service Reserve Account of the Debt Service Reserve Fund is less than the applicable Debt Service Reserve Requirement because of a withdrawal from said Account as described under this caption or a valuation under the Indenture, the Trustee shall calculate the amount of such deficiency and then determine the monthly deposit necessary to restore the funds in such account to the applicable Debt Service Reserve Requirement as follows. If such deficiency exists in the Common Debt Service Reserve Account or the Series 2015A Debt Service Reserve Account, the monthly deposit of the Issuer shall be equal to the difference between the Common Debt Service Reserve Requirement or the Series 2015A Debt Service Reserve Requirement, as applicable, and the amount of cash and Investment Securities and the balance available to be drawn on the related Qualified Reserve Facilities on such date, divided by 12. In the event that a deficiency exists in any other Series Debt Service Reserve Account, the monthly deposit of the Issuer shall be calculated in accordance with the terms of the applicable Supplemental Indenture.

In the event of the refunding of all or a portion of a Series of Bonds secured by a Debt Service Reserve Account in the Debt Service Reserve Fund, the Trustee shall, upon the direction of the Issuer, withdraw from the related Debt Service Reserve Account of the Debt Service Reserve Fund amounts accumulated therein with respect to the Series of Bonds being refunded and (1) deposit such amounts with itself as Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded or (2) transfer such amounts to the trustee with respect to the refunding bonds for deposit in a reserve account established with respect to the refunding bonds; provided that such withdrawal shall not be made unless (A) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to the Indenture, and (B) the amount remaining in the applicable Debt Service Reserve Account of the Debt Service Reserve Fund after such withdrawal shall not be less than the applicable Debt Service Reserve Requirement.

Whenever the amount in the Debt Service Reserve Fund, excluding the amounts available under any Qualified Reserve Facility, together with the amounts in the accounts in the Debt Service Fund are sufficient to pay

in full all Outstanding Bonds in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in each Account of the Debt Service Reserve Fund may, at the direction of the Issuer, be transferred to the related Account in the Debt Service Fund and no further deposits shall be required to be made into the Debt Service Reserve Fund.

Subordinated Indebtedness Fund

The Trustee shall apply amounts in the Subordinated Indebtedness Fund at the times, in the amounts and to the purposes specified with respect thereto in the respective resolutions, indentures or other instruments, including any Supplemental Indenture, relating to such Fund and the Subordinated Indebtedness payable therefrom or secured thereby. Subject to the provisions of, and to the priorities and limitations and restrictions provided in, the Indenture, and the indenture or other instrument, including any Supplemental Indenture, securing each issue of Subordinated Indebtedness, amounts in the Subordinated Indebtedness Fund which the Issuer at any time determines to be in excess of the requirements of such Fund, may, at the discretion of the Issuer, be transferred to the General Account of the Revenue Fund and applied as described under the caption "Disbursements From Revenue Fund".

Repair and Replacement Fund

There shall be paid into the Repair and Replacement Fund the amounts required to be so paid by the provisions of the Indenture and any Supplemental Indenture with respect to a Series of Bonds, and there may be paid into the Repair and Replacement Fund other moneys as directed in writing by the Issuer. If and to the extent provided in a Supplemental Indenture authorizing Bonds of a Series or in a resolution, indenture or other instrument, including a Supplemental Indenture, authorizing Parity Indebtedness or Subordinated Indebtedness, amounts from the proceeds of such Bonds, Parity Indebtedness or Subordinated Indebtedness, respectively, may be credited to the Repair and Replacement Fund and to any Account therein as specified in such documents for any purpose of such Fund or Account. Amounts in the Repair and Replacement Fund shall be applied to payment of renewals, repairs, replacements, additions, betterments and improvements in connection with the Parking System necessary to keep the same in good operating condition, and to payment of extraordinary operation and maintenance expenses and contingencies, including payments with respect to the prevention or correction of any unusual loss or damage in connection with the Parking System, all to the extent not provided for in the then current Annual Budget or by reserves from the proceeds of Bonds, notes or other evidences of indebtedness issued by the Issuer to finance or refinance the Costs of the Project. Before any payment shall be made, the Issuer shall file with the Trustee its requisition thereof set forth in an Issuer's Certificate, stating in respect of the payment to be made (1) the name and address of the Person to whom payment is due (which may be the Issuer if the Issuer provided the item which is the basis of such payment), (2) the amount of such payment, (3) that such payment in the stated amount is a proper charge against the Repair and Replacement Fund and that no part of such payment will be applied to any which has previously been paid from any Fund or Account created under the Indenture. The Trustee shall promptly issue its check for each payment required by such requisition or shall by interbank transfer or other method arrange to make promptly each payment required by such requisition. The Trustee may rely fully on any such requisition. No payments shall be made from the Repair and Replacement Fund if and to the extent that the proceeds of insurance, including the proceeds of any self-insurance fund, or other moneys recoverable as the result of damage, if any, are available to pay the costs otherwise payable from such Fund. If the value of the Repair and Replacement Fund exceeds the Repair and Replacement Fund Requirement, then the cash or Investment Securities held in such Account in excess of the required amount shall be transferred by the Trustee to the General Account of the Revenue Fund. If the value of the Repair and Replacement Fund is less than the Repair and Replacement Requirement because of a withdrawal from said Fund or a valuation under the Indenture, the Trustee shall calculate the amount of such deficiency and then determine the monthly deposit necessary to restore the amount in such account to the Repair and Replacement Requirement within 36 months as provided in the Indenture.

Rebate Fund

There shall be deposited in each respective Series Rebate Account in the Rebate Fund such amounts as are required to be deposited therein pursuant to the tax compliance provisions applicable to any Series of Bonds under a Supplemental Indenture or a separate tax compliance agreement with respect to a Series of Bonds. All amounts on deposit at any time in the Rebate Fund shall be held by the Trustee in trust to the extent required to pay rebatable

arbitrage to the United States of America, and neither the Issuer nor the owner of any Bonds shall have any rights in or claim to such money.

The Trustee shall remit from moneys in each respective Series Rebate Account in the Rebate Fund all rebate installments and a final rebate payment to the United States required by the tax compliance provisions applicable to any Series of Bonds under a Supplemental Indenture or a separate tax compliance agreement with respect to a Series of Bonds. The Trustee shall not have any obligation to pay any amounts required to be rebated and such tax compliance provisions, other than from moneys held in the Rebate Fund created under the Indenture as provided in the Indenture or from other moneys provided to it by the Issuer. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any rebatable arbitrage shall be withdrawn and paid to the Issuer.

The obligation to pay arbitrage rebate to the United States and to comply with all other requirements of the Indenture and the applicable tax compliance provisions shall survive the defeasance or payment in full of the Bonds until all rebatable arbitrage shall have been paid.

Purchase of Bonds

The Issuer may purchase Bonds of any Series from any available funds other than moneys in a Series Debt Service Account at public or private sale, as and when and at such prices consistent with the market value thereof as the Issuer may in its discretion determine. All Bonds so purchased shall at such times as shall be selected by the Issuer be delivered to and cancelled by the Trustee (or provision made therefor), and no Bonds shall be issued in place thereof. In the case of the purchase of Bonds of a Series and maturity for which Sinking Fund Installments shall have been established, the Issuer shall, by an Issuer's Certificate delivered to the Trustee, elect the manner in which the principal amount of such Bonds shall be credited toward Sinking Fund Installments, consistent with the procedures of the Indenture.

Deposit of Funds

All moneys held by the Trustee and the Issuer under the provisions of the Indenture shall constitute trust funds and the Trustee and the Issuer may deposit such moneys with one or more Depositories in trust for said parties. All moneys deposited under the provisions of the Indenture with the Trustee, the Issuer or any Depository shall be held in trust and applied only in accordance with the provisions of the Indenture, and each of the Funds and Accounts established by the Indenture shall be a trust fund for the purposes thereof.

Each Depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having capital stock, surplus and undivided earnings of \$100,000,000, or must provide a guaranty of the full and prompt performance by the Trustee of its obligations under the Indenture, and any other agreements made in connection with the Bonds, on terms satisfactory to the Issuer, by a guarantor with such combined capital and surplus or consolidated net worth, and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of the Indenture.

All Pledged Revenues and moneys held by any Depository under the Indenture may be placed on demand or time deposit, if and as directed by the Issuer, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. Any such deposit may be made in the commercial banking department of any Depository which may honor checks and drafts on such deposit with the same force and effect as if it were not such Depository. All moneys held by any Depository, as such, may be deposited by such Depository in its banking department on demand or, if and to the extent directed by the Issuer and acceptable to such Depository, time deposit, provided that such moneys on deposit be available for use at the time when needed. Such Depository shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund or Account to which such moneys belong and, except as provided with respect to the investment of moneys in Investment Securities in the Indenture, the moneys credited to each particular Fund or Account shall be kept

separate and apart from, and not commingled with, any moneys credited to any other Fund or Account or any other moneys deposited with the Trustee, the Issuer and each Depository.

Investment of Funds

Moneys held in the Funds and Accounts established under the Indenture shall be invested and reinvested by the Trustee at the direction of the Issuer to the fullest extent practicable in Investment Securities which mature or are available not later than such times as reasonably expected to be necessary to provide moneys when needed for payments to be made from such Funds and Accounts. The Trustee shall make all such investments of moneys held by it in accordance with the written directions of an Authorized Representative, which shall include a certification that the investments being directed are Investment Securities as required by the Indenture. If such written directions are not received, then the Trustee is authorized to invest such moneys in Investment Securities described in subparagraph (d) of the definition thereof. The Trustee is specifically authorized to implement its automated cash investment system to assure that cash on hand is invested and to charge its normal cash management fees, which may be deducted from income earned on investments. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries.

Interest and other investment income (net of that which (a) represents a return of accrued interest paid in connection with the purchase of any investment, and (b) is required to offset the amortization of any premium paid in connection with the purchase of any investment) earned on any moneys or investments in the Funds and Accounts other than the Project Fund, shall be held in such account for the purposes thereof, provided, however, that to the extent such amount results in a balance that is in excess of any requirement for such Fund or Account (or, in the case of the Parking Trust Fund, the Parking Trust Fund Requirement, plus \$1,000,000), such amount shall be paid into the General Account of the Revenue Fund, provided further, however, that such amount shall be paid into the Project Fund to the extent provided in a Supplemental indenture. Interest and other investment income earned on any moneys or investments in a separate account in the Project Fund shall be held in such account for the purposes thereof; provided, however, that such amount shall be paid into the applicable Series Debt Service Account of the Debt Service Fund to the extent provided in a Supplemental Indenture. Nothing in the Indenture shall prevent any Investment Securities acquired as investments of funds held under the Indenture from being issued or held in book-entry form. In making any investment in any Investment Securities with moneys in any Fund or Account established under the Indenture, the Issuer or the Trustee may combine such moneys with moneys in any other Fund or Account but solely for the purposes of making such investment in such Investment Securities and provided that any amount so combined shall be separately accounted for.

Valuation and Sale of Investments

Obligations purchased as an investment of moneys in any Fund or Account created under the provisions of the Indenture shall be deemed at all times to be a part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account and any loss resulting from the liquidation of such investment shall be charged to the respective Fund or Account.

In computing the amount in any Fund or Account created under the provisions of the Indenture for any purpose provided in the Indenture, obligations purchased as an investment of moneys therein shall be valued, as of any particular time of determination, as follows:

- (a) with respect to cash, at the face value thereof,
- (b) with respect to investment agreements and any other investments eligible to be withdrawn at par, at the face value thereof,
- (c) except as provided in (b), with respect to any investments, at the fair market price of the investment on the date of valuation, and
- (d) with respect to a Qualified Reserve Facility guaranteeing payments into the Debt Service Reserve Fund, at the maximum amount available under such Qualified Reserve Facility,

except as otherwise provided in any Supplemental Indenture with respect to funds or accounts created thereunder. Such computations shall be determined promptly following each interest payment date, or more frequently, at the direction of the Issuer.

Power to Execute Indenture and Issue Bonds

The Issuer covenants that it is duly authorized under all applicable laws, including the constitution and laws of the State of Missouri, to execute the Indenture, to issue Bonds under the Indenture and to pledge and assign the Trust Estate in the manner and to the extent set forth in the Indenture; that all action on its part for the execution and delivery of the Indenture has been duly and effectively taken; and that the Bonds in the hands of the Owners thereof will be valid and enforceable obligations of the Issuer according to the import thereof, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Payment of Bonds

The Issuer shall duly and punctually pay or cause to be paid, but solely from the sources specified in the Indenture, the principal or Redemption Price of and interest on the Bonds in accordance with the terms of the Bonds and the Indenture and the Supplemental Indenture with respect to the Bonds.

Performance of Covenants

The Issuer and the Parking Commission shall faithfully perform or cause to be performed at all times any and all covenants, undertakings, stipulations and provisions which are to be performed by the Issuer and the Parking Commission, respectively, contained in the Indenture, in the Bonds and in all proceedings pertaining thereto, and shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other moneys, securities and funds pledged under the Indenture and all the rights of the Bondowners under the Indenture against all claims and demands of all persons whomsoever.

Acquisition, Development and Operation of Parking System

The Parking Commission is duly authorized under all applicable laws to approve, on behalf of the City, the acquisition, development, regulation and operation of any parking facilities or spaces owned in whole or part, leased or managed by the Parking Division. The Issuer, through the Supervisor of Parking Meters, is duly authorized under all applicable laws to, subject to the oversight and authorized funding by the Parking Commission, supervise the acquisition, development and operation of the Parking System, and to do and perform all acts and things required to be done or performed by the Issuer to carry out such undertakings.

The Issuer shall at all times comply and shall cause the Parking Division to comply with all terms, covenants and provisions, express and implied, of all contracts or agreements affecting or involving the Parking System or business of the Issuer or the Parking Division with respect thereto. The Issuer shall duly perform and shall cause the Parking Division to perform their covenants and obligations under such agreements and will enforce the provisions thereof against the other parties thereto.

The Issuer shall use its best efforts to cause the acquisition and construction of the Projects to be accomplished in a sound and economic manner and as expeditiously as is practicable, in accordance with the plans and specifications therefor. The Issuer shall, consistent with Prudent Practice, (a) cause the Parking System to be operated, maintained and managed in an efficient and economical manner, (b) cause the Parking System to be maintained, preserved and kept in good repair, working order and condition, and (c) cause all necessary and proper repairs, replacements and renewals to be made so that the operating efficiency of the Parking System will be properly and advantageously conducted.

Contract Impairments

The Issuer shall not enter into any contract or contracts or take any actions which have the effect of impairing or diminishing the rights of the Owners under the Indenture or are inconsistent with the provisions of the Indenture.

Annual Budget

The Supervisor of Parking Meters shall prepare an Annual Budget for each Fiscal Year, which shall be reviewed by the Parking Commission and approved the Board of Aldermen. Such Annual Budget shall set forth in reasonable detail the estimated Parking Division Revenues, Operation and Maintenance Expenses and other expenditures with respect to the Parking System, and may set forth such additional information as the Issuer may determine. Each Annual Budget shall be filed with the Trustee within 30 days following the approval thereof by the Board of Aldermen.

Accounts and Reports

The Supervisor of Parking Meters shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the Parking System, the Parking Meter Fund, and each Fund and Account established under the Indenture, and which, together with all other books and papers of the Supervisor of Parking Meters and the Parking Division, including insurance policies, relating to the Parking System, shall at all times be subject to the inspection of the Trustee, and the Owners of an aggregate of not less than 10% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

The Trustee shall furnish statements to the Issuer and the City within 10 days after the end of each month of the respective transactions during such month relating to each Fund and Account held by it under the Indenture. The Issuer and the City shall have the right upon reasonable notice and during reasonable business hours to audit the books and records of the Trustee with respect to the Funds and Accounts held by the Trustee under the Indenture.

The Issuer shall annually, within 180 days after the close of each Fiscal Year, cause to be filed with the Trustee, and otherwise as provided by law, a copy of the Parking Division's annual report for such Fiscal Year, accompanied by an Accountant's Certificate, which shall include information relating to the Parking System, including a summary with respect to each Fund and Account established under the Indenture of the receipts therein and disbursements therefrom during such Fiscal Year and the amount held therein at the end of such Fiscal Year. Such Accountant's Certificate shall state whether or not, to the knowledge of the signer, the Issuer is in default with respect to any of the covenants, agreements or conditions on its part contained in the Indenture, and if so, the nature of such default.

The Issuer shall file with the Trustee (a) forthwith upon becoming aware of any Event of Default or default in the performance by the Issuer of any covenant, agreement or condition contained in the Indenture, an Issuer's Certificate specifying such Event of Default or default and (b) within 180 days after the end of each Fiscal Year, commencing with the first Fiscal Year ending after the issuance of the Series 2015A Bonds, an Issuer's Certificate stating that, to the best of the signer's knowledge and belief, the Issuer has kept, observed, performed and fulfilled its covenants and obligations contained in the Indenture and there does not exist at the date of such certificate any default by the Issuer under the Indenture or any Event of Default or other event which, with the lapse of time or giving of notice specified in the Indenture would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Indenture shall be available for the inspection of Bondowners at the office of the Trustee and shall be mailed to each Bondowner who shall file a written request therefor with the Trustee. The Trustee may charge each Bondowner requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage. The Trustee shall have no duty to review or analyze any financial statements and shall hold such financial statements solely as a repository for the benefit of the Bondowners. The Trustee shall not be deemed

to have notice of any information contained therein or Event of Default which may be disclosed therein in any manner.

Permitted Indebtedness

Neither the Issuer nor the Parking Division shall incur any Indebtedness other than Bonds or Subordinated Indebtedness, except for the following Indebtedness (“Parity Indebtedness”), which may be incurred upon satisfaction of the following conditions and so long as there shall not exist any Event of Default under the Indenture (unless such Indebtedness is to be incurred to cure such Event of Default):

- (a) *Commitment Indebtedness.* The Issuer and the Parking Division may incur Commitment Indebtedness without limit, if the Indebtedness supported by such Commitment Indebtedness was incurred in accordance with one of the provisions described under this caption, the caption “General Provisions for Issuance of Bonds” or the caption “Subordinated Indebtedness”. Commitment Indebtedness shall be on a parity with the Indebtedness supported by such Commitment Indebtedness (i.e. Commitment Indebtedness incurred with respect to Bonds shall be on a parity with the Bonds, and Commitment Indebtedness incurred with respect to Subordinated Indebtedness shall be on a parity with such Subordinated Indebtedness in accordance with the terms thereof).
- (b) *Completion Indebtedness.* The Issuer or the Parking Division may incur Completion Indebtedness in a principal amount not in excess of 10% of the principal amount of the original Bonds or Subordinated Indebtedness incurred for such facilities, if prior to the incurrence thereof there is delivered to the Trustee and each Credit Facility Provider, if any, an Issuer’s Certificate stating: (1) that at the time the original Bonds or Subordinated Indebtedness for the facilities to be completed was incurred, the Parking Commission and the Supervisor of Parking Meters had reason to believe that the proceeds of such Bonds or Subordinated Indebtedness together with other moneys then expected to be available would provide sufficient moneys for the completion of such facilities; (2) the amount estimated to be needed to so complete the facilities; and (3) that the proceeds of such Completion Indebtedness to be applied to the completion of the facilities, together with a reasonable estimate of investment income to be earned on such proceeds and available to pay such costs, the amount of moneys, if any, committed to such completion from available cash or marketable securities and reasonably estimated earnings thereon, enumerated bank loans (including letters or lines of credit) and any other moneys reasonably expected to be available, will be in an amount not less than the estimated amount needed to complete the facilities set forth in such Issuer’s Certificate. Completion Indebtedness shall be on a parity with the Indebtedness with respect to which Completion Indebtedness is incurred (i.e. Completion Indebtedness incurred with respect to Bonds shall be on a parity with the Bonds, and Completion Indebtedness incurred with respect to Subordinated Indebtedness shall be on a parity with such Subordinated Indebtedness in accordance with the terms thereof).
- (c) *Non-Recourse Indebtedness.* The Issuer or the Parking Division may incur Non-Recourse Indebtedness without limitation.
- (d) *Purchase Money Indebtedness.* The issuer and the Parking Division may incur Purchase Money Indebtedness if, immediately after entering into such Purchase Money Indebtedness, the aggregate principal amount due on all Purchase Money Indebtedness then Outstanding will not be greater than 8% of the Total Operating Revenues as shown on the audited financial statements of the Parking Division for the most recent Fiscal Year for which audited financial statements are available. Payments with respect to such Purchase Money Indebtedness permitted pursuant to the Indenture shall be treated as Operation and Maintenance Expenses.
- (e) *Short-Term Indebtedness.* The Issuer or the Parking Division may incur Short-Term Indebtedness if, immediately after the incurrence of such Short-Term Indebtedness, the total principal amount of outstanding Short-Term Indebtedness incurred does not exceed 15% of the Total Operating Revenues as shown on the audited financial statements of the Parking Division for the most recent

Fiscal Year for which audited financial statements are available; provided, however, that for a period of at least 10 consecutive calendar days in each Fiscal Year the total amount of such Short-Term Indebtedness outstanding shall be not more than 5% of the Total Operating Revenues for the preceding Fiscal Year plus such additional amount as the Supervisor of Parking Meters certifies in an Issuer's Certificate is (1) attributable to Short-Term Indebtedness incurred to offset a temporary delay in the receipt of funds due from third party payors and (2) in the minimum amount reasonably practicable taking into account such delay. Short-Term Indebtedness permitted pursuant to the Indenture shall be on a parity with the Bonds.

Indebtedness other than Bonds or Subordinated Indebtedness may be classified and incurred under any of the above-referenced clauses with respect to which the tests set forth in such clauses are met. The Issuer may elect to have Indebtedness that was classified and issued pursuant to one provision described above, reclassified as having been incurred under another provision described above, by demonstrating compliance with such other provision on the assumption that such Indebtedness is being reissued on the date of delivery of the materials required to be delivered under such other provision. From and after such demonstration, such Indebtedness shall be deemed to have been incurred under the provision with respect to which such compliance has been demonstrated until any subsequent reclassification of such Indebtedness.

The Supervisor of Parking Meters shall, prior to, or as soon as reasonably practicable after, the incurrence of any Indebtedness, deliver to the Trustee an Issuer's Certificate which identifies the Indebtedness incurred, identifies the clause above pursuant to which such Indebtedness was incurred, demonstrates compliance with the provisions of such clause and attaches a copy of the instrument evidencing such Indebtedness.

Creation of Liens; Sale or Transfer

The Issuer represents and covenants that, except to the extent otherwise provided in the Indenture, the Pledged Revenues, the Funds and other moneys, securities and funds pledged and assigned under the Indenture are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment created by the Indenture, and action on the part of the Issuer, the Parking Division and the City to that end has been and will be duly and validly taken.

The Issuer shall not sell, convey, mortgage, encumber or otherwise dispose of any part of the Pledged Revenues or the Trust Estate, except as specifically authorized in the Indenture. The Issuer shall not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Pledged Revenues or other moneys, securities or funds held or set aside by the Issuer or by the Trustee under the Indenture and shall not create or cause to be created any lien or charge on the Pledged Revenues, or such moneys, securities or funds; provided, however, that nothing contained in the Indenture shall prevent the Issuer from issuing, if and to the extent permitted by law, bonds, notes, debentures or other evidences of indebtedness payable on a basis subordinate to the Bonds, payable out of or secured by a pledge or assignment of the Pledged Revenues or other moneys, securities or funds held or set aside by the Issuer or by the Trustee under the Indenture.

Neither the Issuer nor the Parking Division shall create or incur, and each will use its good faith efforts to prevent the creation, incurrence or existence of, any mortgage, lien, security interest, charge or encumbrance except Permitted Encumbrances upon any Project, and shall promptly discharge or terminate all mortgages, liens, security interests, charges and encumbrances on any Project that are not Permitted Encumbrances. Neither the Issuer nor the Parking Division shall create or incur, and each will use its good faith efforts to prevent the creation, incurrence or existence of, any mortgage, lien, security interest, charge or encumbrance except Permitted Encumbrances upon any portion of the Parking System other than a Project, and shall promptly discharge or terminate all such mortgages, liens, security interests, charges and encumbrances (other than Permitted Encumbrances), unless:

- (1) such mortgage, lien, security interest, charge or encumbrance is deemed by the Supervisor of Parking Meters to be in the best interests of the City and the Parking Division; and

- (2) prior to the creation of such mortgage, lien, security interest, charge or encumbrance, there is delivered to the Trustee an Issuer's Certificate demonstrating that the ratio determined by dividing (A) a numerator equal to the average of the Pledged Revenues for the two most recent Fiscal Years for which audited financial statements are available, less any portion of the Pledged Revenues for such Fiscal Years attributable to the property to be encumbered, by (B) a denominator equal to the Maximum Annual Debt Service with respect to all Outstanding Bonds and Parity Indebtedness, is either:
 - (i) not less than 1.50; or
 - (ii) greater than the Debt Service Coverage Ratio with respect to the immediately preceding Fiscal Year.

Neither the Issuer nor the Parking Division shall sell, transfer, assign or dispose of any portion of the Parking System or any property essential to the proper operation of the Parking System or to the maintenance of the Parking Division Revenues other than pursuant to a Permitted Transfer, unless:

- (1) such sale, transfer, assignment or disposal is deemed by the Supervisor of Parking Meters to be in the best interests of the City and the Parking Division;
- (2) prior to such sale, transfer, assignment or disposal, there is delivered to the Trustee an Issuer's Certificate demonstrating that the ratio determined by dividing (A) a numerator equal to the average of the Pledged Revenues for the two most recent Fiscal Years for which audited financial statements are available, less any portion of the Pledged Revenues for such Fiscal Years attributable to the property to be sold, transferred, assigned or disposed of, by (B) a denominator equal to the Maximum Annual Debt Service with respect to all Outstanding Bonds and Parity Indebtedness after taking into account the redemption or defeasance of Bonds pursuant to (3) below, if any, is either:
 - (i) not less than 150; or
 - (ii) greater than the Debt Service Coverage Ratio with respect to the immediately preceding Fiscal Year; and
- (3) any Project Sale Proceeds are promptly deposited with the Trustee for application in accordance with the written directions of the Issuer; provided, that in the event that the Project Sale Proceeds are to be applied for any purpose other than the redemption of Bonds in accordance with the applicable provisions of the Indenture or Supplemental Indentures, such written directions must be accompanied by an Opinion of Bond Counsel addressed to the Issuer and the Trustee to the effect that application of the Project Sale Proceeds in accordance with such written directions will not adversely affect the exclusion of the interest on any tax-exempt Bonds from gross income for federal income tax purposes.

Maintenance of Insurance

The Issuer shall, at all times, maintain insurance coverage through reputable insurance carriers or self-insurance, with respect to the Parking System and its operations, covering such risks that are of a character customarily insured against for similar interests held by entities constructing and operating parking facilities similar to the Parking System (including but not limited to property and casualty, general liability and business interruption), and in such relative amounts as are usually obtained and are, in its judgment, adequate to protect the Parking System and its operations, to the extent available on commercially reasonable terms. The Issuer shall use its best efforts to maintain or cause to be maintained insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those with rights and interests similar to the Parking System, to the extent available on commercially reasonable terms. All insurance

obtained with respect to the Parking System shall name the Trustee as an additional insured, and all insurance obtained with respect to a Project shall name the Trustee as loss payee.

The Issuer shall also use its best efforts to maintain or cause to be maintained any additional or other insurance which it shall deem necessary or advisable to protect its interests and the interests of the Bondowners, to the extent available on commercially reasonable terms.

Any required insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall name the Trustee as an additional insured (and, for any insurance with respect to a Project, as loss payee); provided, however, that the Issuer may elect to be self-insured for all or any part of the insurance requirements of the Indenture if (i) the Issuer obtains a bi-annual written evaluation with respect to such self-insurance program from an independent insurance consultant or actuary, and (ii) the evaluation is to the effect that the self-insurance program is prudent under the circumstances and is actuarially sound.

The Issuer shall file or cause to be filed with the Trustee annually, within 180 days after the close of each Fiscal Year, an Issuer's Certificate setting forth (1) a description in reasonable detail of the insurance then in effect, including any self-insurance fund maintained, pursuant to the requirements of the Indenture and that the Issuer has complied in all respects with the requirements of the Indenture, and (2) whether during such year any loss has been incurred relating to the Parking System and, if so, the amount of insurance proceeds covering such loss and specifying the reasonable and necessary costs relating thereto.

Reconstruction; Application of Insurance Proceeds

If any useful portion of a Project shall be damaged or destroyed, the Issuer shall as expeditiously as possible cause the repair, reconstruction or replacement thereof, unless the Supervisor of Parking Meters in an Issuer's Certificate filed with the Trustee shall state, in the judgment of the Supervisor of Parking Meters, that such reconstruction or replacement is not in the best interests of the Issuer and the Bondowners.

Any Project Insurance Proceeds must be promptly deposited with the Trustee to be held by the Trustee in a special account in the Project Fund and made available for, and to the extent necessary be applied to, the costs of reconstruction. Pending such application, such proceeds shall be invested by the Issuer or the Trustee at the written direction of the Issuer in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed to pay such costs of reconstruction. Interest earned on such account or investments shall be deposited into the General Account of the Revenue Fund. The proceeds of any insurance not applied within 36 months after receipt thereof by the Issuer or the Trustee to the costs of reconstruction, or which the Issuer shall at any time notify the Trustee are not to be so applied, shall be transferred (1) to the extent the insurance proceeds relate to a Project, to each Series Debt Service Account of the Debt Service Fund on a pro rata basis based on the principal amount of each Series of Bonds then Outstanding and applied to the redemption of Bonds in accordance with the Indenture and (2) to the extent the insurance proceeds relate to a portion of the Parking System other than a Project, to the Net Parking Division Revenues Account. Notwithstanding the foregoing, in the event that payments are made from the Repair and Replacement Fund for any such costs of reconstruction prior to the availability of insurance proceeds, including the proceeds of any self-insurance fund therefor, such proceeds when received shall be deposited in the Repair and Replacement Fund to the extent of such payments therefrom. Notwithstanding the foregoing provisions of this paragraph, in the event that the Supervisor of Parking Meters files an Issuer's Certificate with the Trustee pursuant to (a) above stating that reconstruction or replacement of any portion of a Project is not in the best interests of the Issuer and the Bondowners, then any related Project Insurance Proceeds must be promptly deposited with the Trustee for deposit into each Series Debt Service Account of the Debt Service Fund on a pro rata basis based on the principal amount of each Series of Bonds then Outstanding and applied to the redemption of Bonds in accordance with the Indenture and the provisions of each Supplemental Indenture.

The proceeds of any insurance (other than proceeds of any business interruption loss insurance) paid to the Issuer on account of the damage or destruction of any portion of the Parking System other than a Project shall be applied by the Issuer to repair, reconstruct or replace such facility, acquire additional facilities that will become a part of the Parking System or will be essential to the proper operation of the Parking System or to the maintenance of the Parking Division Revenues, or repay the principal of Long-Term Indebtedness of the Issuer, or shall be otherwise used in a productive manner to the benefit of the Parking Division's operations.

Tax Covenants

The Issuer shall not use or permit the use of any proceeds of any tax-exempt Bonds or any other funds of the Issuer, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would adversely affect the exclusion of the interest on any tax-exempt Bond from gross income for federal income tax purposes. The Issuer agrees that so long as any of the Bonds remain Outstanding, it will comply with the tax compliance provisions applicable to the Issuer under any Supplemental Indenture with respect to a Series of Bonds.

The Issuer and the Trustee agree to comply with the tax compliance provisions under any Supplemental Indenture or tax compliance agreement with respect to a Series of Bonds issued as tax-exempt Bonds and with any statute, regulation or ruling that may apply to it as Trustee under the Indenture and relating to reporting requirements or other requirements necessary to preserve the exclusion from federal gross income of the interest on such Bonds. The Trustee from time to time may cause a firm of attorneys, consultants or independent accountants or an investment banking firm to supply the Trustee, on behalf of the Issuer, with such information as the Trustee, on behalf of the Issuer, may request in order to determine in a manner reasonably satisfactory to the Trustee, on behalf of the Issuer, all matters relating to (a) the actuarial yields on the Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code, and (b) compliance with the rebate requirements of Section 148(f) of the Internal Revenue Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be paid by the Issuer as an operating expense of the Parking Division.

Notwithstanding any provision of the Indenture, if the Issuer provides to the Trustee an Opinion of Bond Counsel to the effect that any action required under the Indenture is no longer required, or to the effect that some other or further action is required, to maintain the exclusion of interest on any Bonds from federal gross income, the Issuer and the Trustee may conclusively rely on such opinion in complying with the provisions of the Indenture, and the covenants under the Indenture shall be deemed to be modified to that extent.

Payment of Taxes and Charges

The Issuer and the Parking Division will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon or relating to the Parking System or upon the rights, revenues, income, receipts, and other moneys, securities and funds of the Issuer or the Parking Division relating to the Parking System when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under the Indenture), and all lawful claims for labor and material and supplies relating to the Parking System, except those taxes, assessments, charges or claims which the Issuer or the Parking Division shall in good faith contest by proper legal proceedings if the Parking Division shall in all such cases have set aside on its books reserves deemed by the Supervisor of Parking Meters to be adequate with respect thereto.

Observance of Laws and Regulations

The Issuer and the Parking Division will keep, observe and perform all valid and lawful obligations or orders or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State of Missouri, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege, license or franchise now owned or hereafter acquired by the Issuer relating to or affecting the Parking System, including its right to exist and carry on business, to the end that such rights, privileges, licenses and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired; provided, however, that the Issuer shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith.

Events of Default

The term “Event of Default”, wherever used in the Indenture, means any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of

law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (a) default in the payment of any interest on any Bond when such interest becomes due and payable; or
- (b) default in the payment of the principal or Redemption Price of any Bond when the same becomes due and payable (whether at maturity, upon proceedings for redemption, by acceleration or otherwise); or
- (c) default in the performance, or breach, of any covenant or agreement of the Issuer in the Indenture (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere under this caption), and continuance of such default or breach for a period of 60 days after there has been given to the Issuer by the Trustee or to the Issuer and the Trustee by the Owners of at least **25%** in principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an Event of Default if the Issuer shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or
- (d) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Issuer, or adjudging the Issuer a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of the Issuer under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for the Issuer or any substantial part of its property, or ordering the winding up or liquidation of its affairs; or
- (e) any other event described as an Event of Default in a Supplemental Indenture.

Acceleration of Maturity; Rescission and Annulment

If an Event of Default occurs and is continuing, the Trustee may, and if requested by the Owners of not less than **25%** in principal amount of the Bonds Outstanding shall, by written notice to the Issuer, declare the principal of all Bonds Outstanding and the interest accrued thereon to the date of acceleration to be due and payable, subject to the rights or limitations specified in a Supplemental Indenture with respect to a Series of Bonds, and upon any such declaration such principal and interest shall become immediately due and payable.

At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Bonds has been obtained by the Trustee as provided in the Indenture, the Owners of a majority in principal amount of the Bonds Outstanding may, by written notice to the Issuer and the Trustee, rescind and annul such declaration and its consequences if:

- (a) there is deposited with the Trustee a sum sufficient to pay the following:
 - (1) all overdue installments of interest on all Bonds;
 - (2) the principal (and Redemption Price, if any) of any Bonds which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Bonds;
 - (3) interest upon overdue installments of interest at the rate or rates prescribed therefor in the Bonds; and

- (4) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and
- (b) all Events of Default, other than the non-payment of the principal of Bonds which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in the Indenture.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

Exercise of Remedies by the Trustee

Upon the occurrence and continuance of any Event of Default under the Indenture, unless the same is waived as provided in the Indenture, the Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under the Indenture or by law:

- (a) *Right to Bring Suit, Etc.* The Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, Redemption Price, if any, and interest on the Bonds Outstanding, including interest on overdue principal and on overdue installments of interest, and any other sums due under the Indenture, to realize on or to foreclose any of its interests or liens under the Indenture to enforce and compel the performance of the duties and obligations of the Issuer as set forth in the Indenture and to enforce or preserve any other rights or interests of the Trustee under the Indenture with respect to any of the Trust Estate or otherwise existing at law or in equity.
- (b) *Exercise of Remedies at Direction of Bondowners.* If requested in writing to do so by the Owners of not less than 25% in principal amount of Bonds Outstanding and if indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by the Indenture as the Trustee shall deem most expedient in the interests of the Bondowners.
- (c) *Appointment of Receiver.* Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondowners under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment shall confer.
- (d) *Suits to Protect the Trust Estate.* The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of the Indenture and to protect its interests and the interests of the Bondowners in the Trust Estate, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under the Indenture or be prejudicial to the interests of the Bondowners or the Trustee, or to intervene (subject to the approval of a court of competent jurisdiction) on behalf of the Bondowners in any judicial proceeding to which the Issuer is a party and which in the judgment of the Trustee has a substantial bearing on the interests of the Bondowners.
- (e) *Enforcement Without Possession of Bonds.* All rights of action under the Indenture or any of the Bonds may be enforced and prosecuted by the Trustee without the possession of any of the Bonds or the production thereof in any suit or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and subject to the

specific provisions of the Indenture relating to the application of moneys collected, be for the equal and ratable benefit of the Owners of the Bonds in respect of which such judgment has been recovered.

- (f) *Restoration of Positions.* If the Trustee or any Bondowner has instituted any proceeding to enforce any right or remedy under the Indenture by suit, foreclosure, the appointment of a receiver, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Bondowner, then and in every case the Issuer, the Trustee and the Bondowners shall, subject to any determination in such proceeding, be restored to their former positions and rights under the Indenture, and thereafter all rights and remedies of the Trustee and the Bondowners shall continue as though no such proceeding had been instituted.

Notwithstanding any other provision of the Indenture relating to Events of Default and remedies, the Bond Insurer, acting alone, shall have the right to direct all remedies upon the occurrence of an Event of Default. The Bond Insurer is recognized as the registered owner of each Bond that it insures for the purposes of exercising all rights and privileges available to bondowners. For Bonds which it insures, the Bond Insurer shall have the right to institute any suit, action, or proceeding at law or in equity under the same terms as a bondowner in accordance with applicable provisions of the governing documents. Other than the usual redemption provisions, any acceleration of principal payments shall be subject to the Bond Insurer's prior written consent.

Limitation on Suits by Bondowners

No Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, under or with respect to the Indenture, or for the appointment of a receiver or trustee or for any other remedy under the Indenture, unless:

- (a) such Owner has previously given written notice to the Trustee of a continuing Event of Default;
- (b) the Owners of not less than 25% in principal amount of the Bonds Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee under the Indenture;
- (c) such Owner or Owners have offered to the Trustee indemnity as provided in the Indenture against the costs, expenses and liabilities to be incurred in compliance with such request;
- (d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (e) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority in principal amount of the Outstanding Bonds;

and such notification, request and indemnity are declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture, it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the lien of the Indenture or the rights of any other Owners of Bonds, or to obtain or to seek to obtain priority or preference over any other Owners or to enforce any right under the Indenture, except in the manner in the Indenture provided and for the equal and ratable benefit of all Outstanding Bonds.

Notwithstanding the foregoing or any other provision in the Indenture, however, the Owner of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and Redemption Price, if any) and interest on such Bond on the respective stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and nothing contained in the Indenture shall affect or impair the right of any Owner to institute suit for the enforcement of any such payment.

Control of Proceedings by Bondowners

Subject to the provisions of the Indenture described under the caption “Limitation on Suits by Bondowners”, the Owners of a majority in principal amount of the Bonds Outstanding shall have the right, during the continuance of an Event of Default,

- (a) to require the Trustee to proceed to enforce the Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds and the foreclosure of the Indenture, or otherwise; and
- (b) to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture, provided that:
 - (1) such direction shall not be in conflict with any rule of law or the Indenture;
 - (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and
 - (3) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Owners not taking part in such direction.

Application of Moneys Collected

Any moneys collected by the Trustee pursuant to the Indenture (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys), together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

- (a) **First:** To the payment of all amounts due the Trustee under the Indenture.
- (b) **Second:** To the payment of Operation and Maintenance Expenses then due.
- (c) **Third:** To the payment of the interest and principal then due on the Bonds and Parity Indebtedness as follows:
 - (1) If the principal of all the Bonds and Parity Indebtedness shall not have become and shall not have been declared due and payable, all such moneys shall be applied:
 - First:* To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds and Parity Indebtedness, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and
 - Second:* To the payment to the Persons entitled thereto of the unpaid principal and premium, if any, on the Bonds and Parity Indebtedness which shall have become due (other than Bonds called for redemption or for which moneys for the payment thereof held pursuant to the provisions of the Indenture), in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full Bonds and Parity Indebtedness due on any particular date, then to the payment ratably, according to the amount of principal and

premium due on such date, to the Persons entitled thereto without any discrimination or privilege.

- (2) If the principal of all the Bonds and Parity Indebtedness shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Bonds and Parity Indebtedness without preference or priority of principal, premium or interest over the others, or of any installment of interest over any other installment of interest, or of any Bond or Parity Indebtedness over any other Bond or Parity Indebtedness, ratably, according to the amounts due respectively for principal, premium, if any, and interest to the Persons entitled thereto without any discrimination or privilege; and
- (3) If the principal of all the Bonds and Parity Indebtedness shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture, then, provided that no distribution has been made pursuant to the provisions described in paragraph (2) above, the moneys shall be applied in accordance with the provisions described in paragraph (1) above.
- (d) **Fourth:** To the payment of the interest and principal then due on the Subordinated Indebtedness as provided in the resolutions, indentures or other instruments, including any Supplemental Indenture, authorizing the Subordinated Indebtedness.
- (e) **Fifth:** To the payment of the remainder, if any, to the Issuer or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, or as otherwise provided in a Supplemental Indenture.

Whenever moneys are to be applied by the Trustee pursuant to the above provisions such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Rights and Remedies Cumulative

No right or remedy conferred upon or reserved to the Trustee or to the Bondowners is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given under the Indenture or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy under the Indenture, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy. No delay or omission of the Trustee or of any Owner of any Bond to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by the Indenture or by law to the Trustee or to the Bondowners may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Bondowners, as the case may be.

Advances by Trustee

If the Issuer shall fail to make any payment or perform any of its covenants in the Indenture, the Trustee may, at any time and from time to time, use and apply any moneys held by it under the Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the Issuer. All moneys so used or advanced by the Trustee, together with interest at the Trustee's announced prime rate per annum plus 2%, shall be repaid by the

Issuer upon demand and such advances shall be secured under the Indenture prior to the Bonds. For the repayment of all such advances the Trustee shall have the right to use and apply any moneys at any time held by it under the Indenture but no such use of moneys or advance shall relieve the Issuer from any default under the Indenture.

Waiver of Past Defaults

Before any judgment or decree for payment of money due has been obtained by the Trustee as provided in the Indenture, the Owners of a majority in principal amount of the Bonds Outstanding may, by written notice delivered to the Trustee and the Issuer, on behalf of the Owners of all the Bonds waive any past default under the Indenture and its consequences, except a default (a) in the payment of the principal of (or premium, if any) or interest on any Bond, (b) in respect of a covenant or provision of the Indenture which under the Indenture cannot be modified or amended without the consent of the Owner of each Outstanding Bond affected, or (c) in the payment of the fees, charges and expenses of the Trustee or its agents and attorneys without the consent of the Trustee. Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of the Indenture; but no such waiver shall extend to or affect any subsequent or other default or impair any right or remedy consequent thereon.

Effect of Discontinuance of Proceedings

If the Trustee has proceeded to enforce any right under the Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then the Issuer, the Trustee and the Owners shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Acceptance of Trusts; Certain Duties and Responsibilities

The Trustee accepts and agrees to execute the trusts imposed upon it by the Indenture, but only upon the following terms and conditions:

- (a) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenants or obligations shall be read into the Indenture against the Trustee; and in the absence of bad faith, negligence or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions which by any provision of the Indenture are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture.
- (b) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances.
- (c) No provision of the Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except:
 - (1) that this clause (c) shall not be construed to limit the effect of clause (a) above;
 - (2) that the Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;
 - (3) that the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in

principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Indenture; and

- (4) that no provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Indenture, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Certain Rights of Trustee

Except as otherwise provided under the caption "Acceptance of Trusts; Certain Duties and Responsibilities" above:

- (a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.
- (b) The Trustee shall be entitled to rely upon an Issuer's Certificate as to the sufficiency of any request or direction of the Issuer mentioned in the Indenture, the existence or non-existence of any fact or the sufficiency or validity of any instrument, paper or proceeding, or that a resolution or ordinance in the form therein set forth has been duly adopted by the governing board of the Issuer, the Parking Commission or the City and is in full force and effect.
- (c) Whenever in the administration of the Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action under the Indenture, the Trustee (unless other evidence be specifically prescribed in the Indenture) may, in the absence of bad faith on its part, rely upon an Issuer's Certificate.
- (d) The Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel or Opinion of Bond Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee under the Indenture in good faith and in reliance thereon.
- (e) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Bondowners or other parties pursuant to the Indenture, unless there shall have been offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities (except as may result from the Trustee's own negligence or willful misconduct) which might be incurred by it in compliance with such request or direction; provided that the Trustee may not require indemnity as a condition to declaring the principal of and interest on the Bonds to be due and payable under the acceleration provisions of the Indenture, or to making any payment of principal, purchase price, premium or interest on the Bonds, or making a draw under a Qualified Credit Facility or a Qualified Liquidity Facility.
- (f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney.
- (g) The Trustee assumes no responsibility for the correctness of the recitals contained in the Indenture and in the Bonds, except the certificate of authentication on the Bonds. The Trustee makes no

representations as to the value or condition of the Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby, or as to the validity or sufficiency of the Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Issuer of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the Issuer under any provision of the Indenture.

- (h) The Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not Trustee.
- (i) All money received by the Trustee shall, until used or applied or invested as provided in the Indenture, be held in trust for the purposes for which they were received. Money held by the Trustee in trust under the Indenture need not be segregated from other funds except to the extent required by law or by the Indenture. The Trustee shall be under no liability for interest on any money received by it under the Indenture except as otherwise provided in the Indenture.
- (j) The Trustee may execute any of the trusts or powers under the Indenture or perform any duties under the Indenture either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it under the Indenture.
- (k) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.
- (l) The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers under the Indenture.

Notice of Defaults

The Trustee shall not be required to take notice or be deemed to have notice of any default under the Indenture except a default in any of the payments to the funds and accounts held by the Trustee as required by the Indenture, unless the Trustee shall be specifically notified in writing of such default by the Issuer, or the Owners of at least 25% in principal amount of all Bonds Outstanding, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid. Within 30 days after the occurrence of any default under the Indenture of which the Trustee is required to take notice or has received notice as provided in the Indenture, the Trustee shall give written notice of such default to the Issuer, and all Owners of Bonds as shown on the bond register maintained by the Trustee, unless such default shall have been cured or waived. For the purpose of this provision, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Compensation and Reimbursement

The Trustee shall be entitled to payment or reimbursement (a) from time to time for reasonable compensation for all services rendered by it under the Indenture (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust); (b) except as otherwise expressly provided herein, upon its request, for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of the Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee’s negligence, willful misconduct or bad faith; and (c) indemnity of the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under the Indenture.

All such payments and reimbursements shall be made by the Issuer with interest at the rate of interest per annum equal to the prime rate announced from time to time by the Trustee.

The Trustee shall promptly notify the Issuer in writing of any claim or action brought against the Trustee in respect of which indemnity may be sought against the Issuer, setting forth the particulars of such claim or action, and the Issuer will assume the defense thereof, including the employment of counsel satisfactory to the Trustee and the payment of all expenses. The Trustee may employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall not be payable by the Issuer unless (i) such employment has been specifically authorized by the Issuer, (ii) in the opinion of the Trustee the Issuer has failed to actively and competently pursue the defense of such claim or action, or (iii) the Issuer's counsel is precluded, by the rules governing conflicts of interest, from representing the Trustee.

Corporate Trustee Required; Eligibility

There shall at all times be a Trustee under the Indenture which shall be a bank or trust company organized and doing business under the laws of the United States of America or of any state thereof or national banking association, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, having a corporate trust office located in the State of Missouri. The Trustee must have a combined capital and surplus or consolidated net worth of at least \$100,000,000, or must provide a guaranty of the full and prompt performance by the Trustee of its obligations under the Indenture and any other agreements made in connection with the Bonds, on terms satisfactory to the Issuer, by a guarantor with such combined capital and surplus or consolidated net worth. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this provision, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions described under this caption, it shall resign immediately in the manner and with the effect specified in the Indenture.

Resignation and Removal of Trustee

The Trustee may resign at any time by giving written notice thereof to the Issuer and each Owner of Bonds Outstanding as shown by the bond register required by the Indenture to be kept by the Trustee. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Issuer and the Trustee signed by the Owners of a majority in principal amount of the Outstanding Bonds. The Issuer or any Bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee.

The Trustee may be removed at any time (so long as no Event of Default has occurred and is continuing under the Indenture and no condition exists which could become an Event of Default with the passage of time) by an instrument in writing signed by the Issuer and delivered to the Trustee. The foregoing notwithstanding, the Trustee may not be removed by the Issuer unless written notice of the delivery of such instrument is given to the Owners of all Bonds Outstanding under the Indenture, which notice indicates the Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective not less than 60 days from the date of such notice, unless the Owners of not less than 25% in aggregate principal amount of such Bonds Outstanding shall object in writing to such removal and replacement.

If at any time (1) the Trustee shall cease to be eligible under the Indenture and shall fail to resign after written request therefor by the Issuer or by any such Bondowner, or (2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; then, in any such case, the Issuer may remove the Trustee, or any Bondowner may

petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

The Trustee shall give notice of such resignation and such removal of the Trustee and such appointment of a successor Trustee to the Registered Owners of Bonds as their names and addresses appear in the bond register maintained by the Trustee. Each notice shall include the name of the successor Trustee and the address of its corporate trust office. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to the Indenture shall become effective until the acceptance of appointment by the successor Trustee under the Indenture.

Appointment of Successor Trustee

If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Issuer, or the Owners of a majority in principal amount of Bonds Outstanding (if an Event of Default under the Indenture has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the Issuer and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by the Issuer or the Bondowners. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee shall be appointed in the manner provided in the Indenture, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If no successor Trustee shall have been so appointed and accepted appointment in the manner provided in the Indenture, the Trustee or any Bondowner may petition any court of competent jurisdiction for the appointment of a successor Trustee, until a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Trustee appointed pursuant to the provisions of the Indenture shall be a bank with trust powers or trust company or national banking association in good standing under the law of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of the Indenture.

Acceptance of Appointment by Successor

Every successor Trustee appointed under the Indenture shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts expressed in the Indenture all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee under the Indenture. Upon request of any such predecessor or successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under the Indenture.

Merger, Consolidation and Succession to Business

Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee under the Indenture, provided such corporation or association shall be otherwise qualified and eligible under the Indenture, and shall be vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the

execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

Co-Trustees and Separate Trustees

At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Trust Estate may at the time be located, or in the enforcement of any default or the exercise any of the powers, rights or remedies granted to the Trustee in the Indenture, or any other action which may be desirable or necessary in connection therewith, the Trustee shall have power to appoint, and, upon the written request of the Trustee or of the Owners of at least 25% in principal amount of the Bonds Outstanding, the Issuer shall for such purposes join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, of all or any part of the Trust Estate, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions set forth under this caption. If the Issuer does not join in such appointment within 15 days after the receipt by it of a request so to do, or in case an Event of Default has occurred and is continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument from the Issuer be required by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Issuer.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

- (a) The Bonds shall be authenticated and delivered, and all rights, powers, duties and obligations under the Indenture in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee under the Indenture, shall be exercised solely, by the Trustee.
- (b) The rights, powers, duties and obligations conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.
- (c) The Trustee at any time, by an instrument in writing executed by it, with the written concurrence of the Issuer, may accept the resignation of or remove any co-trustee or separate trustee appointed under the Indenture, and, in case an Event of Default has occurred and is continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Issuer. Upon the written request of the Trustee, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in the Indenture.
- (d) No co-trustee or separate trustee under the Indenture shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee under the Indenture.

- (e) Any request, demand, authorization, direction, notice, consent, waiver or other act of Bondowners delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

Paying Agents and Bond Registrars

The Trustee is designated and has agreed to act as principal Paying Agent and Bond Registrar for and in respect to the Bonds. The Issuer may, in its discretion, cause the necessary arrangements to be made through the Trustee for the designation of alternate Paying Agents, if any, and for the making available of funds under the Indenture for the payment of the principal of, Redemption Price, if any, and interest on the Bonds of any Series or of alternate Bond Registrars for the purpose of registering, transferring and exchanging Bonds of any Series at the designated corporate trust office of said alternate Bond Registrars. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of any funds provided under the Indenture and Paying Agent and Bond Registrar for the Bonds, and the successor Trustee shall become such Trustee and Paying Agent and Bond Registrar unless a separate Paying Agent and Bond Registrar are appointed by the Issuer in connection with the appointment of any successor Trustee.

Supplemental Indentures without Consent of Bondowners

Without the consent of the Owners of any Bonds, the Issuer and the Trustee may from time to time enter into one or more Supplemental Indentures for any of the following purposes:

- (a) to more precisely identify the facilities financed or refinanced with proceeds of the Bonds, or to correct or amplify the description of any property at any time subject to the lien of the Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of the Indenture, or to subject to the lien of the Indenture additional property;
- (b) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds or of any Series of Bonds, as set forth in the Indenture, additional conditions, limitations and restrictions thereafter to be observed;
- (c) to authorize the issuance of any Series of Bonds and make such other provisions as provided in the Indenture in connection with the issuance of Bonds and to specify any other terms and provisions with respect to such Bonds that are not inconsistent with the provisions of the Indenture then in effect;
- (d) to modify or eliminate any of the terms of the Indenture; provided, however, that: (1) such Supplemental Indenture shall expressly provide that any such modifications or eliminations shall become effective only when there is no Bond Outstanding of any Series issued prior to the execution of such Supplemental Indenture, and (2) the Trustee may, in its discretion, decline to enter into any such Supplemental Indenture which, in its judgment, may not afford adequate protection to the Trustee when the same becomes operative;
- (e) to evidence the appointment of a separate Trustee or the succession of a new Trustee under the Indenture;
- (f) to add to the covenants of the Issuer or to the rights, powers and remedies of the Trustee for the benefit of the Owners of all of the Bonds or to surrender any right or power conferred in the Indenture upon the Issuer,
- (g) to cure any ambiguity, to correct or supplement any provision in the Indenture which may be inconsistent with any other provision herein, or to make any other change with respect to matters or questions arising under the Indenture, which shall not be inconsistent with the provisions of the Indenture, provided such action shall not materially adversely affect the interests of the Owners of the Bonds;

- (h) to authorize Subordinated Indebtedness and, in connection therewith, specify and determine any matters and things relative to such Subordinated Indebtedness which are not contrary to or inconsistent with the Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the original issuance and delivery of such Subordinated Indebtedness;
- (i) to authorize a Qualified Credit Facility, Qualified Liquidity Facility, Qualified Reserve Facility, or Qualified Swap Facility with respect to any Series of Bonds, permitted under the Indenture;
- (j) to add additional Events of Default under the Indenture, including any default in the performance, or breach of any covenant or agreement, of the Issuer under any Qualified Credit Facility or Qualified Liquidity Facility; or
- (k) to modify, eliminate or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or under any similar federal statute hereafter enacted, or to permit the qualification of the Bonds for sale under the securities laws of the United States or any state of the United States.

Supplemental Indentures with Consent of Bondowners

With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding affected by such Supplemental Indenture, the Issuer and the Trustee may enter into one or more Supplemental Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the Owners of the Bonds under the Indenture; provided, however, that no such Supplemental Indenture shall, without the consent of the Owner of each Outstanding Bond affected thereby, carry out any of the following:

- (a) change the stated maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any place of payment where, or the coin or currency in which, any Bond, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date);
- (b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners is required for any such Supplemental Indenture, or the consent of whose Owners is required for any waiver provided for in the Indenture of compliance with certain provisions of the Indenture or certain defaults under the Indenture and their consequences;
- (c) modify the obligation of the Issuer to make payment on or provide funds for the payment of any Bond;
- (d) modify or alter the provisions of the definition of the term “Outstanding”;
- (e) modify any of the provisions described under this caption or under the caption “Waiver of Past Defaults”, except to increase any percentage provided thereby or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Owner of each Bond affected thereby; or
- (f) permit the creation of any lien ranking prior to or on a parity with the lien of the Indenture with respect to any of the Trust Estate or terminate the lien of the Indenture on any property at any time subject hereto or deprive the Owner of any Bond of the security afforded by the lien of the Indenture.

The Trustee may in its discretion determine whether or not any Bonds would be affected by any Supplemental Indenture and any such determination shall be conclusive upon the Owners of all Bonds, whether theretofore or thereafter authenticated and delivered under the Indenture. The Trustee shall not be liable for any such determination made in good faith.

Execution of Supplemental Indentures

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by the Indenture or the modification thereby of the trusts created by the Indenture, the Trustee and the Issuer shall receive and, subject to applicable provisions of the Indenture, shall be fully protected in relying upon, an Opinion of Bond Counsel addressed and delivered to the Trustee and the Issuer stating that the execution of such Supplemental Indenture is permitted by and in compliance with the Indenture and the Act, and will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms, and that the execution and delivery thereof will not adversely affect the exclusion of interest on any tax-exempt Bonds from gross income for federal income tax purposes.

Effect of Supplemental Indentures

Upon the execution of any Supplemental Indenture under the Indenture, the Indenture shall be modified in accordance therewith and such Supplemental Indenture shall form a part of the Indenture for all purposes; and every Owner of Bonds theretofore or thereafter authenticated and delivered under the Indenture shall be bound thereby.

Payment, Discharge and Defeasance of Bonds

All or part of the Bonds of any Series or maturity will be deemed to be paid and discharged and no longer Outstanding under the Indenture and will cease to be entitled to any lien, benefit or security of the Indenture if the Issuer shall pay or provide for the payment of such Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal or Redemption Price of (including redemption premium, if any) and interest on such Bonds, as and when the same become due and payable;
- (b) by delivering such Bonds to the Trustee for cancellation; or
- (c) by depositing in trust with the Trustee moneys and Defeasance Obligations in an amount, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity or redemption dates (including the payment of the principal or Redemption Price of and interest payable on such Bonds to the maturity or redemption date thereof); provided that, if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption is given in accordance with the requirements of the Indenture or provision satisfactory to the Trustee is made for the giving of such notice.

Bonds may be defeased in advance of their maturity or redemption dates pursuant to clause (c) above only upon receipt by the Trustee and the Issuer of (a) a verification report prepared by independent certified public accountants, or other verification agent, satisfactory to the Trustee and the Issuer, and (b) an Opinion of Bond Counsel to the effect that (1) the payment of the principal of and Redemption Price, if any, and interest on all such Bonds has been provided for in the manner set forth in the Indenture, and (2) so providing for the payment of such Bonds will not cause the interest on any tax-exempt Bonds to be included in gross income for federal income tax purposes.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Obligations and moneys, if any, in accordance with the Indenture, the interest to come due on such Variable Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be (which maturity or redemption date shall not be later than the first date following the date of such deposit on which the Variable Rate Bonds are subject to

mandatory or optional tender for purchase), shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Defeasance Obligations on deposit with the Trustee for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Rate Bonds in order to satisfy the requirements of the Indenture, the Trustee shall, if requested by the Issuer, pay the amount of such excess to the Issuer free and clear of any trust, lien, security interest, pledge or assignment securing the Bonds or otherwise existing under the Indenture.

The foregoing notwithstanding, the liability of the Issuer in respect of such Bonds shall continue, but the Owners thereof shall thereafter be entitled to payment only out of the moneys and Defeasance Obligations deposited with the Trustee as aforesaid.

Moneys and Defeasance Obligations so deposited with the Trustee pursuant to the Indenture shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Such moneys and Defeasance Obligations shall be applied by the Trustee to the payment to the Persons entitled thereto, of the principal (and Redemption Price, if any) and interest for whose payment such moneys and Defeasance Obligations have been deposited with the Trustee.

Satisfaction and Discharge of Indenture

The Indenture and the lien, rights and interests created by the Indenture shall cease, determine and become null and void (except as to any surviving rights described below under the caption “Rights Retained After Discharge”) if the following conditions are met:

- (a) the principal or Redemption Price of and interest on all Bonds of all Series has been paid or is deemed to be paid and discharged by meeting the conditions described under the caption “Payment, Discharge and Defeasance of Bonds”;
- (b) all other sums payable under the Indenture with respect to the Bonds are paid or provision satisfactory to the Trustee is made for such payment;
- (c) the Trustee receives an Opinion of Bond Counsel (which may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that (1) all conditions precedent described under this caption to the satisfaction and discharge of the Indenture have been complied with, and (2) so providing for the payment of the Bonds will not adversely affect the exclusion of the interest on any tax-exempt Bonds from gross income for federal income tax purposes, notwithstanding the satisfaction and discharge of the Indenture; and
- (d) the Trustee receives an opinion of nationally recognized bankruptcy counsel addressed to the Trustee and the Issuer to the effect that any deposit of cash or securities and any deposit of investment earnings thereon to effect such defeasance and subsequent payment to Owners of the Bonds shall not constitute a voidable preference in a case commenced under the United States Bankruptcy Code (including §§544 and 547 thereof) or any applicable state statute by or against the Issuer.

Thereupon, the Trustee shall execute and deliver to the Issuer a termination statement and such instruments of satisfaction and discharge of the Indenture as may be necessary and shall pay, assign, transfer and deliver to the Issuer, or other Persons entitled thereto, all moneys, securities and other property then held by it under the Indenture as a part of the Trust Estate, other than moneys or Defeasance Obligations held in trust by the Trustee as provided for the payment of the principal or Redemption Price of and interest on the Bonds.

Certain Covenants Relating to the Bond Insurance Policy and the Bond Insurer

The Bond Insurer is authorized to take such action as may be necessary or appropriate to enforce the applicable provisions of the Original Indenture, including seeking mandamus or specific performance by court order.

The Issuer agrees not to issue any additional Bonds, whether senior to, on a parity with, or subordinate to the Series 2015A Bonds which are secured by or payable from funds established under the Original Indenture unless the Debt Service Coverage Ratio, determined for all Bonds and Subordinated Indebtedness, including any Bonds or Subordinated Indebtedness outstanding or proposed to be issued, as provided in the Original Indenture is not less than 1.10 (it being understood that the term "Debt Service Requirements" used therein shall include Subordinated Indebtedness for purposes hereof).

The Issuer agrees not to enter into any Qualified Swap Facility unless the counterparty agrees to expressly subordinate its rights to receive termination payments to all debt service on Subordinated Indebtedness pursuant to a subordination agreement executed by, and with terms satisfactory to, the Issuer, the Bond Insurer and such counterparty.

The Bond Insurer is authorized to notify the Trustee of any failure by the Issuer to comply with any covenant set out in the Original Indenture or this Supplemental Indenture No. 4.

The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund, if any. Notwithstanding anything to the contrary set forth in the Indenture, amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.

The Bond Insurer shall be deemed to be the sole holder of the Series 2015A Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 2015A Bonds are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each Bond, the Trustee and each Bondholder appoint the Bond Insurer as their agent and attorney-in-fact and agree that the Bond Insurer may at any time during the continuation of any proceeding by or against the Issuer under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedes or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Bondholder delegate and assign to the Bond Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders expressly include mandamus.

The maturity of Series 2015A Bonds by the Bond Insurer shall not be accelerated without the consent of the Bond Insurer and in the event the maturity of the Series 2015A Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurance Policy with respect to such Series 2015A Bonds shall be fully discharged.

No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Bond Insurer. No grace period shall be permitted for payment defaults.

The Bond Insurer shall be a third party beneficiary under the Indenture.

Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Series 2015A Bonds to be redeemed shall be subject to the approval of the Bond Insurer. The exercise of any provision of the Indenture which permits the purchase of Series 2015A Bonds in lieu of redemption shall require the prior written approval of the Bond Insurer if any Bond so purchased is not cancelled upon purchase.

Any amendment, supplement, modification to, or waiver of, the Indenture or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondowners or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

Unless the Bond Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Project Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Series 2015A Bonds.

The rights granted to the Bond Insurer under the Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Bond Insurer.

Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Bond Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Bond Insurer, securities eligible for "AAA" defeasance under then existing criteria of S & P or any combination thereof, shall be used to effect defeasance of the Series 2015A Bonds unless the Bond Insurer otherwise approves.

To accomplish defeasance, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Bond Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Series 2015A Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Series 2015A Bonds are no longer "Outstanding" under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Series 2015A Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, Trustee and Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

Series 2015A Bonds shall be deemed "Outstanding" under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

Amounts paid by the Bond Insurer under the Insurance Policy shall not be deemed paid for purposes of the Indenture and the Series 2015A Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

Each of the Issuer and Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

The Bond Insurer shall be provided with the following information by the Issuer or Trustee, as the case may be:

(i) Annual audited financial statements within 150 days after the end of the Issuer's fiscal year (together with a certification of the Issuer that it is not aware of any default or Event of Default under the Indenture), and the Issuer's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Series 2015A Bonds;

(iii) Notice of any default known to the Trustee or Issuer within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Series 2015A Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 2015A Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(ix) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents.

In addition, to the extent that the Issuer has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Series 2015A Bonds, all information furnished pursuant to such agreements shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.

The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

The Issuer will permit the Bond Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Bond Insurer may reasonably request regarding the security for the Series 2015A Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Issuer on any business day upon reasonable prior notice.

The Trustee shall notify the Bond Insurer of any failure of the Issuer to provide notices, certificates and other information under the transaction documents.

Notwithstanding satisfaction of the other conditions to the issuance of Bonds or Subordinated Indebtedness set forth in the Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds or Subordinated Indebtedness, in either case unless otherwise permitted by the Bond Insurer.

In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Series 2015A Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Series 2015A Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

Claims Upon the Bond Insurance Policy.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Series 2015A Bond due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the "Bond Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2015A Bond due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2015A Bond and the amount required to pay principal of the Series 2015A Bond, confirmed in writing to the Bond Insurer and the Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

The Trustee shall designate any portion of payment of principal on Series 2015A Bond paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2015A Bond registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Bond Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Series 2015A Bond under the sections hereof regarding payment of Series 2015A Bond. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the "Bond Insurer Advances"); and (ii) interest on such Bond Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the "Bond Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2015A Bond and

(b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Pledged Revenues and payable from such Pledged Revenues on a parity with debt service due on the Series 2015A Bond.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Bond Insurer.

The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2015A Bond, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Issuer to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

The Issuer shall pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document.

After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Series 2015A Bond and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

The Bond Insurer shall be entitled to pay principal or interest on the Series 2015A Bond that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Series 2015A Bond as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

The Issuer agrees that so long as any of the Series 2006 Bonds remain Outstanding, the Outstanding amount of Balloon Bonds shall not exceed \$4,000,000 without the consent of the Bond Insurer.

Rights Retained After Discharge

Notwithstanding the satisfaction and discharge of the Indenture, the Trustee shall retain such rights, powers and duties under the Indenture as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer and exchange of Bonds as provided in the Indenture. Nevertheless, any moneys held by the Trustee for the payment of the principal or Redemption Price of or interest on any Bond remaining unclaimed for 3 years after the principal of all Bonds has become due and payable, whether at maturity or upon proceedings for redemption or by declaration as provided in the Indenture, shall then be paid without liability for interest thereon to the Issuer, and the Owners of any Bonds not theretofore presented for payment shall thereafter be entitled to look only to the Issuer for payment thereof and all liability of the Trustee with respect to such moneys shall thereupon cease.

Acts of Bondowners

Any notice, request, demand, authorization, direction, consent, waiver or other action provided by the Indenture to be given or taken by Bondowners may be embodied in and evidenced by one or more substantially concurrent instruments of similar tenor signed by such Bondowners or by an agent duly appointed in writing. Except as otherwise expressly provided in the Indenture, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is expressly required, to the Issuer. Proof of execution of any such instrument or of a writing appointing any such agent, or of the ownership of Bonds, shall be sufficient for any purpose of the Indenture and conclusive in favor of the Issuer and the Trustee, if made in the following manner:

- (a) The fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof, or by the affidavit of a witness of such execution. Whenever such execution is by an officer of a corporation or a member of a partnership on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.
- (b) The fact and date of execution of any such instrument or writing and the authority of any Person executing the same may also be proved in any other manner which the Trustee deems sufficient; and the Trustee may in any instance require further proof with respect to any of the matters referred under this caption.
- (c) The ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same, shall be proved by the bond register maintained by the Trustee.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, Bonds registered in the name of the Issuer shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded.

Any notice, request, demand, authorization, direction, consent, waiver or other action by the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Bond.

Further Assurances

The Issuer shall do, execute, acknowledge and deliver such Supplemental Indentures and such further acts, instruments, financing statements and assurances as the Trustee may reasonably require for accomplishing the purposes of the Indenture.

No Recourse Against Officers, Directors, Employees or Agents of the City

No recourse shall be had for the payment of the principal or Redemption Price of, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture against any past, present or future officer, director, employee or agent of the City, or of any successor public corporation, either directly or through the Issuer or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, employees or agents as such is expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance, authentication and delivery of Bonds.

Payments Due on Non-Business Days

In any case where the date of maturity of principal or Redemption Price of or interest on the Bonds or the date fixed for redemption of any Bonds shall be a day other than a Business Day, then payment of principal or Redemption Price of or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Governing Law

The Indenture shall be governed by and construed in accordance with the laws of the State of Missouri.

City Agreement

In the City Agreement, which is attached to the Indenture, the City agrees as follows:

(a) The City shall not sell, convey, mortgage, encumber or otherwise dispose of any part of the General Fund Parking Revenues, except as specifically authorized in this paragraph. The City shall not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the General Fund Parking Revenues and shall not create or cause to be created any lien or charge on the General Fund Parking Revenues; provided, however, that nothing contained in the City Agreement shall prevent the City from issuing, if and to the extent permitted by law, bonds, notes, debentures or other evidences of indebtedness payable on a basis subordinate to the Bonds, payable out of or secured by a pledge or assignment of the General Fund Parking Revenues.

(b) The PVB and the TVB shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the PVB and the TVB and the bank account in which General Fund Parking Revenues are deposited and held prior to transfer to the Trustee, and which, together with all other books and papers of the PVB and the TVB, shall at all times be subject to the inspection of the Trustee, and the Owners of an aggregate of not less than 10% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

(c) The City covenants that neither it nor its related agencies shall directly or indirectly purchase, construct or finance, or provide any direct or indirect financial assistance (including the creation of any Transportation Development District, Tax Increment Financing District, Community Improvement District or Neighborhood Improvement District or the provision of any tax abatement) in connection with any new parking facilities that have a point of ingress or egress within 0.25 mile of any point of ingress or egress with respect to a Project, unless, in the opinion of a Consultant, the purchase, construction or financing of such parking facilities shall not negatively impact the Issuer's ability to make payments of principal of or interest on any Series of Bonds; provided, however, that the City shall be permitted to provide financial assistance with respect to a public parking structure to be constructed at the northeast corner of Tucker Boulevard and Clark Avenue in the City if approved by the Board of Aldermen.

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APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
31 West 52nd Street, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

The City of St. Louis, Missouri, Acting through the Supervisor of Parking Meters
City Hall
St. Louis, Missouri 63103

IFS Securities, Inc.
Atlanta, Georgia

Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

Assured Guaranty Municipal, Inc.
New York, New York

\$6,440,000
The City of St. Louis, Missouri
Subordinated Parking Revenue Bonds
(Capital Equipment Project)
Series 2015A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of St. Louis, Missouri, acting through the Supervisor of Parking Meters (the "Issuer"), of the above-captioned Series 2015A Bonds (the "Bonds"). The Bonds are issued pursuant to an Ordinance duly adopted by the governing body of the City of St. Louis, Missouri (the "Ordinance"), the Trust Indenture, dated as of December 1, 2006 (the "Master Indenture"), as supplemented by Supplemental Trust Indenture No. 4, dated as of April 1, 2015 (the "Supplemental Indenture," together with the Master Indenture, the "Indenture"), among the Issuer, The Parking Commission of the City of St. Louis, Missouri (the "Parking Commission") and UMB Bank, N.A., as trustee (the "Trustee"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

The Bonds are being issued for the purpose of providing funds to (a) finance the Costs of the Series 2015A Project consisting of the purchase and installation of modern parking meters for 7,700 parking spaces and revenue control equipment for the Cupples Garage located in the City (the "Series 2015A Project"), (b) fund a debt service reserve with respect to the Series 2015A Bonds, and (c) pay the bond insurance premium and other Costs of Issuance with respect to the Series 2015A Bonds.

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

Based upon and subject to the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and, when duly authenticated and delivered by the Trustee, will be valid and legally binding special obligations of the Issuer, payable solely from, and secured by the Trust Estate on a parity with certain other additional bonds issued or to be issued pursuant to the Indenture, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, and other similar laws in effect from time to time affecting creditors' rights generally, and except to the extent that the enforceability thereof may be limited by the application of general principals of equity. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State of Missouri or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of Missouri or of any political subdivision thereof, including the City, but shall be payable solely from the funds provided for in the Master Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State of Missouri or any political subdivision thereof, including the City, to levy any form of taxation therefor or to make any appropriation for their payment.

2. The Master Indenture and the Supplemental Indenture have been duly authorized, executed and delivered by the Issuer and are valid and legally binding agreements of the Issuer, enforceable against the Issuer in accordance with their respective terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, and other similar laws in effect from time to time affecting creditors' rights generally, and except to the extent that the enforceability thereof may be limited by the application of general principals of equity.

3. The interest on the Bonds [(including any original issue discount properly allocable to an owner thereof)] is excluded from gross income for federal and Missouri income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (as defined for federal income tax purposes). It should be noted however, that for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining adjusted current earnings. The opinions set forth in this paragraph are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon (including any original issue discount properly allocable to the owners thereof) be, or continue to be, excluded from gross income for federal and Missouri income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest (including any original issue discount properly allocable to the owners thereof) on the Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code. We express no opinion regarding other federal or State of Missouri tax consequences arising with respect to the Bonds. We express no opinion as to whether the interest on the Bonds (including any original issue discount properly allocable to the owners thereof) is exempt from the tax imposed on financial institutions pursuant to Chapter 148 of the Revised Statutes of Missouri, as amended.

In giving the foregoing opinions, we have assumed and relied upon compliance with the covenants of the Issuer, and the accuracy, which we have not independently verified, of the representations and certifications of the Issuer contained in the transcript of proceedings for the Bonds.

Except as set forth in our supplemental opinion of even date herewith, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

We express no opinion on the effect of laws other than those of the State of Missouri and the federal laws of the United States of America. We call to your attention the fact that our legal opinions are an expression of professional judgment and are not a guarantee of a result.

This opinion is delivered to you for your use only and it may not be used or relied upon by, or published or communicated to, any third party for any purpose whatsoever without our prior written consent in each instance.

By rendering this opinion, we do not undertake to advise you further of any changes in laws, circumstances or facts which may occur or come to our attention after the date hereof.

Very truly yours,

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

Dated as of April 1, 2015

among

THE CITY OF ST. LOUIS, MISSOURI,

THE SUPERVISOR OF PARKING METERS OF THE CITY OF ST. LOUIS, MISSOURI

and

**UMB BANK, N.A.,
as Dissemination Agent**

\$6,440,000

**SUBORDINATED PARKING REVENUE BONDS
(CAPITAL EQUIPMENT PROJECT)
SERIES 2015A**

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CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT, dated as of April 1, 2015 (this “*Continuing Disclosure Agreement*”), is executed and delivered by The City of St. Louis, Missouri (the “*City*”), the Supervisor of Parking Meters of the City of St. Louis, Missouri (the “*Supervisor*”) and UMB Bank, N.A., as dissemination agent (the “*Dissemination Agent*”).

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by The City of St. Louis, Missouri acting through the Supervisor of Parking Meters (the “*Issuer*”) of its \$6,440,000 Subordinated Parking Revenue Bonds (Capital Equipment Project) Series 2015A (the “*Bonds*”), pursuant to a Trust Indenture dated as of December 1, 2006, as amended and supplemented (the “*Original Indenture*”), including by Supplemental Trust Indenture No. 4, dated as of April 1, 2015 (the “*Supplemental Indenture*” and together with the Original Indenture, the “*Indenture*”), by and among the Issuer, the Parking Commission of the City of St. Louis, Missouri and UMB Bank, N.A., as trustee (the “*Trustee*”).

2. The City, the Supervisor and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule (all as defined below). The City and the Supervisor are each an “obligated person” with responsibility for continuing disclosure within the meaning of the Rule. The City and the Supervisor acknowledge that no other party has undertaken any responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement.

In consideration of the mutual covenants and agreements herein, the City, the Supervisor and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in the Recitals or this Section, the following capitalized terms shall have the following meanings:

“*Annual Financial Information Report*” means any Annual Financial Information Report provided by the City or the Supervisor pursuant to, and as described in, Sections 2, 3(A) and 3(B) of this Continuing Disclosure Agreement.

“*Beneficial Owner*” means any registered owner of any Bonds and any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Disclosure Representative*” means (i) the Comptroller, on behalf of the City, or her successors or designees, or such other person as the City shall designate in writing to the Dissemination Agent, or such other person as the City shall designate in writing to the Dissemination Agent and (ii) the Supervisor or her successors or designees, or such other person as the Supervisor shall designate in writing to the Dissemination Agent from time to time.

“*EMMA*” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org, or such other location as may be designated in the future by the MSRB pursuant to the Rule.

“*Fiscal Year*” means, in the case of both the City and the Parking Division, July 1 through June 30.

“*Listed Events*” means any of the events listed in Section 4(A) of this Continuing Disclosure Agreement, and includes any Material Listed Events.

“*Material Listed Events*” means such of the events listed in Section 4(A) of this Continuing Disclosure Agreement which requires a determination of materiality and which either Disclosure Representative has advised the Dissemination Agent are material under applicable federal securities law.

“*MSRB*” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the SEC in accordance with the Rule.

“*National Repository*” means any nationally recognized municipal securities information repository for purposes of the Rule. Currently, the sole National Repository within the meaning of the Rule is the MSRB through EMMA and filings shall be submitted solely at its website, <http://emma.msrb.org>.

“*Official Statement*” means the Official Statement dated March 25, 2015, relating to the issuance and sale of the Bonds.

“*Participating Underwriter*” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“*Repository*” means each National Repository and each State Repository, if any.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*SEC*” means the U.S. Securities and Exchange Commission.

“*State*” means the State of Missouri.

“*State Repository*” means any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the SEC. As of the date of this Continuing Disclosure Agreement, there is no State Repository.

Unless the context clearly indicates otherwise, words used in the singular include the plural and words used in the plural include the singular.

Section 2. Provision of Annual Financial Information Report.

A. The City and the Supervisor shall, or shall cause the Dissemination Agent to, not later than two hundred ten (210) days (if the 210th day is not a Business Day, then the next succeeding Business Day) after the end of the Fiscal Year commencing with the report for the Fiscal Year ending June 30, 2015, provide to each Repository an Annual Financial Information Report which is consistent

with the requirements of Section 3(A) in regard to the City and Section 3(B) in regard to the Supervisor, of this Continuing Disclosure Agreement. In each case, the Annual Financial Information Report may be submitted as a single document or as separate documents, and may cross-reference other information as provided in Sections 3(A) and 3(B) of this Continuing Disclosure Agreement; provided that the audited financial statements of the City and the Parking Division (as defined herein) may be submitted separately from each other and separately from the balance of their Annual Financial Information Report and later than the date required above for the filing of the Annual Financial Information Report if they are not available by that date. If the Fiscal Year of either the City or Parking Division changes, it shall give notice of such change in the same manner as for a Listed Event under Section 4(A) of this Continuing Disclosure Agreement.

B. Not later than fifteen (15) Business Days prior to the date specified in Subsection A above for providing the Annual Financial Information Report to the Repositories, the City and the Supervisor shall either provide their Annual Financial Information Report, in PDF format, word-searchable, to the Dissemination Agent with instructions to file the Annual Financial Information Report as specified in Subsection A above or provide a written certification to the Dissemination Agent and the Trustee (if not the Dissemination Agent) that the City and/or the Supervisor, as the case may be, has provided their Annual Financial Information Report to the Repositories.

C. If the Dissemination Agent is unable to verify that either Annual Financial Information Report has been provided to the Repositories by the date specified in Subsection A above, the Dissemination Agent shall send a notice to each Repository in substantially the form of **Exhibit A** hereto.

D. The Dissemination Agent shall:

1. determine each year prior to the date for providing the Annual Financial Information Report to the Repositories the name and address of each National Repository and the State Repository, if any;
2. unless the City has certified in writing that it has provided its Annual Financial Information Report to the Repositories, promptly following receipt of the Annual Financial Information Report and the instructions required by Subsection B above, provide the Annual Financial Information Report to the Repositories and file a report with the City and the Trustee (if the Dissemination Agent is not the Trustee) certifying that the Annual Financial Information Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided or that the City has certified that it filed its Annual Financial Information Report;
3. unless the Supervisor has certified in writing that it has provided its Annual Financial Information Report to the Repositories, promptly following receipt of the Annual Financial Information Report and the instructions required by Subsection B above, provide the Annual Financial Information Report to the Repositories and file a report with the Supervisor and the Trustee (if the Dissemination Agent is not the Trustee) certifying that the Annual Financial Information Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided, and listing all the Repositories to

which it was provided or that the Supervisor has certified that it filed its Annual Financial Information Report;

4. unless the City has provided its Annual Financial Information Report as provided above, notify the City in each year not later than ninety (90) days and again not later than thirty (30) days prior to the date for providing the Annual Financial Information Report to the Repositories, of the date on which its Annual Financial Information Report must be provided to the Dissemination Agent or the Repositories; and
5. unless the Supervisor has provided its Annual Financial Information Report as provided above, notify the Supervisor in each year not later than ninety (90) days and again not later than thirty (30) days prior to the date for providing the Annual Financial Information Report to the Repositories, of the date on which its Annual Financial Information Report must be provided to the Dissemination Agent or the Repositories.

Section 3. Content of Annual Financial Information Reports.

(A) The Annual Financial Information Report of the City will contain or incorporate by reference the following:

(i) Audited financial statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Governmental Accounting Standards Board (“GASB”) and all statements and interpretations issued by the Financial Accounting Standards Board which are not in conflict with the statements issued by GASB, provided, however, that the City may from time to time, in order to comply with federal or State legal requirements, modify the basis upon which such financial statements are provided. Notice of any such modification shall be provided to the MSRB and shall include a reference to the applicable law or requirement describing such accounting basis. If the City’s audited financial statements are not available by the time the Annual Financial Information Report is required to be filed pursuant to this Continuing Disclosure Agreement, the Annual Financial Information Report will contain unaudited financial statements in a format similar to the financial statements contained in the Annual Financial Information Report for the prior Fiscal Year, and the audited financial statements will be filed in the same manner as the Annual Financial Information Report when they become available.

(ii) Financial information and operating data of the City updated for the prior Fiscal Year in scope and form similar to what is contained in Appendix A to the Official Statement under the captioned headings:

- (a) “ECONOMIC AND DEMOGRAPHIC DATA – Population Statistics,”
“– Employment,” “– Major Taxpayers,” “– Building and Construction Data,”
“– Sports Related Economic Development” and “– Development,” and
- (b) “GENERAL REVENUE RECEIPTS – “General Revenue Fund Receipts by Category,” “– Earnings Tax,” “– Franchise Tax,” “– Sales and Use Tax,” “– Gross Receipts Tax,” “– Real and Personal Property Taxes,” “– Other Taxes,” “– License Fees,” “– Departmental Receipts,” and “– Operating Transfers.”

(B) The Annual Financial Information Report of the Supervisor will contain or incorporate by reference the following:

(i) Audited financial statements of the Parking Division of The City of St. Louis, Missouri (the “Parking Division”) for the prior Fiscal Year, in a format similar to the financial statements contained in the Official Statement, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Governmental Accounting Standards Board (“GASB”) and all statements and interpretations issued by the Financial Accounting Standards Board which are not in conflict with the statements issued by GASB, provided, however, that the Parking Division may from time to time, in order to comply with federal or State legal requirements, modify the basis upon which such financial statements are provided. Notice of any such modification shall be provided to the MSRB and shall include a reference to the applicable law or requirement describing such accounting basis. If the Parking Division’s audited financial statements are not available by the time the Annual Financial Information Report is required to be filed pursuant to this Continuing Disclosure Agreement, the Annual Financial Information Report will contain unaudited financial statements in a format similar to the financial statements contained in the Annual Financial Information Report for the prior Fiscal Year, and the audited financial statements will be filed in the same manner as the Annual Financial Information Report when they become available.

(ii) Certain statistical and operating data of the Parking Division updated for the prior Fiscal Year in scope and form similar to what is contained in the Official Statement under the section captioned “HISTORICAL COLLECTION OF REVENUES PLEDGED TO THE BONDS.”

(C) References to Appendix A to the Official Statement as a means of identifying the financial information and operating data listed in 3(A)(i) and (ii) shall not prevent the City from reorganizing, revising the headings of, or combining such material in subsequent official statements or annual information reports. In addition, any or all of the items listed in 3(A) and 3(B) and above may be included by specific reference to other documents, including official statements of issues with respect to which the City or the Supervisor, as the case may be, is an “obligated person,” which have been filed with each of the Repositories, the MSRB or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB and clearly identified as such by the City or the Supervisor, as the case may be.

Section 4. Reporting of Listed Events.

A. Pursuant to the provisions of this Section, the City and/or the Supervisor shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence of such event:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. modifications to rights of Bondholders, if material;
4. Bond calls, if material, and tender offers;
5. defeasance;

6. rating changes;
7. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
8. unscheduled draws on debt service reserves reflecting financial difficulties;
9. unscheduled draws on credit enhancements reflecting financial difficulties;
10. substitution of credit or liquidity providers, or their failure to perform;
11. release, substitution or sale of property securing repayment of the Bonds, if material;
12. bankruptcy, insolvency, receivership or similar event of the City or the Parking Division;
13. the consummation of a merger, consolidation, or acquisition involving the City or the Parking Division or the sale of all or substantially all of the assets of the City or the Parking Division, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

B. The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any Listed Event, contact the City and the Supervisor, inform the respective Disclosure Representative of the event, and, if such Listed Event requires a determination of materiality, request that the City and/or the Supervisor promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Subsection F below. For the purpose of this Continuing Disclosure Agreement, “actual knowledge” of the Listed Events shall mean knowledge by an officer of the Dissemination Agent with responsibility for matters related to this Continuing Disclosure Agreement.

C. Whenever the City and/or the Supervisor obtain knowledge of the occurrence of a Listed Event requiring a determination of materiality, as set forth in Subsection A above, because of a notice from the Dissemination Agent pursuant to Subsection B above or otherwise, the City and the Supervisor shall as soon as possible determine if such event is a Material Listed Event.

D. If knowledge of the occurrence of a Listed Event requiring a determination of materiality would be material under applicable federal securities laws, the City and/or the Supervisor, as the case may be, shall promptly notify the Dissemination Agent in writing that it is a Material Listed Event. Such notice shall instruct the Dissemination Agent to report the occurrence of the Material Listed Event pursuant to Subsection F below.

E. If in response to a request under Subsection B above, the City and/or the Supervisor determine that the Listed Event requiring a determination of materiality is not a Material Listed Event, the City and/or the Supervisor, as the case may be, shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to Subsection F below.

F. The Dissemination Agent shall file a notice of all Listed Events within the timeframe set forth in Subsection A above with the National Repository and each State Repository, if any, with a copy to the City and the Supervisor.

Section 5. EMMA. The Dissemination Agent shall use EMMA for the submission of Annual Financial Information Reports and Listed Events for so long as EMMA is recognized, authorized or approved by the SEC. Submission of an Annual Financial Information Report or a Listed Event by the Dissemination Agent to EMMA shall be deemed to satisfy the Dissemination Agent's obligations under this Continuing Disclosure Agreement with respect to that Annual Financial Information Report or Listed Event.

Section 6. Termination of Reporting Obligations. The City's, the Supervisor's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds. If the City's and/or the Supervisor's obligations under this Continuing Disclosure Agreement are assumed in full by another entity, such entity shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the City or Supervisor, as the case may be, and the City and/or the Supervisor, as the case may be, shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the City and/or the Supervisor shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 4(A) of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement shall also terminate upon (i) the Rule being withdrawn, retroactively repealed, or having been found by a court of competent jurisdiction to be invalid in a non-appealable action; or (ii) receipt by the Dissemination Agent, the Trustee (if the Dissemination Agent is not the Trustee), the City and the Supervisor of an opinion of counsel of nationally recognized expertise in matters relating to securities laws affecting municipal securities to the effect that the Rule is no longer applicable to the Bonds.

Section 7. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the City and the Supervisor from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the City or the Supervisor chooses to include any information in any Annual Financial Information Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the City or the Supervisor, as the case may be, shall not have any obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Financial Information Report or notice of occurrence of a Listed Event.

Section 8. Amendment; Waiver.

Notwithstanding any other provision of this Continuing Disclosure Agreement, the City, the Supervisor and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the execution of such amendment by the Dissemination Agent so requested by the City and the Supervisor

shall not be unreasonably withheld) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

A. If the amendment or waiver relates to the provisions of Sections 2A, 3A(i), 3(B)(i) or 4A of this Continuing Disclosure Agreement, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, rule or regulation or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

B. The undertaking, as amended or taking into account such waiver, should, in the opinion of counsel to the Participating Underwriters, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

C. The amendment or waiver, in the written Opinion of Co-Bond Counsel for the Bonds, does not materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the City and/or the Supervisor, as the case may be, shall describe such amendment or waiver in their next Annual Financial Information Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City and/or the Supervisor, as the case may be. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 4(A) of this Continuing Disclosure Agreement, and (ii) the Annual Financial Information Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Default.

In the event of a failure of the City, the Supervisor or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Trustee may (and, upon receipt of satisfactory indemnity and at the request of any Participating Underwriter or the Bondholders or Beneficial Owner of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Bondholder or Beneficial Owner of at least 25% aggregate principal amount of the Bonds may, take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Supervisor or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed to be an Event of Default under the Indenture or with respect to the Bonds, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the City or the Supervisor or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be action to compel performance.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent.

The Dissemination Agent at the time acting hereunder may at any time resign by giving not less than sixty (60) days' written notice to the City and the Supervisor specifying the date when such resignation will take effect. No such resignation shall take effect unless a successor Dissemination

Agent shall have been appointed by the City and the Supervisor. If no successor Dissemination Agent has been appointed within sixty (60) days of the notice, the Dissemination may petition a court of competent jurisdiction to have a successor Dissemination Agent appointed.

The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and, to the extent permitted by applicable law, the City and the Supervisor agree to indemnify and save the Dissemination Agent, its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorney's fees and expenses) of defending against any claim of liability as it relates to the City or the Supervisor, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct.

The Dissemination Agent shall not be responsible for the content of any notice or information provided by the City and the Supervisor to the Dissemination Agent for filing or the City's or the Supervisor's failure to submit a complete Annual Financial Information Report. The Dissemination Agent shall not be responsible for ensuring the compliance with any rule or regulation of the City or the Supervisor or Participating Underwriter in connection with the filings of information herein, but is merely responsible for the filing of any such information provided to the Dissemination Agent by the City and the Supervisor.

The obligations of the City and the Supervisor under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The ordinary fees, charges, and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement shall be paid as provided in the Indenture.

Section 11. Notices. Any notices or communications between the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by confirmed facsimile, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

To the City:

The City of St. Louis, Missouri
City Hall West
1520 Market Street, Room 3005
St. Louis, Missouri 63103
Attention: Ivy Neyland-Pinkston, Deputy
Comptroller for Finance and Development
Telephone: (314) 657-3431
Facsimile: (314) 588-0550

With a copy to:

The City of St. Louis, Missouri
City Hall, Room 314
1200 Market Street
St. Louis, Missouri 63103
Attention: City Counselor
Telephone: (314) 622-4078
Facsimile: (314) 622-4956

To the Supervisor:

The City of St. Louis Treasurer's Office
133 South Eleventh Street, Suite 530
St. Louis, Missouri 63102
Attention: Michelle Smart, Chief Financial Officer
Telephone: (314)622-5678
Facsimile: (314) 622-3781

To the Dissemination Agent:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Department
Telephone: (314) 612-8480
Facsimile: (314) 612-8499

Any person may, by written notice to the other persons listed above, designate a different address, telephone number(s) or facsimile number(s) to which subsequent notices or communications should be sent.

Section 12. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Supervisor, the Trustee, the Dissemination Agent, the Participating Underwriters, and the Bondholders and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Governing Law; Venue. This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State. Any action under this Continuing Disclosure Agreement shall be filed in the 22nd Judicial Circuit of the State of Missouri (City of St. Louis) or in the United States District Court for the Eastern District of Missouri.

Section 15. Severability. If any provision in this Continuing Disclosure Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 16. Captions. The captions or headings in this Continuing Disclosure Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of this Continuing Disclosure Agreement.

Section 17. Electronic Means. The transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

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IN WITNESS WHEREOF, The City of St. Louis, Missouri has caused this Continuing Disclosure Agreement to be signed in its name and on its behalf and its corporate seal to be hereunto affixed and attested by its duly elected officials and/or authorized officers, all as of the day and year first above written.

[SEAL]

THE CITY OF ST. LOUIS, MISSOURI

By: _____
Francis G. Slay, Mayor

By: _____
Darlene Green, Comptroller

[SEAL]

ATTEST

By: _____
Parrie L. May, Register

APPROVED AS TO FORM:

By: _____
Winston Calvert, City Counselor

[Continuing Disclosure Agreement]

IN WITNESS WHEREOF, the Supervisor of Parking Meters of the City of St. Louis, Missouri has caused this Continuing Disclosure Agreement to be signed in its name and on its behalf and its corporate seal to be hereunto affixed and attested by its duly elected officials and/or authorized officers, all as of the day and year first above written.

[SEAL]

THE CITY OF ST. LOUIS, MISSOURI

By: _____
Tishaura O. Jones, Supervisor of
Parking Meters

[Continuing Disclosure Agreement]

IN WITNESS WHEREOF, UMB Bank, N.A., as Dissemination Agent, has caused this Continuing Disclosure Agreement to be signed in its name and on its behalf by one of its duly authorized officers as of the day first above written.

UMB BANK, N.A., as Dissemination Agent

By: _____
Brian P. Krippner, Senior Vice President

[Continuing Disclosure Agreement]

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The City of St. Louis, Missouri acting through the Supervisor of Parking Meters

Name of Obligors: The City of St. Louis, Missouri (the “City”)
The Supervisor of Parking Meters of the City of St. Louis, Missouri (the “Supervisor”)

Name of Bond Issue: \$6,440,000 The City of St. Louis, Missouri Subordinated Parking Revenue Bonds (Capital Equipment Project) Series 2015A

Date of Issuance: April 2, 2015

NOTICE IS HEREBY GIVEN that the [City] [Supervisor] has not filed an Annual Financial Information Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of April __, 2015, between the City, the Supervisor and UMB Bank, N.A., as Dissemination Agent. The [City] [Supervisor] has notified the Dissemination Agent that it anticipates that the Annual Financial Information Report will be filed by the following date:
_____.

Dated: _____ __, ____

UMB Bank, N.A., as Dissemination Agent
on behalf of [The City of St. Louis, Missouri] [the
Supervisor of Parking Meters of the City of St. Louis,
Missouri]

cc: The City of St. Louis, Missouri
The Supervisor of Parking Meters of the City of St. Louis, Missouri

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