

**320th MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri
July 23, 2015
10:00 a.m.**

1. Call to Order
2. Approval of Minutes

Approval of Minutes from the 319th Meeting of the Authority held May 12, 2015, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Update
 - B. Selection of Book Running Senior Managing Underwriter for Potential SRF Bond Refunding
 - C. Trinity Plus GIC Transfer to MassMutual
 - D. Defeasance of Arnold SRF Bonds
 - E. Defeasance of Portageville SRF Bonds
 - F. Other
4. Other Financings
 - A. Tri-County Water Authority Update
5. Missouri Market Development Program
 - A. Program Update
 - B. Consideration of the Funding Recommendation for the BFC Composting Company Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - C. Consideration of the Funding Recommendation for the Branch Creek, LLC, Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - D. Other
6. Brownfields Revolving Loan Fund
 - A. Program Update
 - B. Consideration of the Funding Recommendation for the Industrial Development Authority of the City of Lebanon Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
 - C. Consideration of the Funding Recommendation for the Tower Grove Neighborhoods Community Development Corporation Project and Authorizing

- the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
- D. Other
7. Review of Strategic Measures
 8. Consideration and Approval of Fiscal Year 2016 Budgets
 9. Authorization to Purchase Accounting Software
 10. Election of Officers
 11. Other Business
 - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - B. Next Meeting Date
 - C. Other
 12. Closed Meeting Pursuant to Section 610.021 (1), (3) and (11) RSMo. (as needed)
 13. Adjournment of Closed Meeting and Return to Open Meeting
 14. Adjournment of Open Meeting

The Authority may vote to close a portion of the meeting in conjunction with the discussion of litigation matters (including possible legal actions, causes of action, any confidential or privileged communications with its attorneys and the negotiation of items of a contract), real estate matters, personnel matters (including the hiring, firing, disciplining or promoting of personnel), or specification for competitive bidding pursuant to Section 610.021 (1), (3) or (11) RSMo.

Members to be Present:	Andy Dalton, Chair LaRee DeFreece, Secretary Deron Cherry, Vice-Chair, Assistant Secretary, Treasurer
Staff to be Present:	Karen Massey, Director Joe Boland, Deputy Director Kristin Allan Tipton, Development Director Connie Patterson, Project Specialist Mary Vaughan, Administration and Project Manager Genny Eichelberger, Office Support Assistant
Legal Counsel to be Present:	David Brown Lewis, Rice & Fingersh, L.C.

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #3D
DEFEASANCE OF THE CITY OF ARNOLD'S SRF BONDS AND ESTABLISHMENT OF ESCROW DEPOSIT AGREEMENT

Issue:

Due to the sale of the City of Arnold's drinking water system to a private entity, State Revolving Fund (SRF) bonds allocable to the city that originally funded the system from Series 2005C and 2006A must be defeased to protect the tax-exempt status of the remaining Authority bonds of those series.

Action Needed:

Approval of a resolution authorizing the Authority to enter into an Escrow Deposit Agreement with UMB Bank to defease the city's allocable portion of bonds in Series 2005C and 2006A.

Staff Recommendation:

Staff recommends that the Board approve a resolution authorizing the Authority to enter into an Escrow Deposit Agreement necessary to defease SRF bonds allocable to the City of Arnold from Series 2005C and 2006A.

Staff Contact:

Joe Boland

Background:

The City of Arnold was a participant in the 2005C and 2006A State Revolving Fund (SRF) pooled bond issues, the proceeds of which were used to make improvements to their drinking water system. Portions of Series 2005C and 2006A were then refunded through the 2013A Series. Subsequently, in the fall of 2014, the citizens of Arnold voted in favor to sell their system to Missouri American Water Company.

Department of Natural Resources' (DNR) loan documents require that upon the sale of the system the loans must be repaid in full. On May 22, 2015, the sale of Arnold's drinking water system to Missouri American was finalized. The amount owed to DNR, which included principal and accrued interest to the first available redemption date, totaled \$6,270,826.26. This amount was deposited with the Trustee Bank, UMB, on the same day.

These funds will be placed in an escrow account and used to defease all allocable bonds for Series 2005C and 2006A, and then the remaining funds will be used to defease Series 2013A bonds.

Attached is the Resolution authorizing the Authority to enter into an Escrow Deposit Agreement which directs the Trustee on how to manage the funds received from the City of Arnold SRF bonds. The Escrow Deposit Agreement is attached for your review.

JB:ge

Attachments

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ENTER INTO AN ESCROW DEPOSIT AGREEMENT WITH RESPECT TO DEFEASING CERTAIN STATE REVOLVING FUNDS PROGRAMS BONDS, AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ACTIONS AUTHORIZED BY THE ESCROW DEPOSIT AGREEMENT

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority") is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue revenue bonds for the purpose of paying costs of such projects, and to refund its outstanding revenue bonds in whole or in part; and

WHEREAS, by resolutions adopted by the Authority on February 23, 1988, September 22, 1998 and July 31, 2009, the Authority has approved the development and implementation of the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the "Clean Water SRF Program") and the Missouri Leveraged State Drinking Water Revolving Fund Program (the "Drinking Water SRF Program" and, collectively with the Clean Water SRF Program, the "SRF Programs") and has stated its intent to issue its bonds or notes to finance projects pursuant to the SRF Programs, said bonds or notes to be payable solely out of the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, pursuant to the Act and the SRF Programs, the Authority has issued its Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C (the "Series 2005C Bonds"), issued pursuant to the Bond Indenture dated as of November 1, 2005, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2005C Trustee"), and its Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2006A (the "Series 2006A Bonds") pursuant to the Bond Indenture dated as of April 1, 2006, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2006A Trustee"); and

WHEREAS, the Series 2005C Bonds and the Series 2006A Bonds were partially refunded with proceeds of the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2013A (the "Series 2013A Bonds") issued pursuant to the Bond Indenture dated as of November 1, 2013, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2013A Trustee"); and

WHEREAS, a portion of the Series 2005C Bonds are allocable to the Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2005 (the "2005 Arnold Bonds") of the City of Arnold, Missouri (the "City"); and

WHEREAS, a portion of the Series 2006A Bonds are allocable to the Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2006 (the "2006 Arnold Bonds") of the City; and

WHEREAS, a portion of the Series 2013A Bonds are allocable to the 2005 Arnold Bonds and the 2006 Arnold Bonds; and

WHEREAS, on May 22, 2015, the City redeemed the 2005 Arnold Bonds by the deposit of \$4,377,666.40 with the Series 2005C Trustee and the 2006 Arnold Bonds by the deposit of \$1,891,737.69 with the Series 2006A Trustee, constituting a portion of the proceeds from the sale of the City's sewerage system to Missouri American Water Company (the "Private User"); and

WHEREAS, not defeasing the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the 2005 Arnold Bonds and the 2006 Arnold Bonds results in private use by the Private User for that portion of the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the 2005 Arnold Bonds and the 2006 Arnold Bonds;

WHEREAS, private use could, under certain circumstances, adversely affect the exclusion of interest on the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds from gross income for federal income tax purposes; and

WHEREAS, the Authority finds that it is necessary and appropriate to cause the defeasance of the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the City, either in whole or in part; and

WHEREAS, the proceeds received from the redemption of the 2005 Arnold Bonds and the 2006 Arnold Bonds are not sufficient to redeem in full the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the City;

WHEREAS, the Authority further finds and determines that it is necessary and desirable that the Authority enter into certain documents and take certain other actions in connection with the Authority's entry into the documents as herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section 1. Authorization of Escrow Deposit Agreement. The Authority is hereby authorized to enter into the Escrow Deposit Agreement dated as of July 1, 2015, with UMB Bank, N.A. (the "Escrow Agreement"), in substantially the form presented and reviewed by the Authority at this meeting (a copy of which Escrow Agreement shall be filed with the records of the Authority), with such final terms and such changes therein as shall be approved by the officers of the Authority executing the Escrow Agreement, such officers' signatures thereon being conclusive evidence of their approval thereof.

Section 2. Execution of Escrow Agreement. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Escrow Agreement for and on behalf of and as the act and deed of the Authority.

Section 3. Further Authority. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and execute other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including amendment of any federal tax certificate, to carry out, comply with and perform the duties of the Authority with respect to the Escrow Agreement, and to negotiate

with the Missouri Department of Natural Resources (the “Department”) with respect to obtaining funds not to exceed \$100,000 to fully defease the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the City. Should funds not be provided by the Department, the Escrow Agreement will provide for the defeasance of the maximum principal amount of the Series 2005C Bonds, the Series 2006A Bonds and the Series 2013A Bonds allocable to the City as determined in the reasonable judgment of the Director.

Section 4. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 23rd day of July, 2015.

Chairman of the Authority

(Seal)
ATTEST:

Secretary of the Authority

ESCROW DEPOSIT AGREEMENT

Dated as of July 1, 2015

Between

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

And

UMB BANK, N.A.,
As Escrow Agent

Relating to

The Defeasance, Payment and Discharge of
Certain Outstanding Revenue Bonds

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT dated as of July 1, 2015 (this “Agreement”), is between the **STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY**, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Authority”), and **UMB BANK, N.A.**, a national banking association with a corporate trust office in St. Louis, Missouri, acting as escrow agent hereunder (the “Escrow Agent”).

RECITALS

1. The Authority has issued the following series of its bonds (collectively, the “Original Bonds”) under the Missouri Leveraged State Water Pollution Control Revolving Fund Program and the Missouri Leveraged State Drinking Water Revolving Fund Program, as applicable:

A. Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C (the “Series 2005C Bonds”), issued pursuant to the Bond Indenture dated as of November 1, 2005, as amended, by and between the Authority and UMB Bank, N.A., as trustee (the “Series 2005C Trustee”);

B. Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2006A (the “Series 2006A Bonds”), issued pursuant to the Bond Indenture dated as of April 1, 2006, as amended, by and between the Authority and UMB Bank, N.A., as trustee (the “Series 2006A Trustee”); and

C. Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2013A (the “Series 2013A Bonds”), issued pursuant to the Bond Indenture dated as of November 1, 2013, as amended, by and between the Authority and UMB Bank, N.A., as trustee (the “Series 2013A Trustee”).

2. Pursuant to each of the above Bond Indentures as amended (each an “Original Bonds Indenture,” collectively, the “Original Bonds Indentures”), the Authority has heretofore duly authorized and issued the above referenced series of bonds (the “Original Bonds”), to finance or refinance projects pursuant to the Missouri Leveraged State Water Pollution Control Revolving Fund Program and the Missouri Leveraged State Drinking Water Revolving Fund Program.

3. A portion of the Series 2005C Bonds are allocable to the Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2005 (the “2005 Arnold Bonds”) of the City of Arnold, Missouri (the “City”). A portion of the Series 2006A Bonds are allocable to the Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2006 (the “2006 Arnold Bonds”) of the City. The Series 2005C Bonds and the Series 2006A Bonds were partially refunded with proceeds of the above-described Series 2013A Bonds. On May 22, 2015, the City redeemed the 2005 Arnold Bonds by the deposit of \$4,377,666.40 with the Series 2005C Trustee and the 2006 Arnold Bonds by the deposit of \$1,891,737.69 with the Series 2006A Trustee (collectively, the “Arnold Defeasance Funds”).

4. The Authority desires to provide for the defeasance of the Original Bonds in part, the “Cash Defeased Bonds” as further described on **Schedule 1**.

5. The Cash Defeased Bonds will mature (or will be subject to redemption prior to maturity) and will have interest payable in the amounts and at the times shown on **Schedule 2**.

6. With the Arnold Defeasance Funds [****together with other available funds of the Authority****], the Authority intends to provide for the defeasance and payment of the principal of, redemption premium, and interest on the Cash Defeased Bonds through the purchase of the securities described in **Schedule 3** (collectively, the “Escrowed Securities”) and the deposit of the Escrowed Securities and cash with the Escrow Agent pursuant to this Agreement.

7. The Escrow Agent is, by this Agreement, appointed by the Original Bonds Trustees, and is acting, as master escrow deposit agent for the Cash Defeased Bonds under this Agreement.

AGREEMENT:

1. Definitions. In addition to words and terms defined in the Recitals, the following words and terms used in this Agreement shall have the following meanings:

“**Bond Counsel**” means Gilmore & Bell, P.C. or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing approved by the Authority and acceptable to the Trustee.

“**Bond Payment Date**” means any date on which any principal of, redemption premium, or interest on any of the Cash Defeased Bonds is due and payable.

“**Cash Defeased Bonds**” means the Original Bonds defeased with the Arnold Defeasance Funds, as described in **Schedule 1**.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder or under the corresponding section of the Internal Revenue Code of 1954, as amended, or any subsequently enacted internal revenue law of the United States of America.

“**Escrow Fund**” means the fund by that name as defined in **Section 3**.

“**Escrowed Securities**” means the direct non-callable obligations of the United States of America listed on **Schedule 3** and any Substitute Escrowed Securities, as allocated to a Series of Bonds.

“**Paying Agent**” means the respective paying agent for each Series of Bonds under the applicable Original Bonds Indenture, and any successor or successors at the time acting as paying agent for any Series of Bonds.

“**Series of Bonds**” means the applicable Series of Bonds.

“**Substitute Escrowed Securities**” means direct non-callable obligations of the United States of America which have been acquired by the Escrow Agent and substituted for Escrowed Securities in accordance with **Section 8**.

2. Receipt of Original Bonds Indentures. The Escrow Agent hereby acknowledges receipt of a copy of each Original Bonds Indenture, and reference herein to or citation herein of any provisions of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

3. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent a special and irrevocable separate trust fund to be held in the custody of the Escrow Agent and

designated as the “Escrow Fund – City of Arnold, Missouri Defeasance – State Environmental Improvement and Energy Resources Authority” (the “Escrow Fund”).

4. Verification of Certified Public Accountants. _____, has verified the mathematical accuracy of the mathematical computations of Columbia Capital Management, LLC, that demonstrate that the maturing Escrowed Securities held in the Escrow Fund, and interest to accrue thereon, together with the cash held therein, without consideration of any reinvestment thereof (except as provided in **Section 5**), will be sufficient to pay all principal of, redemption premium, if any, and interest on the Cash Defeased Bonds on the respective Bond Payment Dates.

5. Deposits to the Escrow Fund; Purchase of Escrowed Securities. Concurrently with the execution and delivery of this Agreement, the Escrow Agent acknowledges receipt and deposit into the Escrow Fund of the Arnold Defeasance Funds in the amount of \$_____ and [**other available funds of the Authority in the amount of \$_____ (totaling the sum of \$_____)**], and shall apply such amounts in the Escrow Fund to pay the purchase price of the Escrowed Securities, described in **Schedule 3**, of \$_____, leaving an initial cash balance of \$_____ in the Escrow Fund.

6. Creation of Liens. The escrow created hereby shall be irrevocable. The holders of each Series of Bonds are hereby given an express lien on and security interest in the applicable Escrowed Securities and cash in the Escrow Fund and the applicable earnings thereon until used and applied in accordance with this Agreement, such lien and security interest for the Cash Defeased Bonds being in accordance with the debt service requirements of the Cash Defeased Bonds as shown on **Schedule 2**. The matured principal of and earnings on the applicable Escrowed Securities and the cash in the Escrow Fund allocable to the applicable Series of Bonds are hereby pledged and assigned and shall be applied solely for the payment of the principal of, redemption premium, if any, and interest on such Series of Bonds.

7. Application of Cash and Escrowed Securities in the Escrow Fund.

(a) Except as otherwise expressly provided in this **Section 7** and **Section 8**, the Escrow Agent shall have no power or duty to invest any money held hereunder or to sell transfer or otherwise dispose of any Escrowed Securities; provided however, at the written request of the Authority any cash held by the Escrow Agent shall be invested in a forward purchase contract, the terms of which are approved by the Authority and consented to by the Escrow Agent (which consent shall not be unreasonably withheld and which consent may be conditioned upon a determination that such forward purchase contract does not materially increase the duties and responsibilities of the Escrow Agent), provided the Escrow Agent, the Original Bonds Trustees and the Authority shall receive an Opinion of Bond Counsel that the investment of cash pursuant to the forward purchase contract is permitted pursuant to the terms of this Agreement and would not adversely affect the exclusion of interest on the Cash Defeased Bonds from gross income for federal income tax purposes under then existing law.

(b) On or prior to each Bond Payment Date, the Escrow Agent shall withdraw from the Escrow Fund an amount equal to the principal of, redemption premium, and interest on the Cash Defeased Bonds becoming due and payable on such Bond Payment Date, as set forth in **Schedule 2**, and shall forward such amount to the respective offices of the Paying Agents, so that immediately available funds in the required amounts will reach each such office of the Paying Agents on or before 12:00 Noon, Central Time, on such Bond Payment Date. In order to make the payments required by this subsection, the Escrow Agent is hereby authorized to present or redeem the Escrowed Securities in accordance with the maturity schedule in **Schedule 3**. The liability of the Escrow Agent to make the payments required by

this subsection with respect to the Cash Defeased Bonds shall be limited to immediately available funds from moneys and Escrowed Securities in the Escrow Fund.

(c) Upon the payment in full of the principal of, redemption premium, if any, and interest on the last of each series of Cash Defeased Bonds, all remaining money and Escrowed Securities in the Escrow Fund with respect to a series of Cash Defeased Bonds as set forth in **Schedule 3-1**, together with any interest thereon, shall be transferred to the applicable Original Bonds Trustee for credit to the applicable Interest Account.

8. Substitute Escrowed Securities.

(a) If any of the Escrowed Securities are not available for delivery on the effective date of this Agreement, the Escrow Agent is directed to accept substitute securities in lieu thereof provided:

(1) the substitute securities are non-callable, direct obligations of the United States of America,

(2) the maturing principal of and interest on such substitute securities (excluding any interest after any optional call date) is equal to or greater than the principal and interest payable on such unavailable Escrowed Securities,

(3) principal of and interest on the substitute securities is payable no later than, and in amounts no less than, the payments on the unavailable Escrowed Securities,

(4) the Escrow Agent, the Original Bonds Trustees and the Authority shall receive from a nationally recognized independent certified public accountant or accounting firm a certification, satisfactory in form and substance to the Authority and the Escrow Agent, to the effect that after such substitution, the principal of and interest payable on the Escrowed Securities to be held in the Escrow Fund after giving effect to the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the Cash Defeased Bonds pursuant to **Schedule 2**, and

(5) the Authority and Bond Counsel approve such substitution in writing.

(b) At the written request of the Authority, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power from time to time to sell, transfer, request the redemption of or otherwise dispose of any of the Escrowed Securities and to substitute for the Escrowed Securities so redeemed or otherwise disposed of solely cash or non-callable direct obligations of the United States of America (the "Substitute Escrowed Securities"). The Escrow Agent shall purchase such Substitute Escrowed Securities with the proceeds derived from any such sale, transfer, disposition or redemption of the Escrowed Securities together with any other funds available for such purpose. The substitution may be effected only if:

(1) the substitution of the Substitute Escrowed Securities for the original Escrowed Securities occurs simultaneously;

(2) the Escrow Agent, the Original Bonds Trustees and the Authority shall receive from a nationally recognized independent certified public accountant or accounting firm a certification, satisfactory in form and substance to the Authority and the Escrow Agent, to the

effect that after such substitution, the principal of and interest payable on the Escrowed Securities to be held in the Escrow Fund after giving affect to the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the Cash Defeased Bonds pursuant to **Schedule 2-1**; and

(3) the Escrow Agent, the Original Bonds Trustees and the Authority shall receive an Opinion of Bond Counsel to the effect that such substitution is permitted pursuant to the terms of this Agreement and would not cause the interest on the Cash Defeased Bonds to become included in gross income for purposes of federal income taxation under then existing law.

If any such substitution results in cash held in the Escrow Fund in excess of the cash required for the certification of an independent certified public accountant referred to in this subsection (b) (as evidenced by such certification), the Escrow Agent shall, at the written request of the Authority, withdraw such excess from the Escrow Fund and pay such excess to the applicable Original Bonds Trustee for credit to the applicable Interest Account; provided that, in the Opinion of Bond Counsel, such withdrawal and application will not be contrary to State law and will not cause the interest on the Cash Defeased Bonds to become included in gross income for purposes of federal income taxation.

9. Redemption of Cash Defeased Bonds. The Authority has directed each Original Bonds Trustee to mail, as soon as practicable and in the manner provided in the Original Bonds Indentures, notice that the Cash Defeased Bonds are deemed to have been paid within the meaning of the Original Bonds Indentures, in substantially the forms set forth in the Exhibits to this Agreement, with such changes as the applicable Original Bonds Trustee deems appropriate, and to mail by first-class mail at least 30 and not more than 60 days prior to the redemption date to the owner of any Cash Defeased Bonds designated for redemption notice of the redemption of the Cash Defeased Bonds as required under the Original Bonds Indentures.

10. Reports of the Escrow Agent. As long as any Series of Bonds, together with the interest thereon, have not been paid in full, the Escrow Agent shall, at least 15 days prior to each Bond Payment Date, determine the amount of money which will be available in the Escrow Fund to pay the principal of, redemption premium, if any, and interest on the applicable Series of Bonds on the next Bond Payment Date and certify in writing to the Authority and the respective Original Bonds Trustee (a) the amount so determined, and (b) a list of the money and Escrowed Securities held by it in the applicable account of the Escrow Fund on the date of such certification, including all money held by it which was received as interest or profit from Escrowed Securities.

11. Liability of Escrow Agent.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer or other disposition made pursuant to this Agreement in compliance with the provisions hereof, other than as a result of the Escrow Agent's negligence or willful misconduct. The Escrow Agent shall have no lien whatsoever on any of the money or Escrowed Securities on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement or otherwise.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrowed Securities and money to pay the Cash Defeased Bonds. So long as the Escrow Agent applies the Escrowed Securities and money as provided herein, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Cash Defeased Bonds caused by such

calculations. Notwithstanding the foregoing, the Escrow Agent shall not be relieved of liability arising from and proximate to its failure to comply fully with the terms of this Agreement.

(c) If the Escrow Agent fails to account for any of the Escrowed Securities or money received by it, said Escrowed Securities or money shall be and remain the property of the Authority in trust for the holders of the Cash Defeased Bonds, and, if for any reason such Escrowed Securities or money are not applied as herein provided, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof until the required application shall be made.

(d) The Escrow Agent may rely and shall be protected in acting upon or refraining from acting upon in good faith any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, verification, 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.

(e) The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement.

12. Fees and Costs of the Escrow Agent.

(a) The aggregate amount of the costs, fees, and expenses of the Escrow Agent in connection with the creation of the escrow described in and created by this Agreement and in carrying out any of the duties, terms or provisions of this Agreement is a one-time fee in the amount of \$_____, which amount shall be paid upon delivery of an invoice to the Authority.

(b) Notwithstanding paragraph (a), the Escrow Agent shall be entitled to reimbursement from the Authority, pursuant to the limitations of **Section 7.2** of the Original Bonds Indentures, of reasonable extraordinary out-of-pocket, legal or other expenses incurred in carrying out the duties, terms or provisions of this Agreement. Claims for such reimbursement may be made under the terms of the applicable Original Bonds Indenture from moneys available thereunder after payment in full of the applicable Series of Bonds. In no event shall such reimbursement be made from funds held by the Escrow Agent pursuant to this Agreement.

13. Resignation or Removal of Escrow Agent; Successor Escrow Agent.

(a) The Escrow Agent at the time acting hereunder may at any time resign and be discharged from its duties and responsibilities hereby created by giving written notice by registered or certified mail to the Original Bonds Trustees and the Authority and by first class mail, postage prepaid, to all of the registered owners of the Cash Defeased Bonds then outstanding not less than 60 days prior to the date when the resignation is to take effect. Such resignation shall take effect immediately upon the acceptance of the Original Bonds Trustees and the Authority of the resignation, the appointment of a successor Escrow Agent (which may be a temporary Escrow Agent) by the Original Bonds Trustees, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the money and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the resigning Escrow Agent.

(b) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent, the Original Bonds Trustees and the Authority and signed by the owners of a majority in principal amount of the Cash Defeased Bonds then outstanding; provided that written notice thereof is mailed on or before the date of such removal by first-class mail,

postage prepaid, to all registered owners of such Cash Defeased Bonds, who are not parties to such instruments. The Escrow Agent may also be removed by the Original Bonds Trustees and the Authority if the Escrow Agent fails to make timely payment on any Bond Payment Date to any Paying Agent of the amounts required to be paid by it on such Bond Payment Date under **Section 7(b)**; provided that written notice thereof is mailed on or before the date of such removal by registered or certified mail, postage prepaid, to the Paying Agents and by first-class mail, postage prepaid to all registered owners of the Cash Defeased Bonds, who are not parties to such instruments. Any removal pursuant to this paragraph shall become effective upon the appointment of a successor Escrow Agent (which may be a temporary successor Escrow Agent) by the Original Bonds Trustees and the Authority, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the money and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the Escrow Agent being removed.

(c) If the Escrow Agent shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, the Original Bonds Trustees and the Authority shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the Original Bonds Trustees and the Authority in the manner above provided, and any such temporary Escrow Agent so appointed by the Authority shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

(d) If no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by the Original Bonds Trustees and the Authority pursuant to the foregoing provisions of this Section within 60 days after written notice of resignation of the Escrow Agent has been given to the Authority, the holder of any of the Cash Defeased Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

(e) Every successor Escrow Agent appointed pursuant to the provisions of this Section shall be a trust company or bank located in the State, organized and doing business under the laws of the United States of America or of the State, subject to supervision or examination by federal or State regulatory authority and having, or be wholly owned by an entity having, a reported capital and surplus of not less than \$75,000,000, if there be such an institution willing, qualified and able to accept the obligations under this Agreement upon reasonable and customary terms.

(f) Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Original Bonds Trustees and the Authority an instrument in writing accepting such appointment hereunder, and thereupon such successor Escrow Agent without any further act, deed or conveyance shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the Original Bonds Trustees or the Authority, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Escrow Agent shall deliver all securities and money held by it to its successor. Should any transfer, assignment or instrument in writing from the Original Bonds Trustees or the Authority be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in

writing shall, on request, be executed, acknowledged and delivered by the Original Bonds Trustees or the Authority.

(g) Any corporation into which the Escrow Agent may be merged or with which it may be consolidated or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation resulting from any such merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Escrow Agent hereunder and vested with all of the title and all the powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

14. Transfers by Escrow Agent to Original Bonds Trustees and Paying Agents. The Escrow Agent hereby agrees to provide funds, but only from cash and Escrowed Securities available in the Escrow Fund, to the Original Bonds Trustees and Paying Agents in accordance with this Agreement at the times and in the amounts required to pay debt service on the Cash Defeased Bonds, as provided on **Schedule 2**.

15. Appointment of Escrow Agent and Acceptance of Terms. Each Original Bonds Trustee, by execution of the Appointment of Escrow Agent set forth at the end of this Agreement, hereby agrees to and accepts the terms and provisions of this Agreement and irrevocably appoints UMB Bank, N.A. as its agent to act in all capacities appropriate and necessary for the defeasance of the Cash Defeased Bonds and as Escrow Agent under this Agreement and in accordance with the Original Bonds Indentures. As agent of the Original Bonds Trustees, the Escrow Agent shall be entitled to all of the rights, protections, immunities and indemnities created in favor of the Original Bonds Trustees by the Original Bonds Indentures.

16. Amendments. This Agreement is made for the benefit of the Authority and the holders from time to time of the Cash Defeased Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the Authority; provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Cash Defeased Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties or provide a forward purchase contract; and
- (d) to make any other change which, in the sole judgment of the Escrow Agent, does not materially adversely affect the interests of the holders of the applicable Series of Bonds and which is not inconsistent with the terms of this Agreement.

The Escrow Agent shall be entitled to rely exclusively upon an Opinion of Bond Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification,

addition or elimination affects the rights of the holders of the Cash Defeased Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

The Escrow Agent shall notify Moody's Investors Service and Fitch, Inc. in writing prior to the execution of any amendment to this Agreement.

17. Termination. This Agreement shall terminate when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made. The Escrow Agent shall notify Moody's Investors Service and Fitch Ratings in writing prior to the execution of any early termination to this Agreement.

18. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by the Original Bonds Indentures or this Agreement to be given to or filed with the Authority, the Escrow Agent, the Original Bonds Trustees or Moody's Investors Service and Fitch Ratings if the same shall be duly mailed by certified or registered mail addressed:

(a) To the Authority at:

State Environmental Improvement and Energy
Resources Authority
425 Madison Street, Second Floor
Jefferson City, Missouri 65101
Attention: Director

(b) To the Escrow Agent at:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Department

(c) To the Original Bonds Trustees at their respective addresses and by the method set forth in the Original Bonds Indentures.

(d) To the Rating Agencies at:

Moody's Investors Service
7 World Trade Center at 250 Greenwich Street
New York, New York 10007
Attention: Rating Surveillance

and

Fitch Ratings
One State Street Plaza
New York, New York 10004
Attention: Rating Surveillance

19. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement. In any such event, and in the event of amendments hereto or, if the Escrow Agent has knowledge, revocation hereof, immediate notice shall be given by the Escrow Agent to the Original Bonds Trustees, the Authority and Moody's Investors Service.

20. Successors and Assigns. All of the covenants, promises and agreements in this Agreement contained by or on behalf of the Authority or the Escrow Agent shall be binding upon and inure to the benefit of their respective successors and assigns whether so expressed or not.

21. Governing Law. This Agreement shall be governed by the applicable law of the State of Missouri.

22. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

23. Electronic Transactions. The parties agree that the transactions described in this Indenture 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.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By _____

UMB BANK, N.A., as Escrow Agent

By _____
Vice President

SCHEDULE 1
TO ESCROW DEPOSIT AGREEMENT

CASH DEFEASED BONDS

The Cash Defeased Bonds consist of the outstanding issues of revenue bonds maturing or subject to mandatory sinking fund redemption on the dates and in the principal amounts as follows:

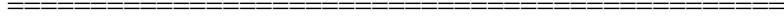
SCHEDULE 2
TO ESCROW DEPOSIT AGREEMENT

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ESCROW REQUIREMENT FOR CASH DEFEASED BONDS

CLEAN WATER ESCROW REQUIREMENT

SCHEDULE 3
TO ESCROW DEPOSIT AGREEMENT



SCHEDULE OF ESCROWED SECURITIES
CASH DEFEASED BONDS

CLEAN WATER ESCROW ESCROWED SECURITIES

**APPOINTMENT OF ESCROW AGENT AND ACCEPTANCE OF
TERMS OF ESCROW DEPOSIT AGREEMENT**

The undersigned, as Original Bonds Trustee, hereby agrees to and accepts the terms and provisions of this Escrow Deposit Agreement dated as of July 1, 2015, between the State Environmental Improvement and Energy Resources Authority and UMB Bank, N.A. and irrevocably appoints UMB Bank, N.A. as its agent to act in all capacities appropriate and necessary for the defeasance of the following series of Cash Defeased Bonds and as Escrow Agent under this Escrow Deposit Agreement and in accordance with the Original Bonds Indentures:

Series 2005C Bonds
Series 2006A Bonds
Series 2013A Bonds

UMB BANK, N.A., as Original Bonds Trustee

By: _____
Name: Rebecca A. Dengler
Title: Vice President

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #3E
DEFEASANCE OF THE CITY OF PORTAGEVILLE SRF BONDS AND ESTABLISHMENT OF ESCROW
DEPOSIT AGREEMENT

Issue:

The City of Portageville prepaid a major portion of their outstanding State Revolving Fund (SRF) loan allocable to Series 2004C, 2011A and 2013A. To preserve SRF program cashflows, portions of those respective Series must be defeased using the prepayment of \$707,250.00.

Action Needed:

Approval of a resolution authorizing the Authority to enter into an Escrow Deposit Agreement with UMB Bank to defease the city's allocable portion of bonds in Series 2004C, 2011A and 2013A.

Staff Recommendation:

Staff recommends that the Board approve a resolution authorizing the Authority to enter into an Escrow Deposit Agreement necessary to defease SRF bonds allocable to the City of Portageville from Series 2004C, 2011A and 2013A.

Staff Contact:

Joe Boland

Background:

The City of Portageville was a participant in the 2004C State Revolving Fund (SRF) pooled bond issue, the proceeds of which were used to make improvements to their drinking water system. Portions of Series 2004C were then refunded through Series 2011A and 2013A. On March 2, 2015, the Board of Alderman for the City of Portageville voted in favor of paying off the city's SRF loan early.

Since the principal and interest payments from this loan will no longer be coming in to service the underlying bonds that funded this loan, it makes the most sense to defease the portion of Series 2004C, 2011A and 2013A to ensure there are adequate cashflows to cover those respective series.

The amount of the prepayment totaled \$707,250.00. These funds will be placed in an escrow account and used to defease bonds allocable to Portageville for Series 2004C, 2011A and 2013A.

Attached is the Resolution authorizing the Authority to enter into an Escrow Deposit Agreement which directs the Trustee on how to manage the funds received from the City of Portageville. The Escrow Deposit Agreement is attached for your review.

JB:ge

Attachments

Exhibit "A"

RES. 15-__

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ENTER INTO AN ESCROW DEPOSIT AGREEMENT WITH RESPECT TO DEFEASING CERTAIN STATE REVOLVING FUNDS PROGRAMS BONDS, AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ACTIONS AUTHORIZED BY THE ESCROW DEPOSIT AGREEMENT

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority") is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue revenue bonds for the purpose of paying costs of such projects, and to refund its outstanding revenue bonds in whole or in part; and

WHEREAS, by resolutions adopted by the Authority on February 23, 1988, September 22, 1998 and July 31, 2009, the Authority has approved the development and implementation of the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the "Clean Water SRF Program") and the Missouri Leveraged State Drinking Water Revolving Fund Program (the "Drinking Water SRF Program" and, collectively with the Clean Water SRF Program, the "SRF Programs") and has stated its intent to issue its bonds or notes to finance projects pursuant to the SRF Programs, said bonds or notes to be payable solely out of the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, pursuant to the Act and the SRF Programs, the Authority has issued its Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2004C (the "Series 2004C Bonds"), issued pursuant to the Bond Indenture dated as of November 1, 2004, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2004C Trustee"); and

WHEREAS, the Series 2004C Bonds were partially refunded with proceeds of the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2011A (the "Series 2011A Bonds") issued pursuant to the Bond Indenture dated as of November 1, 2011, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2011A Trustee"), and the Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) Series 2013A (the "Series 2013A Bonds") issued pursuant to the Bond Indenture dated as of November 1, 2013, as amended, between the Authority and UMB Bank, N.A., as trustee (the "Series 2013A Trustee"); and

WHEREAS, a portion of the Series 2004C Bonds are allocable to the Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2004 (the "Portageville Bonds") of the City of Portageville, Missouri (the "City"); and

WHEREAS, a portion of the Series 2011A Bonds and the Series 2013A Bonds are allocable to the Portageville Bonds; and

WHEREAS, on June 1, 2015, the City redeemed a portion of the Portageville Bonds by the deposit of \$707,250.00 with the Series 2004C Trustee; and

WHEREAS, defeasing a portion of the Series 2004C Bonds, the Series 2011A Bonds and the Series 2013A Bonds allocable to the Portageville Bonds may be advantageous for preserving SRF Programs cash flow; and

WHEREAS, the Authority finds that it is necessary and appropriate to cause the defeasance of the Series 2004C Bonds, the Series 2011A Bonds and/or the Series 2013A Bonds allocable to the City, either in whole or in part; and

WHEREAS, the Authority further finds and determines that it is necessary and desirable that the Authority enter into certain documents and take certain other actions in connection with the Authority's entry into the documents as herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section 1. Authorization of Escrow Deposit Agreement. The Authority is hereby authorized to enter into the Escrow Deposit Agreement dated as of July 1, 2015, with UMB Bank, N.A. (the "Escrow Agreement"), in substantially the form presented and reviewed by the Authority at this meeting (a copy of which Escrow Agreement shall be filed with the records of the Authority), with such final terms and such changes therein as shall be approved by the officers of the Authority executing the Escrow Agreement, such officers' signatures thereon being conclusive evidence of their approval thereof.

Section 2. Execution of Escrow Agreement. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Escrow Agreement for and on behalf of and as the act and deed of the Authority.

Section 3. Further Authority. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and execute other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including amendment of any federal tax certificate, to carry out, comply with and perform the duties of the Authority with respect to the Escrow Agreement. The Escrow Agreement will provide for the defeasance of the appropriate principal amount of the Series 2004C Bonds, the Series 2011A Bonds and the Series 2013A Bonds allocable to the City as determined in the reasonable judgment of the Director.

Section 4. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 23rd day of July, 2015.

Chairman of the Authority

(Seal)
ATTEST:

Secretary of the Authority

ESCROW DEPOSIT AGREEMENT

Dated as of July 1, 2015

Between

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

And

UMB BANK, N.A.,
As Escrow Agent

Relating to

The Defeasance, Payment and Discharge of
Certain Outstanding Series 2004C Bonds,
Series 2011A Bonds and Series 2013A Bonds

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT dated as of July 1, 2015 (this “Agreement”), is between the **STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY**, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “Authority”), and **UMB BANK, N.A.**, a national banking association with a corporate trust office in St. Louis, Missouri, acting as escrow agent hereunder (the “Escrow Agent”).

RECITALS

1. The Authority has issued the following series of its bonds (collectively, the “Original Bonds”) under the Missouri Leveraged State Water Pollution Control Revolving Fund Program and the Missouri Leveraged State Drinking Water Revolving Fund Program, as applicable:

A. Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2004C (the “Series 2004C Bonds”), issued pursuant to the Bond Indenture dated as of November 1, 2004, as amended, by and between the Authority and UMB Bank, N.A., as trustee (the “Series 2004C Trustee”);

B. Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2011A (the “Series 2011A Bonds”), issued pursuant to the Bond Indenture dated as of November 1, 2011, as amended, by and between the Authority and UMB Bank, N.A., as trustee (the “Series 2011A Trustee”); and

C. Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2013A (the “Series 2013A Bonds”), issued pursuant to the Bond Indenture dated as of November 1, 2013, as amended, by and between the Authority and UMB Bank, N.A., as trustee (the “Series 2013A Trustee”).

2. Pursuant to each of the above Bond Indentures as amended (each an “Original Bonds Indenture,” collectively, the “Original Bonds Indentures”), the Authority has heretofore duly authorized and issued the above referenced series of bonds (the “Original Bonds”), to finance or refinance projects pursuant to the Missouri Leveraged State Water Pollution Control Revolving Fund Program and the Missouri Leveraged State Drinking Water Revolving Fund Program.

3. A portion of the Series 2004C Bonds are allocable to the Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program) Series 2004 (the “Portageville Bonds”) of the City of Portageville, Missouri (the “City”). The Series 2004C Bonds were partially refunded with proceeds of the above-described Series 2011A Bonds and the Series 2013A Bonds. On June 1, 2015, the City redeemed a portion of the Portageville Bonds by the deposit of \$707,250.00 with the Series 2004C Trustee (the “Portageville Defeasance Funds”).

4. The Authority desires to provide for the defeasance of the Original Bonds in part, the “Cash Defeased Bonds” as further described on **Schedule 1**.

5. The Cash Defeased Bonds will mature (or will be subject to redemption prior to maturity) and will have interest payable in the amounts and at the times shown on **Schedule 2**.

6. With the Portageville Defeasance Funds [**together with other available funds of the Authority**], the Authority intends to provide for the defeasance and payment of the principal of,

redemption premium, and interest on the Cash Defeased Bonds through the purchase of the securities described in **Schedule 3** (collectively, the “Escrowed Securities”) and the deposit of the Escrowed Securities and cash with the Escrow Agent pursuant to this Agreement.

7. The Escrow Agent is, by this Agreement, appointed by the Original Bonds Trustees, and is acting, as master escrow deposit agent for the Cash Defeased Bonds under this Agreement.

AGREEMENT:

1. Definitions. In addition to words and terms defined in the Recitals, the following words and terms used in this Agreement shall have the following meanings:

“**Bond Counsel**” means Gilmore & Bell, P.C. or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing approved by the Authority and acceptable to the Trustee.

“**Bond Payment Date**” means any date on which any principal of, redemption premium, or interest on any of the Cash Defeased Bonds is due and payable.

“**Cash Defeased Bonds**” means the Original Bonds defeased with the Portageville Defeasance Funds, as described in **Schedule 1**.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder or under the corresponding section of the Internal Revenue Code of 1954, as amended, or any subsequently enacted internal revenue law of the United States of America.

“**Escrow Fund**” means the fund by that name as defined in **Section 3**.

“**Escrowed Securities**” means the direct non-callable obligations of the United States of America listed on **Schedule 3** and any Substitute Escrowed Securities, as allocated to a Series of Bonds.

“**Paying Agent**” means the respective paying agent for each Series of Bonds under the applicable Original Bonds Indenture, and any successor or successors at the time acting as paying agent for any Series of Bonds.

“**Series of Bonds**” means the applicable Series of Bonds.

“**Substitute Escrowed Securities**” means direct non-callable obligations of the United States of America which have been acquired by the Escrow Agent and substituted for Escrowed Securities in accordance with **Section 8**.

2. Receipt of Original Bonds Indentures. The Escrow Agent hereby acknowledges receipt of a copy of each Original Bonds Indenture, and reference herein to or citation herein of any provisions of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

3. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent a special and irrevocable separate trust fund to be held in the custody of the Escrow Agent and designated as the “Escrow Fund – City of Portageville, Missouri Defeasance – State Environmental Improvement and Energy Resources Authority” (the “Escrow Fund”).

4. Verification of Certified Public Accountants. _____, has verified the mathematical accuracy of the mathematical computations of Columbia Capital Management, LLC, that demonstrate that the maturing Escrowed Securities held in the Escrow Fund, and interest to accrue thereon, together with the cash held therein, without consideration of any reinvestment thereof (except as provided in **Section 5**), will be sufficient to pay all principal of, redemption premium, if any, and interest on the Cash Defeased Bonds on the respective Bond Payment Dates.

5. Deposits to the Escrow Fund; Purchase of Escrowed Securities. Concurrently with the execution and delivery of this Agreement, the Escrow Agent acknowledges receipt and deposit into the Escrow Fund of the Portageville Defeasance Funds in the amount of \$ _____ and [**other available funds of the Authority in the amount of \$ _____ (totaling the sum of \$ _____)**], and shall apply such amounts in the Escrow Fund to pay the purchase price of the Escrowed Securities, described in **Schedule 3**, of \$ _____, leaving an initial cash balance of \$ _____ in the Escrow Fund.

6. Creation of Liens. The escrow created hereby shall be irrevocable. The holders of each Series of Bonds are hereby given an express lien on and security interest in the applicable Escrowed Securities and cash in the Escrow Fund and the applicable earnings thereon until used and applied in accordance with this Agreement, such lien and security interest for the Cash Defeased Bonds being in accordance with the debt service requirements of the Cash Defeased Bonds as shown on **Schedule 2**. The matured principal of and earnings on the applicable Escrowed Securities and the cash in the Escrow Fund allocable to the applicable Series of Bonds are hereby pledged and assigned and shall be applied solely for the payment of the principal of, redemption premium, if any, and interest on such Series of Bonds.

7. Application of Cash and Escrowed Securities in the Escrow Fund.

(a) Except as otherwise expressly provided in this **Section 7** and **Section 8**, the Escrow Agent shall have no power or duty to invest any money held hereunder or to sell transfer or otherwise dispose of any Escrowed Securities; provided however, at the written request of the Authority any cash held by the Escrow Agent shall be invested in a forward purchase contract, the terms of which are approved by the Authority and consented to by the Escrow Agent (which consent shall not be unreasonably withheld and which consent may be conditioned upon a determination that such forward purchase contract does not materially increase the duties and responsibilities of the Escrow Agent), provided the Escrow Agent, the Original Bonds Trustees and the Authority shall receive an Opinion of Bond Counsel that the investment of cash pursuant to the forward purchase contract is permitted pursuant to the terms of this Agreement and would not adversely affect the exclusion of interest on the Cash Defeased Bonds from gross income for federal income tax purposes under then existing law.

(b) On or prior to each Bond Payment Date, the Escrow Agent shall withdraw from the Escrow Fund an amount equal to the principal of, redemption premium, and interest on the Cash Defeased Bonds becoming due and payable on such Bond Payment Date, as set forth in **Schedule 2**, and shall forward such amount to the respective offices of the Paying Agents, so that immediately available funds in the required amounts will reach each such office of the Paying Agents on or before 12:00 Noon, Central Time, on such Bond Payment Date. In order to make the payments required by this subsection, the Escrow Agent is hereby authorized to present or redeem the Escrowed Securities in accordance with the maturity schedule in **Schedule 3**. The liability of the Escrow Agent to make the payments required by this subsection with respect to the Cash Defeased Bonds shall be limited to immediately available funds from moneys and Escrowed Securities in the Escrow Fund.

(c) Upon the payment in full of the principal of, redemption premium, if any, and interest on the last of each series of Cash Defeased Bonds, all remaining money and Escrowed Securities in the

Escrow Fund with respect to a series of Cash Defeased Bonds as set forth in **Schedule 3-1**, together with any interest thereon, shall be transferred to the applicable Original Bonds Trustee for credit to the applicable Interest Account.

8. Substitute Escrowed Securities.

(a) If any of the Escrowed Securities are not available for delivery on the effective date of this Agreement, the Escrow Agent is directed to accept substitute securities in lieu thereof provided:

(1) the substitute securities are non-callable, direct obligations of the United States of America,

(2) the maturing principal of and interest on such substitute securities (excluding any interest after any optional call date) is equal to or greater than the principal and interest payable on such unavailable Escrowed Securities,

(3) principal of and interest on the substitute securities is payable no later than, and in amounts no less than, the payments on the unavailable Escrowed Securities,

(4) the Escrow Agent, the Original Bonds Trustees and the Authority shall receive from a nationally recognized independent certified public accountant or accounting firm a certification, satisfactory in form and substance to the Authority and the Escrow Agent, to the effect that after such substitution, the principal of and interest payable on the Escrowed Securities to be held in the Escrow Fund after giving effect to the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the Cash Defeased Bonds pursuant to **Schedule 2**, and

(5) the Authority and Bond Counsel approve such substitution in writing.

(b) At the written request of the Authority, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power from time to time to sell, transfer, request the redemption of or otherwise dispose of any of the Escrowed Securities and to substitute for the Escrowed Securities so redeemed or otherwise disposed of solely cash or non-callable direct obligations of the United States of America (the "Substitute Escrowed Securities"). The Escrow Agent shall purchase such Substitute Escrowed Securities with the proceeds derived from any such sale, transfer, disposition or redemption of the Escrowed Securities together with any other funds available for such purpose. The substitution may be effected only if:

(1) the substitution of the Substitute Escrowed Securities for the original Escrowed Securities occurs simultaneously;

(2) the Escrow Agent, the Original Bonds Trustees and the Authority shall receive from a nationally recognized independent certified public accountant or accounting firm a certification, satisfactory in form and substance to the Authority and the Escrow Agent, to the effect that after such substitution, the principal of and interest payable on the Escrowed Securities to be held in the Escrow Fund after giving effect to the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay all remaining principal of, redemption premium, if any, and interest on the Cash Defeased Bonds pursuant to **Schedule 2-1**; and

(3) the Escrow Agent, the Original Bonds Trustees and the Authority shall receive an Opinion of Bond Counsel to the effect that such substitution is permitted pursuant to the terms of this Agreement and would not cause the interest on the Cash Defeased Bonds to become included in gross income for purposes of federal income taxation under then existing law.

If any such substitution results in cash held in the Escrow Fund in excess of the cash required for the certification of an independent certified public accountant referred to in this subsection (b) (as evidenced by such certification), the Escrow Agent shall, at the written request of the Authority, withdraw such excess from the Escrow Fund and pay such excess to the applicable Original Bonds Trustee for credit to the applicable Interest Account; provided that, in the Opinion of Bond Counsel, such withdrawal and application will not be contrary to State law and will not cause the interest on the Cash Defeased Bonds to become included in gross income for purposes of federal income taxation.

9. Redemption of Cash Defeased Bonds. The Authority has directed each Original Bonds Trustee to mail, as soon as practicable and in the manner provided in the Original Bonds Indentures, notice that the Cash Defeased Bonds are deemed to have been paid within the meaning of the Original Bonds Indentures, in substantially the forms set forth in the Exhibits to this Agreement, with such changes as the applicable Original Bonds Trustee deems appropriate, and to mail by first-class mail at least 30 and not more than 60 days prior to the redemption date to the owner of any Cash Defeased Bonds designated for redemption notice of the redemption of the Cash Defeased Bonds as required under the Original Bonds Indentures.

10. Reports of the Escrow Agent. As long as any Series of Bonds, together with the interest thereon, have not been paid in full, the Escrow Agent shall, at least 15 days prior to each Bond Payment Date, determine the amount of money which will be available in the Escrow Fund to pay the principal of, redemption premium, if any, and interest on the applicable Series of Bonds on the next Bond Payment Date and certify in writing to the Authority and the respective Original Bonds Trustee (a) the amount so determined, and (b) a list of the money and Escrowed Securities held by it in the applicable account of the Escrow Fund on the date of such certification, including all money held by it which was received as interest or profit from Escrowed Securities.

11. Liability of Escrow Agent.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer or other disposition made pursuant to this Agreement in compliance with the provisions hereof, other than as a result of the Escrow Agent's negligence or willful misconduct. The Escrow Agent shall have no lien whatsoever on any of the money or Escrowed Securities on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement or otherwise.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrowed Securities and money to pay the Cash Defeased Bonds. So long as the Escrow Agent applies the Escrowed Securities and money as provided herein, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Cash Defeased Bonds caused by such calculations. Notwithstanding the foregoing, the Escrow Agent shall not be relieved of liability arising from and proximate to its failure to comply fully with the terms of this Agreement.

(c) If the Escrow Agent fails to account for any of the Escrowed Securities or money received by it, said Escrowed Securities or money shall be and remain the property of the Authority in trust for the holders of the Cash Defeased Bonds, and, if for any reason such Escrowed Securities or

money are not applied as herein provided, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof until the required application shall be made.

(d) The Escrow Agent may rely and shall be protected in acting upon or refraining from acting upon in good faith any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, verification, 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.

(e) The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement.

12. Fees and Costs of the Escrow Agent.

(a) The aggregate amount of the costs, fees, and expenses of the Escrow Agent in connection with the creation of the escrow described in and created by this Agreement and in carrying out any of the duties, terms or provisions of this Agreement is a one-time fee in the amount of \$_____, which amount shall be paid upon delivery of an invoice to the Authority.

(b) Notwithstanding paragraph (a), the Escrow Agent shall be entitled to reimbursement from the Authority, pursuant to the limitations of **Section 7.2** of the Original Bonds Indentures, of reasonable extraordinary out-of-pocket, legal or other expenses incurred in carrying out the duties, terms or provisions of this Agreement. Claims for such reimbursement may be made under the terms of the applicable Original Bonds Indenture from moneys available thereunder after payment in full of the applicable Series of Bonds. In no event shall such reimbursement be made from funds held by the Escrow Agent pursuant to this Agreement.

13. Resignation or Removal of Escrow Agent; Successor Escrow Agent.

(a) The Escrow Agent at the time acting hereunder may at any time resign and be discharged from its duties and responsibilities hereby created by giving written notice by registered or certified mail to the Original Bonds Trustees and the Authority and by first class mail, postage prepaid, to all of the registered owners of the Cash Defeased Bonds then outstanding not less than 60 days prior to the date when the resignation is to take effect. Such resignation shall take effect immediately upon the acceptance of the Original Bonds Trustees and the Authority of the resignation, the appointment of a successor Escrow Agent (which may be a temporary Escrow Agent) by the Original Bonds Trustees, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the money and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the resigning Escrow Agent.

(b) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent, the Original Bonds Trustees and the Authority and signed by the owners of a majority in principal amount of the Cash Defeased Bonds then outstanding; provided that written notice thereof is mailed on or before the date of such removal by first-class mail, postage prepaid, to all registered owners of such Cash Defeased Bonds, who are not parties to such instruments. The Escrow Agent may also be removed by the Original Bonds Trustees and the Authority if the Escrow Agent fails to make timely payment on any Bond Payment Date to any Paying Agent of the amounts required to be paid by it on such Bond Payment Date under **Section 7(b)**; provided that written notice thereof is mailed on or before the date of such removal by registered or certified mail, postage prepaid, to the Paying Agents and by first-class mail, postage prepaid to all registered owners of the Cash Defeased Bonds, who are not parties to such instruments. Any removal pursuant to this paragraph shall

become effective upon the appointment of a successor Escrow Agent (which may be a temporary successor Escrow Agent) by the Original Bonds Trustees and the Authority, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the money and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the Escrow Agent being removed.

(c) If the Escrow Agent shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, the Original Bonds Trustees and the Authority shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the Original Bonds Trustees and the Authority in the manner above provided, and any such temporary Escrow Agent so appointed by the Authority shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

(d) If no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by the Original Bonds Trustees and the Authority pursuant to the foregoing provisions of this Section within 60 days after written notice of resignation of the Escrow Agent has been given to the Authority, the holder of any of the Cash Defeased Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

(e) Every successor Escrow Agent appointed pursuant to the provisions of this Section shall be a trust company or bank located in the State, organized and doing business under the laws of the United States of America or of the State, subject to supervision or examination by federal or State regulatory authority and having, or be wholly owned by an entity having, a reported capital and surplus of not less than \$75,000,000, if there be such an institution willing, qualified and able to accept the obligations under this Agreement upon reasonable and customary terms.

(f) Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Original Bonds Trustees and the Authority an instrument in writing accepting such appointment hereunder, and thereupon such successor Escrow Agent without any further act, deed or conveyance shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the Original Bonds Trustees or the Authority, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Escrow Agent shall deliver all securities and money held by it to its successor. Should any transfer, assignment or instrument in writing from the Original Bonds Trustees or the Authority be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the Original Bonds Trustees or the Authority.

(g) Any corporation into which the Escrow Agent may be merged or with which it may be consolidated or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation resulting from any such merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Escrow Agent hereunder and vested with all of the title and all the powers, discretions, immunities, privileges and all other matters as was its

predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

14. Transfers by Escrow Agent to Original Bonds Trustees and Paying Agents. The Escrow Agent hereby agrees to provide funds, but only from cash and Escrowed Securities available in the Escrow Fund, to the Original Bonds Trustees and Paying Agents in accordance with this Agreement at the times and in the amounts required to pay debt service on the Cash Defeased Bonds, as provided on **Schedule 2**.

15. Appointment of Escrow Agent and Acceptance of Terms. Each Original Bonds Trustee, by execution of the Appointment of Escrow Agent set forth at the end of this Agreement, hereby agrees to and accepts the terms and provisions of this Agreement and irrevocably appoints UMB Bank, N.A. as its agent to act in all capacities appropriate and necessary for the defeasance of the Cash Defeased Bonds and as Escrow Agent under this Agreement and in accordance with the Original Bonds Indentures. As agent of the Original Bonds Trustees, the Escrow Agent shall be entitled to all of the rights, protections, immunities and indemnities created in favor of the Original Bonds Trustees by the Original Bonds Indentures.

16. Amendments. This Agreement is made for the benefit of the Authority and the holders from time to time of the Cash Defeased Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the Authority; provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Cash Defeased Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties or provide a forward purchase contract; and
- (d) to make any other change which, in the sole judgment of the Escrow Agent, does not materially adversely affect the interests of the holders of the applicable Series of Bonds and which is not inconsistent with the terms of this Agreement.

The Escrow Agent shall be entitled to rely exclusively upon an Opinion of Bond Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Cash Defeased Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

The Escrow Agent shall notify Moody's Investors Service and Fitch, Inc. in writing prior to the execution of any amendment to this Agreement.

17. Termination. This Agreement shall terminate when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made. The Escrow Agent shall notify Moody's Investors Service and Fitch Ratings in writing prior to the execution of any early termination to this Agreement.

18. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by the Original Bonds Indentures or this Agreement to be given to or filed with the Authority, the Escrow Agent, the Original Bonds Trustees or Moody's Investors Service and Fitch Ratings if the same shall be duly mailed by certified or registered mail addressed:

(a) To the Authority at:

State Environmental Improvement and Energy
Resources Authority
425 Madison Street, Second Floor
Jefferson City, Missouri 65101
Attention: Director

(b) To the Escrow Agent at:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Department

(c) To the Original Bonds Trustees at their respective addresses and by the method set forth in the Original Bonds Indentures.

(d) To the Rating Agencies at:

Moody's Investors Service
7 World Trade Center at 250 Greenwich Street
New York, New York 10007
Attention: Rating Surveillance

and

Fitch Ratings
One State Street Plaza
New York, New York 10004
Attention: Rating Surveillance

19. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement. In any such event, and in the event of amendments hereto or, if the Escrow Agent has knowledge, revocation hereof, immediate notice shall be given by the Escrow Agent to the Original Bonds Trustees, the Authority and Moody's Investors Service.

20. Successors and Assigns. All of the covenants, promises and agreements in this Agreement contained by or on behalf of the Authority or the Escrow Agent shall be binding upon and inure to the benefit of their respective successors and assigns whether so expressed or not.

21. Governing Law. This Agreement shall be governed by the applicable law of the State of Missouri.

22. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

23. Electronic Transactions. The parties agree that the transactions described in this Indenture 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.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By _____
_____ Chairman

UMB BANK, N.A., as Escrow Agent

By _____
Vice President

SCHEDULE 1
TO ESCROW DEPOSIT AGREEMENT

CASH DEFEASED BONDS

The Cash Defeased Bonds consist of the outstanding issues of revenue bonds maturing or subject to mandatory sinking fund redemption on the dates and in the principal amounts as follows:

SCHEDULE 2
TO ESCROW DEPOSIT AGREEMENT

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ESCROW REQUIREMENT FOR CASH DEFEASED BONDS

DRINKING WATER ESCROW REQUIREMENT

SCHEDULE 3
TO ESCROW DEPOSIT AGREEMENT

SCHEDULE OF ESCROWED SECURITIES
CASH DEFEASED BONDS

DRINKING WATER ESCROW ESCROWED SECURITIES

**APPOINTMENT OF ESCROW AGENT AND ACCEPTANCE OF
TERMS OF ESCROW DEPOSIT AGREEMENT**

The undersigned, as Original Bonds Trustee, hereby agrees to and accepts the terms and provisions of this Escrow Deposit Agreement dated as of July 1, 2015, between the State Environmental Improvement and Energy Resources Authority and UMB Bank, N.A. and irrevocably appoints UMB Bank, N.A. as its agent to act in all capacities appropriate and necessary for the defeasance of the following series of Cash Defeased Bonds and as Escrow Agent under this Escrow Deposit Agreement and in accordance with the Original Bonds Indentures:

Series 2004C Bonds
Series 2006A Bonds
Series 2013A Bonds

UMB BANK, N.A., as Original Bonds Trustee

By: _____
Name: Rebecca A. Dengler
Title: Vice President

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #4A
TRI-COUNTY WATER AUTHORITY
WATER FACILITIES REVENUE BONDS SERIES 2015

Issue:

The Series 2015 Water Facilities Revenue Bonds for Tri-County Water Authority successfully closed on July 8, 2015.

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Joe Boland

Background:

Pricing took place on June 18, with a par amount of the bonds totaling \$30,070,000 at an all-in true interest cost of 4.087%. This pricing structure yielded a premium of \$2,470,963.70. The cost of issuance totaled \$174,950 while the underwriter's discount was \$270,630. This transaction received a rating of Aa3 from Moody's.

Tri-County Water Authority is a nonprofit Missouri corporation that was organized on January 11, 1991, for the purpose of providing wholesale potable water to public water supply districts, municipalities and other governmental entities. Their principal offices are located in Independence, Missouri. Tri-County was formed in an effort to establish a regional water system that would afford more local input into the development and administration of future water supplies.

Tri-County provides potable water to 15 participating members through wholesale contracts. They are responsible for the construction, operation and maintenance of all water wells, the water treatment plant, pump stations, tanks, and transmission lines to each participating member. It provides management of the utility, engineering and construction of capital facilities, operation and maintenance of the system.

It has been a past participant of the Drinking Water State Revolving Fund (DWSRF) program in Series 2001C, 2005A and 2005C. It has also issued private activity bonds directly through EIERA in 2010.

The EIERA transaction will primarily be used to fund the acquisition of easements needed to install 160,000 linear feet of 16" water mains throughout its service area. This project also includes the construction of three booster pump stations between Grain Valley and Grandview, Mo.

Separate from our transaction, Tri-County is also seeking approximately \$33 million through the Department of Natural Resources' DWSRF program for the installation of up to four new vertical wells and the construction of two water treatment processes at the existing plant. The DNR loan is anticipated to close sometime in fall 2015.

JB:ge

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #5B
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR BFC COMPOSTING COMPANY

Issue:

BFC Composting Company requested \$75,000 to purchase equipment costing \$93,000 that will increase production capacity in its existing composting operation.

Action Needed:

Consideration of the funding recommendations for the BFC Composting Company project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$69,750 not to exceed 75% of the cost of the equipment.

Staff Contact:

Kristin Tipton

Background:

BFC Composting Company (located in Perryville) requested \$75,000 to purchase a trommel screen costing \$93,000 that will increase production capacity in its existing composting business. The company believes a screen capable of handling at least double the volume it is currently able to process will alleviate a "bottleneck" issue in their operation.

BFC Composting Company, a past program participant, is the only large scale composting operation in the southeast Missouri area and the only large scale composter of meat processing waste in the state. Operating under a parent company, Berkbuegler Fur, the company started composting butcher waste with the help of the program in 2001. Because of the bone meal in the materials used, the resulting product is a specialty compost prized by many gardeners. Since its inception, the company has continued to expand, adding additional types of food waste to its processes and employing five people full time.

A screen is used after recyclables have made their way through the composting process to separate larger source materials from the finer saleable compost. The screen currently used by the company is able to handle only about 40 cubic yards per hour, making this stage of the process very time consuming. With increased availability of materials, BFC Composting plans

to invest in infrastructure to contain both recyclables and finished product. The addition of the screen would significantly enhance the company's ability to accept and process more materials.

BFC Composting Company anticipates diverting an additional 3,620 tons annually from the waste stream and creating two full time employee positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$69,750 not to exceed 75% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #5C
MISSOURI MARKET DEVELOPMENT PROGRAM
FUNDING RECOMMENDATION FOR BRANCH CREEK, LLC

Issue:

Branch Creek, LLC, is requesting \$100,000 to purchase equipment costing \$257,835 to produce pellets for smoking and for heating from waste wood.

Action Needed:

Consideration of the funding recommendations for the Branch Creek, LLC, project.

Staff Recommendation:

Staff recommends funding this project in the amount of \$100,000 not to exceed 50% of the cost of the equipment.

Staff Contact:

Kristin Tipton

Background:

Branch Creek, LLC, currently constructing a facility in Rich Hill, requested \$100,000 to purchase equipment costing \$257,835 to produce pellets for smoking and for heating from waste wood. The company intends to purchase an existing small pellet business and relocate it to the Vernon County location.

The Branch Creek owners have partnered together for 15 years, operating a farm that focuses on pecan and elderberry production and custom managing additional pecan groves. Branch Creek was an established business with a loyal customer base, but the new owners believe it has significant opportunity for growth through marketing and experience, which the pecan business has given them.

Southern Missouri is home to many timber and wood product industries, and thus a tremendous amount of wood waste, including scrap lumber, shavings, sawdust and shells. Many wood product companies in the area have no markets for waste and often resort to burning it. Branch Creek intends to brand specialty hardwood pellets for smoking and heating and private label smoking pellets for other customers. Overall, 75% of the feedstock Branch Creek will use will be waste, and this will increase to 100% waste materials for the heating pellets. The company is aware of only one other pellet manufacturer in Missouri, located on the opposite side of the state.

Branch Creek, LLC, anticipates diverting 550 tons from the waste stream annually and creating two new full time and four new part employee positions with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$100,000 not to exceed 50% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

Agenda Item #6A
MISSOURI BROWNFIELDS REVOLVING LOAN FUND UPDATE

Issue:

Update on the Missouri Brownfields Revolving Loan Fund

Action Needed:

None.

Staff Recommendation:

None.

Staff Contact:

Kristin Tipton

Background:

Project updates are as follows:

- The building demolition was completed at the former ACME Battery site owned by Remains, Inc. The new slab, which will serve as a cap for the contaminated property, will not be poured until early fall to take advantage of better weather and lower cost. The first amendment to the loan agreement for this project should be finalized by the time of the meeting. Remains, Inc., also continues to make interest payments on loan draws.
- The cleanup at the Wittenberg Warehouse, part of the former Porter Oil Site currently owned by the Land Reutilization Authority of the City of St. Louis, has been delayed as the City attempts to source funds for the project, the cost of which far exceeds estimates.
- MDNR issued a Certificate of Completion for the former Dycron Plastics site at Ranken Technical College.
- Bids for project at the site owned by Habitat for Humanity of Springfield, Missouri, Inc., came in at about twice the estimated cost. Some of this was due to the large volume of water on the site from recent rain and no simple solution for dewatering it. Habitat has been negotiating with the single bidder to determine if costs can be reduced.
- A public meeting was held regarding the Analysis of Brownfield Cleanup Alternatives for the former Kemper Military School Administration building owned by the Boonslick Community

Development Corporation. Following a Section 106 review, the State Historic Preservation Office is requiring an MOA between the involved agencies describing the mitigation that will occur after demolition since the building was on the National Historic Register. Staff are currently working on this.

- SMI/SNF Landlord, LLC, continues to repay its loan from the program as scheduled.

KT:ge

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #6B
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION OF THE INDUSTRIAL AUTHORITY OF THE CITY OF LEBANON PROJECT

Issue:

The Industrial Authority of the City of Lebanon, a Missouri non-profit corporation, has submitted a hazardous substance application to the MBRLF requesting a \$300,000 loan to complete remediation of the former Empire Gas office building on Jefferson Avenue in Lebanon.

Action Needed:

Consideration of the funding recommendation for the Industrial Authority of the City of Lebanon project and authorization for the director or her designee to enter into an agreement on behalf of the Authority.

Staff recommendation:

Staff recommends that the Board approve a loan of up to \$300,000 for this project.

Staff Contact:

Kristin Tipton

Background:

The Industrial Authority of the City of Lebanon submitted a loan application to the program requesting funds to remediate asbestos containing materials and other hazardous materials at a property on Jefferson Street in Lebanon.

The property is located southeast of downtown Lebanon, is approximately 11.16 acres and contains a 37,553 square foot office building. The building, formerly an office for Empire Gas, has been vacant since 2007. It is a one-story with a basement and garage that was constructed in 1963, with additions in the 1970s. The building has suffered weather damage multiple times, most recently during a 2012 tornado. The site is bordered by primarily commercial properties.

The property is currently owned by a trust, which has provided access for both environmental assessment and remediation of the property. The Industrial Authority has entered into a loan agreement with the Trust to repay the cost of remediation but proposes to secure the loan from the MBRLF with cash held in a separate bank account and subject to an agreement giving control of the account to the MBRLF.

It is anticipated that an MDNR BVCP approved Remedial Action Plan for the cleanup will require demolition of the building. The Industrial Authority also anticipates that future development of the property will conform with general commercial use. The Industrial Development Authority believes that removing the building and its associated environmental hazards will not only improve safety for local citizens, but will also provide opportunity for economic revitalization by increasing the site's attractiveness to potential leasers as well as improving property value of nearby business developments.

Staff reviewed the application and found the applicant and site to meet all eligibility criteria for the program. Site and applicant eligibility have been confirmed by EPA.

The MBRLF Review Team, consisting of staff from MoDNR's Brownfield Voluntary Cleanup Program, the Department of Economic Development's Business and Community Services Program and the Authority, reviewed the application and unanimously recommends that the Board approve a loan of up to \$300,000 for this project with a 3% interest rate and seven year term.

KT:ge

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #6C
MISSOURI BROWNFIELDS REVOLVING LOAN FUND
CONSIDERATION OF THE TOWER GROVE NEIGHBORHOODS COMMUNITY DEVELOPMENT
CORPORATION PROJECT

Issue:

The Tower Grove Neighborhoods Community Development Corporation, a Missouri non-profit corporation, has submitted a hazardous substance application to the MBRLF, requesting a \$160,000 subgrant to complete remediation of a Shaw Boulevard property.

Action Needed:

Consideration of the funding recommendation for the Tower Grove Neighborhoods Community Development Corporation project and authorization for the director or her designee to enter into an agreement on behalf of the Authority.

Staff recommendation:

Staff recommends that the Board approve a subgrant of up to \$160,000 for this project.

Staff Contact:

Kristin Tipton

Background:

The Tower Grove Neighborhoods Community Development Corporation (TGNCDC) submitted a subgrant application to the program requesting funds to remediate multiple environmental contaminants on a property located at 4175 Shaw Boulevard in St. Louis.

The site is a partially paved vacant property that contains a 1,670 square foot building built in the 1920s. The property was formerly used as a filling station and repair shop and lies in an area generally characterized as mixed use. Lead-based paint is present on surfaces throughout the structure, and asbestos is present in approximately 500 square feet of floor tile and mastic. Petroleum related soil contamination, including Benzene and Naphthalene, in concentrations above both residential and non-residential criteria in subsurface soils is the primary contaminant of concern.

TGNCDC has a mission to revitalize and stabilize Tower Grove South, Shaw, and Southwest Gardens Neighborhoods. The organization has a strong history of working closely with other neighborhood associations and public officials to redevelop abandoned and vacant properties, including the remediation of former gas stations. Because of the uncertainty of the time it will take to complete remediation, TGNCDC has not been willing to select a developer

until they were certain the site was ready for investment. TGNCDC shared correspondence with the program from several entities that are interested in the property once it is cleaned, the most promising being a local coffee shop owner.

Although the property includes several contaminants, the primary concern and remediation cost is petroleum, so this project would use funds from the petroleum category. The program currently has approximately \$235,000 in uncommitted petroleum funds.

Staff reviewed the application and found the applicant and site to meet all eligibility criteria for the program. Site and applicant eligibility have been confirmed by EPA.

The MBRLF Review Team, consisting of staff from MoDNR's Brownfield Voluntary Cleanup Program, the Department of Economic Development's Business and Community Services Program and the Authority, reviewed the application and unanimously recommends that the Board approve a subgrant of up to \$160,000 for this project.

KT:ge

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #7
REVIEW OF STRATEGIC MEASURES

Issue:

We would like to update the Board on our strategic measures for fiscal year 2016.

Action Needed:

We would like your input and suggestions on recommended changes to our strategic planning Scorecard for fiscal year 2016.

Staff Recommendation:

Staff recommends revisions to the Scorecard for fiscal year 2016 to better reflect progress toward our goals in a consistent manner.

Staff Contact:

Connie Patterson

Background:

As we enter a new fiscal year, we recommend the following revisions to our Scorecard. A copy of the 3/31/15 Scorecard is attached for your convenience.

Build Awareness of EIERA's Value

- Move "# contacts generating results" to the "Build Awareness of EIERA's Value" objective. We believe this better reflects what we hope to accomplish than its current location, "Communications Practices Improved."

Communications Practices Improved

- Drop "Meeting materials on website by deadline" because this has been addressed, based on measurement trends; meeting materials are now posted on the EIERA website prior to deadlines.
- Because we are moving "# contacts generating results" and dropping "Meeting materials on website by deadline," we plan to delete the "Communications Practices Improved" objective completely.

Increase Staff Capacity

- We believe the issues behind the measure of "reduce inefficient use of staff time" have been addressed, based on measurement trends. We plan to replace this measure with "identify, implement efficiencies" to reflect changes that improve, streamline or simplify EIERA processes and procedures.

Continuous Quality Improvement

- After considerable discussion, staff decided there is a need for different measures under the "Continuous Quality Improvement" objective. Capturing timeliness and accuracy is necessary, but we need additional discussion to decide how to best capture these important measurements to reflect progress toward our goals.

Increase Board Involvement

- Additional discussion is also needed on this objective. We would like to hear your thoughts on the measures relating to the Board.

We are finalizing our fiscal year 2015 data and will provide our 4th Quarter Scorecard to you by mid-August. At that time, we will also provide a fiscal year 2016 Scorecard, updated with the changes recommended above, for your convenience.

At the meeting, we will answer any questions you may have.

Thank you.

CP:ge

Attachment

EIERA Balanced Scorecard

3/31/2015

Top 8 KPI

↑ Performance Meets or Exceeds Target Expectations To Date

Middle 9 KPI

↔ Performance Neutral To Date

Bottom 8 KPI

↓ Performance Below Target Expectations To Date

Improve Client Results

	Measured	Previous	YTD	Target	Rank	Progress
Client dollars saved	3/31/2015	\$21,451,890	\$25,486,147	\$50,000,000		↓
Total dollar amount of projects funded	3/31/2015	\$48,432,369	\$50,741,526	\$115,000,000		↓
Number of environmental impacts	3/31/2015	5	16	20		↑

Improve Client Satisfaction

		Baseline	YTD	Target	Rank	Progress
Client satisfaction ratings improved	6/30/2015	-	-	-		NA
Increase number of EIERA client referrals	3/31/2015	56	68	> 33		↑

Build Awareness of EIERA's Value

		Previous	YTD	Target	Rank	Progress
Survey targeted groups	6/30/2015	-	-	-		NA
# web hits	3/31/2015	2,892	4,139	6,500		↔
# of applications for financing	3/31/2015	3	5	15		↓

Create Sustainable Funding Model/Enhance Financial Strength

		Previous	YTD	Target	Rank	Progress
Total Authority revenue increased	3/31/2015	\$208,158	\$ 415,948	\$800,000		↓
Diversification of revenues (<33%)	3/31/2015	34%	47%	< or = 33%		↓
Average cost of services	3/31/2015	\$ 64.00	\$ 57.61	< \$75		↑

Financial Accountability Excellence

		Previous	YTD	Target	Rank	Progress
# of significant audit findings	3/31/2015	0	0	0		↑

Enhance Partnerships and Relationships

		Baseline	YTD	Target	Rank	Progress
Partner Interest in working with the EIERA	3/31/2015	14	33	8		↑

Continuous Quality Improvement

		Previous	YTD	Target	Rank	Progress
Timeliness of critical documents by deadline	3/31/2015	100%	98%	95%		↑
% of final critical documents with errors (< 5%)	3/31/2015	1%	1%	5%		↑

Communications Practices improved

		Previous	YTD	Target	Rank	Progress
# contacts generating results	3/31/2015	17%	18%	10%		↑
Meeting materials on website by deadline	3/31/2015	100%	98%	95%		↑

Increase Board involvement

		Baseline	YTD	Target	Rank	Progress
Survey on Board informed input	6/30/2015	-	-	50%		NA
Leads provided by Board which are pursued	3/31/2015	1	-	2		↓

Increase Staff capacity

		Previous	YTD	Target	Rank	Progress
Reduce inefficient use of staff time	3/31/2015	5	11	<16		↑
% of identified knowledge gaps addressed	6/30/2015	75%	0%	50%		NA
% of staff training plans implemented	6/30/2015	-	0%	50%		NA

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #8
ADOPTION OF FISCAL YEAR 2016 BUDGETS

Issue:

The Authority needs a budget for Fiscal Year 2016 which began on July 1, 2015.

Action Needed:

Consideration and adoption of FY16 Budgets for the Authority, Market Development Program and Brownfields Revolving Loan Fund.

Staff recommendation:

Staff recommends that the attached budgets be adopted.

Staff Contact:

Karen Massey, Kristin Tipton and Mary Vaughan

Background:

Attached you will find information pertaining to the FY15 adopted budgets, the anticipated final FY15 expenditures and FY16 proposed budgets.

Revised documents will be sent to you prior to the Board Meeting. While the proposed budget numbers are unlikely to be changed, we would like to present the NRD portion of the Authority in a clearer manner. Further analysis of the FY15 actuals will also be provided.

MV:ge

Attachment

**FY16 Proposed Budget
Authority**

Attachment "A"

	FY15 Budget	FY15 Year End Estimated 6/30/15	Variance	FY16 Proposed Budget
Revenues/Reimbursements:				
MMDP Reimbursement	\$ 45,000	\$ 45,000	\$ -	\$ 45,000
SRF Reimbursement	\$ 150,000	\$ 233,310	\$ (83,310)	\$ 160,000
NRD Reimbursement	\$ 15,000	\$ 24,910	\$ (9,910)	\$ 20,000
Application Fees	\$ 2,500	\$ 7,500	\$ (5,000)	\$ 2,500
Issuance fees	\$ 150,000	\$ 109,322	\$ 40,678	\$ 200,000
Investment Income	\$ 12,000	\$ 14,263	\$ (2,263)	\$ 13,000
Misc. Income	\$ 200	\$ 6,634	\$ (6,434)	\$ 200
TOTAL REVENUES	\$ 374,700	\$ 440,939	\$ (66,239)	\$ 440,700
Expenses:				
Personal Services				
Per Diem	\$ 600	\$ 125	\$ 475	\$ 500
Office Salaries	\$ 270,000	\$ 247,246	\$ 22,754	\$ 350,000
Payroll Taxes & Fringe	\$ 100,000	\$ 101,863	\$ (1,863)	\$ 145,000
Travel Expense Staff	\$ 10,000	\$ 8,183	\$ 1,817	\$ 12,000
Travel Expense Board	\$ 1,500	\$ 287	\$ 1,213	\$ 800
Total Personal Services	\$ 382,100	\$ 357,704	\$ 24,396	\$ 508,300
Professional Services				
Legal Fees & Exps (General)	\$ 14,000	\$ 6,590	\$ 7,410	\$ 10,000
Legal Fees & Exps (SRF Misc.)	\$ 12,000	\$ 2,185	\$ 9,815	\$ 5,000
Legal Fees & Exps (Other Projects)	\$ 5,000	\$ 10,542	\$ (5,542)	\$ 12,000
Accounting Fees	\$ 15,000	\$ 11,931	\$ 3,069	\$ 15,000
Audit Fees	\$ 17,500	\$ 16,500	\$ 1,000	\$ 18,000
Misc. Professional Fees	\$ 40,000	\$ 74,588	\$ (34,588)	\$ 50,000
Total Professional Services	\$ 103,500	\$ 122,335	\$ (18,835)	\$ 110,000
Operating Expenses				
Equipment Maintenance	\$ 500	\$ -	\$ 500	\$ 500
Telephone	\$ 2,500	\$ 2,025	\$ 475	\$ 2,500
Office Supplies & Printing	\$ 5,500	\$ 4,931	\$ 569	\$ 5,500
Postage & Shipping	\$ 1,200	\$ 1,140	\$ 60	\$ 1,200
Membership Dues	\$ 4,000	\$ 3,785	\$ 215	\$ 4,000
Conference Registration	\$ 2,000	\$ 1,650	\$ 350	\$ 2,000
Subscriptions	\$ 200	\$ 171	\$ 29	\$ 200
Training	\$ 1,100	\$ 609	\$ 491	\$ 3,000
Board Meeting Expense	\$ 500	\$ 180	\$ 320	\$ 300
Misc & Administrative	\$ 300	\$ 183	\$ 117	\$ 300
Advertising	\$ 2,500	\$ -	\$ 2,500	\$ 2,500
Office Maintenance	\$ 200	\$ -	\$ 200	\$ 200
Rent	\$ 30,000	\$ 30,000	\$ -	\$ 32,000
Insurance	\$ 700	\$ 531	\$ 169	\$ 700
Moving Expense	\$ 1,000	\$ -	\$ 1,000	\$ -
Equipment Purchases	\$ 1,000	\$ 416	\$ 584	\$ 800
Computer Purchases	\$ 2,000	\$ 279	\$ 1,721	\$ 2,000
Computer Software				\$ 6,000
Workers Comp Contingency	\$ 4,500	\$ -	\$ 4,500	\$ 4,500
NRD Direct Costs	\$ -	\$ 4,699	\$ (4,699)	\$ 10,000
Total Operating Expense	\$ 59,700	\$ 50,599	\$ 9,101	\$ 78,200
Project Assistance				
BRLF Match (Transfer Out)	\$ 256,216	\$ 47,533	\$ 208,683	\$ 295,830
Total Project Assistance	\$ 256,216	\$ 47,533	\$ 208,683	\$ 295,830
TOTAL EXPENSES	\$ 801,516	\$ 578,171	\$ 223,345	\$ 992,330
Net Increase (Decrease) in Funds	(\$426,816)	(\$137,233)		(\$551,630)

FY 16 Proposed Budget
Missouri Market Development Program

Revenues:	FY15 Budget	FY15 Year End Estimated 6/30/15	Variance	FY16 Proposed Budget
Solid Waste Management Fund	\$ 1,600,000	\$ 1,054,619.77	\$ 545,380.23	\$ 1,600,677
Investment Income	\$ -	\$ 125.40	\$ (125.40)	\$ -
TOTAL REVENUES	\$ 1,600,000	\$ 1,054,745.17	\$ 545,254.83	\$ 1,600,677
Expenses:				
Administrative				
Program Salary/Fringe	\$ 80,000	\$ 67,984.48	\$ 12,015.52	\$ 80,000
Travel	\$ 1,000	\$ 471.55	\$ 528.45	\$ 1,000
Legal Expenses & Fees	\$ 5,000	\$ 1,596.00	\$ 3,404.00	\$ 3,800
Accounting Fees	\$ 1,800	\$ 1,645.00	\$ 155.00	\$ 3,000
Membership Fees	\$ 2,000	\$ 1,300.00	\$ 700.00	\$ 1,500
Conference/Registration Fees	\$ 1,200	\$ 585.00	\$ 615.00	\$ 3,500
EIERA Costs	\$ 45,000	\$ 45,000.00	\$ -	\$ 45,000
Direct Costs	\$ 1,200	\$ 641.86	\$ 558.14	\$ 800
Training	\$ 400	\$ -	\$ 400.00	\$ 400
Total Administrative	\$ 137,600	\$ 119,223.89	\$ 18,376.11	\$ 139,000
Business Assistance				
Legal Expenses & Fees	\$ 20,000	\$ 36,201.50	\$ (16,201.50)	\$ 40,000
Travel	\$ 2,500	\$ 763.90	\$ 1,736.10	\$ 2,500
Promos/Publication Design & Production	\$ 1,000	\$ -	\$ 1,000.00	\$ 500
Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -
Direct Financial Assistance	\$ 937,447	\$ 630,098.50	\$ 307,348.50	\$ 935,719
Direct Financial Assistance-Encumbered	\$ 401,453	\$ 308,298.56	\$ 93,154.44	\$ 382,958
Business Initiatives	\$ 100,000	\$ 3,101.86	\$ 96,898.14	\$ 100,000
Total Business Assistance	\$ 1,462,400	\$ 978,464.32	\$ 483,935.68	\$ 1,461,677
TOTAL EXPENSES	\$ 1,600,000	\$ 1,097,688.21	\$ 502,311.79	\$ 1,600,677

**FY16 Proposed Budget
Brownfields Revolving Loan Fund**

FY16 Revenues:	Estimated Grant Balance	Anticipated Loan Repayments	FY16 Proposed Budget
Federal Reimbursement	\$ 1,478,873	\$ -	\$ 1,478,873
EIERA Match	\$ 295,830	\$ -	\$ 295,830
Loan Repayments	\$ -	\$ 98,591	\$ 98,591
TOTAL REVENUES	\$ 1,774,703	\$ 98,591	\$ 1,873,294
Expenses:			
Office Salaries	\$ 235,732	\$ 49,000	\$ 284,732
Payroll Taxes & Fringe	\$ 87,618	\$ -	\$ 87,618
Travel	\$ 20,859	\$ -	\$ 20,859
Supplies	\$ 1,100	\$ -	\$ 1,100
Contractual	\$ 137,721	\$ -	\$ 137,721
Grant/Loans	\$ 1,291,673	\$ 49,591	\$ 1,341,264
TOTAL EXPENSES	\$ 1,774,703	\$ 98,591	\$ 1,873,294

FY15 ACTUALS

FY15 Revenues:	FY15 Budget	FY15 Year End Estimated 6/30/15
Federal Reimbursement	\$ 1,286,060	\$ 242,609
EIERA Match	\$ 256,216	\$ 47,533
Loan Repayments	\$ 40,896	\$ 44,455
TOTAL REVENUES	\$ 1,583,172	\$ 334,597
Expenses:		
Office Salaries	\$ 200,533	\$ 46,113
Payroll Taxes & Fringe	\$ 77,669	\$ 21,382
Travel	\$ 17,986	\$ 581
Supplies	\$ 1,100	\$ -
Contractual	\$ 144,832	\$ 55,471
Grant/Loans	\$ 1,141,052	\$ 211,048
TOTAL EXPENSES	\$ 1,583,172	\$ 334,597

State Environmental Improvement and Energy Resources Authority
320TH Board Meeting
July 23, 2015

Agenda Item #9
PURCHASE OF ACCOUNTING SOFTWARE FOR THE AUTHORITY

Issue:

With the retirement of our current CPA, we are losing the ability to use her accounting software license, and new software needs to be acquired.

Action Needed:

Authorization for the Director, or her designee, to purchase accounting software and related products.

Staff Recommendation:

Authorization to purchase Accounting CS and related products or, should unforeseen issues arise, QuickBooks Premier-NFP.

Staff Contact:

Karen Massey or Mary Vaughan

Background:

In connection with changing CPA firms, staff has been researching various accounting software options. Six options appeared viable and were researched in detail. The options are summarized below:

Accounting CS (Thompson Reuters)

Positives: Staff is familiar with how this enhanced version of our current CPA's software operates and data transfer should be relatively straight forward. Current CPA can help train staff. It has the capability to handle multiple, related cost centers (fund accounting). Reporting can be customized, and our current reporting formats should transfer automatically. It is likely that certain reports we currently do manually can be generated through this software. There are additional enhancements that can be added on for a fee if desired in the future.

Negatives: The software is designed for accounting firms and will have capabilities that the Authority will not use. The salesman has been a bit short on details and not overly forthcoming. Costs could increase should we determine that other enhancements are needed; however, we believe we have identified the necessary components.

Costs: Software first year is \$3,045 for four users. This includes the 30% discount given because we are currently using a previous version of the system. Software yearly renewal is \$1,043. Unlimited support contract is \$744 per year. Automated filing systems, training and payroll systems are available for additional fees.

QuickBooks Premier-NFP

Positives: Widespread use. Williams Keepers (the Authority's auditor) provides some free training and is available for other consultation or technical support for a fee. Cost is very reasonable. The system is relative easy to learn, and Authority staff has experience using other QuickBooks products.

Negatives: Reporting capabilities are limited without significant customization. There is some concern that the program may not handle our multiple, related cost centers in an easily understandable or flexible fashion. Data transfer will be manual. Initial set up will be complicated, and our ability to produce reports and track funds will be dependent upon how things are set up on the front end. Williams Keepers believes that it can be set up to meet our needs; however, it has not set up a system to handle books as complicated as ours. We will have to pay for the initial set up by Williams Keepers. We will have to export all data to our CPA and import any adjustments made by the CPA. If not done timely and correctly, the data will not be the same in both locations.

Costs: \$1,200 for the system. This is the discounted rate currently being offered by Williams Keepers. Set up and consultation by Williams Keepers is \$160 per hour.

Abila (Prosoft Solutions)

Positives: Geared toward fund accounting and grant tracking. A few staff members at Williams Keepers are familiar with this software, though none are certified. SQL server on the backend can interface with many payroll systems. It is highly rated, however primarily for tax compliance.

Negatives: Maneuverability can be difficult. It is designed for professional accountants with sophisticated IT staff. Troubleshooting and technical support can be difficult. We would be working with Prosoft Solutions, a consulting firm, rather than the software supplier directly. Upfront costs are high. Prices are for single users and will increase for multiple users.

Costs: Software \$3,624 for a single user and executive view capabilities. Implementation and training is \$8,000 for the first year. Annual Support is \$800. Trouble shooting is \$150-\$175 per hour.

Accufund

Positives: Initial review of provided materials indicated that this software may be able to handle fund accounting.

Negatives: Very difficult to find additional information and reviews. Sales staff has not returned calls with pricing or other information. We have heard that this is a small step up from QuickBooks, but not as user friendly.

Financial Edge

Positives: Geared exclusively toward fund accounting. Self-balancing chart of accounts.

Negatives: Significant costs for integration. Several add-ons would need to be purchased to handle our books. Software is primarily used by schools and colleges, does not seem to have moved to other markets. Reviews state that the IT administration of the software is finicky. No local support.

Costs: \$18,000 for a cloud based system including training and implementation/integration. It is possible that a 15% discount may be available (bringing the cost down to \$15,300 for 2 concurrent users). Annual maintenance and support is \$4,188.

Intacct Accounting

After discussions with the sales representative we all agreed that it is geared for large corporations and not a fit for the Authority.

Costs: \$8,000-\$12,000 per year. Implementation/training is \$20,000+.

Based upon our research and consultation with our current and new CPA firms, as well as our auditors and the State's ITSD staff, we recommend that the Authority purchase Accounting CS for four users and enter into a service contract for the software. The total first year cost for the software and service contract would be \$3,789. We have budgeted more than this amount in case there are unforeseen expenses, or we determine that additional enhancements are required. We would propose to work with the Authority Treasurer in making those decisions rather than bringing each individual purchase back to the Board as a whole. Software renewal is currently \$1,043 per year. After the first year we would evaluate whether to enter into another service contract, currently \$744, or pay for service hourly. Unless we determine that different software is needed, in future years these renewals would be treated as an operating cost and addressed through the budget process.

Should the Accounting CS software not perform (there is a 60 day return policy), or we run into significant unforeseen costs or IT problems, staff would like authorization to move forward with purchasing QuickBooks Premier-NFP in place of Accounting CS after consultation with the Treasurer.

KLM:ge

State Environmental Improvement and Energy Resources Authority
320th Board Meeting
July 23, 2015

Agenda Item #10
ELECTION OF OFFICERS

Issue:

By-laws require elections of Officers at first meeting of the Authority held after June 1st each year.

Action Needed:

Election of Officers.

Staff Recommendation:

None.

Staff Contact:

Karen Massey

Background:

The By-Laws of the Authority state that the election of Officers take place at the first meeting of the Authority held after June 1st of each year. Article II, Section 1 states that the officers of the Authority shall be a Chair, a Vice-Chair, a Secretary and a Treasurer. Other than the Chair and Vice Chair, any two or more offices may be held by the same person. In past years we have found it advantageous to also elect an Assistant Secretary.

If you wish to review the By-laws, Article III contains the duties of each office.

KM:ge

Attachment

**BYLAWS OF THE
STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY**

ARTICLE I

Section 1

Name of the Authority: The name of the Authority shall be "State Environmental Improvement and Energy Resources Authority."

Section 2

Seal of the Authority: The seal of the Authority shall consist of two concentric circles and shall bear the inscription "State Environmental Improvement and Energy Resources Authority, Missouri, Corporate Seal, 1973."

Section 3

Office of the Authority: The principal office of the Authority shall be located in the State of Missouri at such place as the Authority may from time to time designate by resolution. In the absence of establishment of a permanent principal office, the Authority may, by resolution, establish a temporary principal office at such place as it shall designate. The Authority may also have office at such other place or places within the State of Missouri as it may from time to time designate by resolution.

ARTICLE II

Section 1

Officers: The officers of the Authority shall be a Chair, a Vice-Chair, a Secretary and a Treasurer. Such assistant officers as may be deemed necessary may be elected or appointed by the Authority. The powers and duties of such assistant officers shall be as provided herein and as provided from time to time by resolutions of the Authority. Any two or more offices (except the offices of Chair and Vice Chair) may be held by the same person.

Section 2

Chair: The Chair shall be elected by the Authority, be a member of the Authority and shall serve until a successor is duly elected and qualified.

Section 3

Vice-Chair: The Vice-Chair shall be elected by the Authority, be a member of the Authority and shall serve until a successor is duly elected and qualified.

Section 4

Secretary: The Secretary shall be elected by the Authority. The Secretary need not be a member of the Authority and shall serve at the pleasure of the Authority. The office of Secretary may be combined with that of Treasurer.

Section 5

Treasurer: The Treasurer shall be elected by the Authority. The Treasurer need not be a member of the Authority and shall serve at the pleasure of the Authority. The office of Treasurer may be combined with that of Secretary.

Section 6

Election and Term of Office: The officers of the Authority shall be elected by the members of the Authority at the first meeting of the Authority held after June 1st of each year. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his/her successor has been duly elected and qualified or death or until resignation or removal in the manner hereinafter provided. Each officer shall be eligible for re-election to such office.

Section 7

Removal: Any officer, employee or agent elected or appointed by the Authority may be removed by the Authority whenever in its judgment the best interest of the Authority would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 8

Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by election by the members of the Authority for the unexpired portion of the term.

ARTICLE III

The respective officers of the Authority shall have the following authority, powers and duties.

Section 1

The Chair: The Chair shall be chief executive officer of the Authority and shall preside at all meetings of the Authority and shall perform all duties commonly incident to the position of presiding officer of a board, commission, or corporation and shall have authority without impairment of any authority specifically granted by the Authority to other persons, to sign all contracts, instruments, documents and official orders of the Authority. The Chair shall have general supervision over the business and affairs of the Authority, subject to the direction of the Authority, and shall perform such other and further duties as the Authority, by formal resolution, may from time to time provide.

Section 2

Vice-Chair: The Vice-Chair shall perform duties and have the authority of the Chair during the absence or disability of the Chair, and shall preside at the meetings of the Authority when and while the Chair shall vacate the chair. The Vice-Chair shall perform such other and further duties and have such other and further authority as the Authority may, by formal resolution or motion, from time to time provide.

Section 3

Secretary: The Secretary shall keep the official records and seal of the State Environmental Improvement and Energy Resources Authority and shall certify, when required, to copies of records. The Secretary shall attend all meetings of the Authority and keep a full and true record of its proceedings, which shall include the date, time, place, members present, members absent, and a record of votes taken indicating the

vote as cast by each member present, all as required by Section 610.020.6 of the Revised Statutes of Missouri and such other information as the Secretary deems appropriate. The Secretary shall issue all official notices and prepare all papers and reports for the meetings of the Authority. The Secretary shall perform such other duties as the Authority may assign from time to time. If the Secretary is absent or unable to act, then the Assistant Secretary, if one has been appointed, shall perform all duties of the Secretary including but not limited to the execution and delivery of any instruments, documents, or papers of the Authority. The Assistant Secretary shall perform such other and further duties and have such other and further authority as the Authority may, by formal resolution or motion, from time to time provide.

Section 4

Treasurer: The Treasurer shall have supervision of the funds, securities, receipts and disbursements of the Authority, cause all monies and other valuable effects of the Authority to be deposited in its name and to its credit in such depositories as shall be selected by the Authority or pursuant to authority conferred by the Authority, cause to be kept at the office of the Authority correct books of account, proper vouchers and other papers pertaining to the corporation's business, render to the Chair of the Authority, whenever requested, an account of the financial condition of the Authority and of his/her transactions as Treasurer, and, in general, perform all duties and have all powers incident to the office of Treasurer and perform such other duties and have such other powers as from time to time may be assigned by the By-laws, the Chair, or the Authority.

Section 5

Assistant Officers: The powers and duties of such assistant officers as shall be elected or appointed by the Authority shall be as provided from time to time by resolutions of the Authority.

ARTICLE IV

Section 1

Director: The Director, under the direction of the Chair, or the Authority, shall have general supervision over and be in administrative charge of all the activities of the Authority, and, in addition, shall perform all the duties incident to this position and office. Except as otherwise provided by resolution of the Authority, the Director shall make final certification for payment of all duly authenticated and authorized items of expenditure for payment from any Authority funds from whatever source derived, and whenever the Chair is required to sign vouchers, requisitions and other instruments made by the Authority, the Director shall approve the same for submission to the Chair for signature. The Director shall assist the Secretary or Treasurer in the performance of their duties and shall have the full power to act in the place and instead of the Secretary at any time as may be directed by the Chair, the Secretary or the Authority. The Director shall act as or appoint an employee of the Authority to act as custodian who will be responsible for the maintenance of the Authority's records and said Custodian will make said records available for inspection and copying by the public, all pursuant to the requirements of Section 610.023, 610.024 and 610.026 of the Revised Statutes of Missouri and the Director shall be responsible for seeing that the Authority complies with the other requirements of the Missouri open meetings and records law as set out in Chapter 610 of the Revised Statutes of Missouri.

Section 2

General Counsel: The General Counsel shall, as directed by the Director or Authority, recommend legal directives with respect to Authority activities, advise the Director, officers and members of the Authority as to all legal matters relating to the administration, operations and financing of the Authority and as to the laws governing the acquiring and constructing of projects, and the issuing of bonds and notes as provided to pay the cost of projects. General Counsel shall draft, examine, or approve as to legal compliance all forms, contracts, or other documents necessary for all phases of the Authority's work or purposes and shall coordinate with and assist Bond Counsel in the preparation of all documents related to the sale of Authority obligations and the

investment of the proceeds; shall render regular opinions on such matters relating to the Authority as may be requested by the Director, Chair, members, or officers of the Authority. In addition, General Counsel shall perform such other services incident thereto and shall undertake such other duties as from time to time may be assigned by the Director or Chair or the Authority.

Section 3

Appointment: The Director and General Counsel shall be appointed and/or retained by the Authority on such terms as the Authority shall specify and shall serve at the pleasure of the Authority.

Section 4

Additional Personnel: The Director with approval from the Authority may from time to time employ such other personnel as may be necessary to exercise the Authority's powers, duties and functions as prescribed by law. Persons so appointed shall serve at the pleasure of the Director and Authority. The selection and compensation of such personnel shall be determined by the Authority based on the Authority personnel and compensation policies subject to the laws of the State of Missouri. The Authority may also from time to time retain or contract for the services of architects, engineers, accountants, attorneys, bond counsel, financial consultants, and such other persons, firms or corporations necessary to carry out its duties and to fix the compensation thereof.

ARTICLE V

Section 1

Regular Meetings: A regular meeting of the Authority for the transaction of all business as may properly come before the meeting shall be held not less frequently than once each quarter of the calendar year at the principal office of the Authority or legal counsel or at such other place within or without the State of Missouri, which is reasonably accessible by the public, as is designated in the notice of the regular meeting. The Chair in consultation with the Authority members may fix the regular meeting date, hour and place, and, each member shall be notified at least one (1) week

prior to the date fixed for the regular meeting by telephone call or in writing by letter, e-mail or other means of electronic communication (if by mail, notice shall be deemed adequate if deposited in the United States mail one (1) week prior to the meeting date).

Section 2

Special Meetings: In addition to the regular meetings of the Authority held pursuant to Section 1 of this Article V, the Chair may when necessary call a special meeting for the transaction of all business as may properly come before the meeting, or the Chair shall call a special meeting when requested to do so by any two members. Notice of special meetings shall be given at least five (5) days before the date set for the meeting by telephone call or in writing by letter, e-mail or other means of electronic communication (if by mail, notice shall be deemed adequate if deposited in the United States mail five (5) days prior to the meeting date). The special meeting shall be held at the principal office of the Authority or legal counsel or at such other place within or without the State of Missouri, which is reasonably accessible to the public and at such time as is reasonably convenient to the public, which shall be designated in the notice of the special meeting. At any special meeting any business shall be in order, whether or not stated in the notice of the meeting.

Section 3

Public Notice of Meetings: In addition to the notice of meetings sent to members of the Authority as provided above, at least 24 hours prior to an Authority meeting, a notice of the meeting shall be prominently posted in the office of the Authority in a part of the office accessible by the public and designated for posting such notices and such notice shall also be made available to the press and the public as requested and shall be published in such publications of the state as are normally utilized by state agencies to publish notice of agency meetings. The notice shall include the time, date and place of the meeting and shall state whether or not the meeting is to be an open or closed meeting and shall state the tentative agenda for the open meeting, all as required by Section 610.020 of the Revised Statutes of Missouri.

Section 4

Quorum: Three (3) members of the Authority shall constitute a quorum and the affirmative vote of three (3) members shall be necessary and sufficient for any action by the Authority. The Chair shall have a vote on all issues.

Section 5

Proxies: Proxies to vote with respect to any matter shall not be allowed or accepted.

Section 6

Register: The Secretary shall maintain a register of the address of each member. Notice by mail, e-mail or other means of electronic communication sent to the address as shown by the Secretary's records shall be effective. Any member who desires to receive notice at a different temporary or permanent address shall notify the Secretary who shall modify the records accordingly.

Section 7

Meeting by Telephone or Other Electronic Means: Members may participate in a meeting of the Authority by means of conference telephone or other electronic means whereby all individuals participating in the meeting, including the public attending the meeting, can hear each other, and any member participating in a meeting of the Authority in such manner shall be considered present at such meeting for all purposes including for quorum purposes.

ARTICLE VI

Section 1

Contracts: The Authority may authorize the Director, any officer or officers, assistant officer or assistant officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

Section 2

Loans: No loan shall be contracted on behalf of the Authority and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Authority. Such authority may be general or confined to specific instances.

Section 3

Checks, Drafts, or Orders: All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents of the Authority or Director and in such manner as shall from time to time be determined by resolution of the Authority.

Section 4

Deposits: All funds of the Authority not otherwise invested or employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the Authority may select.

ARTICLE VII

The Authority, its officers and members shall have such additional and further rights, powers and duties as by law may or hereafter be permitted.

ARTICLE VIII

Section 1

Power to Indemnify in Action, Suits or Proceedings other Than Those by or in the Right of the Authority: To the extent not otherwise covered by Sec. 105.711 – Sec. 105.726 R.S.Mo. 1986, as amended or supplemented or any other statute, agreement or otherwise, and subject to Section 3 of this Article VIII, the Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Authority, by reason of the fact that the person is or was a member, officer, director or employee of the Authority

against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

Section 2

Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Authority: To the extent not otherwise covered by Sec. 105.711 – Sec. 105.726 R.S.Mo. 1986, as amended or supplemented or any other statute, agreement, or otherwise and subject to Section 3 of this Article VIII, the Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Authority to procure a judgment in its favor by reason of the fact that the person is or was a member, officer, director or employee of the Authority, or is or was serving at the request of the Authority against expenses, including attorney's fees, and amounts paid in settlement actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Authority; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Authority unless and only to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person

is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 3

Authorization of Indemnification: Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Authority as authorized in the specific case upon a determination that indemnification of the member, officer, director or employee is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VIII. Such determination shall be made (i) by the members by a majority vote of a quorum consisting of members who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested members so directs by independent legal counsel in a written opinion. To the extent, however, that a member, officer, director or employee of the Authority has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, that person shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by that person in connection therewith.

Section 4

Further Indemnification: To the extent determined by the members, the Authority shall have the power to give any further indemnity, to the fullest extent permitted by law, in addition to the indemnity authorized or contemplated by Sections 1, 2 and 3 of this Article VIII to any person who is or was a member, officer, director, employee or agent, or to any person who is or was serving at the request of the Authority as a member, officer, director or employee of the Authority.

Section 5

Good Faith Defined: For purposes of any determination under Section 3 of this Article VIII, a person shall be deemed to have acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the Authority, or, with respect to any criminal action or proceeding, to have had no reasonable cause

to believe the person's conduct was unlawful, if the person's action is based on the records or books of account of the Authority, or on information supplied to the person by the Director or employees or agents of the Authority in the course of their duties, or on the advice of legal counsel for the Authority or on information or records given or reports made to the Authority by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Authority. The provisions of this Section 5 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VIII.

Section 6

Indemnification by Order of Court: Notwithstanding any contrary determination in the specific case under Section 3 of this Article VIII, and notwithstanding the absence of any determination thereunder, any member, officer, director or employee may apply to any court of competent jurisdiction in the State of Missouri for an order requiring the indemnification of such member, officer, director or employee, to the extent otherwise permissible under Sections 1 and 2 of this Article VIII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the member, officer, director or employee is proper in the circumstances because the person has met the applicable standards of conduct set forth in Sections 1 and 2 of this Article VIII. Notice of any application for indemnification pursuant to this Section 6 shall be given to the Authority promptly upon the filing of such application.

Section 7

Expenses Payable in Advance: Expenses incurred by a member, officer, director or employee in defending a civil or criminal action, suit or proceeding may be paid by the Authority in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the member, officer, director or employee to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the Authority as authorized in this Article VIII.

Section 8

Non-Exclusivity and Survival of Indemnification: The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, Bylaw, agreement, vote of disinterested members or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding such office, it being the policy of the Authority that indemnification of the persons specified in Section 1 and 2 of this Article VIII shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Sections 1 or 2 of this Article VIII but whom the Authority has the power or obligation to indemnify. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall, unless otherwise provided when authorized or ratified, continue as to the person who has ceased to be a member, officer, director or employee and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 9

Insurance: The Authority may purchase and maintain insurance on behalf of any person who is or was a member, officer, director or employee of the Authority, or is or was serving at the request of the Authority as a member, officer, director or employee of the Authority against any liability asserted against the person and incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the Authority would have the power to indemnify the person against such liability under the provisions of this Article VIII.

Section 10

Right to Hire Counsel: Notwithstanding anything to the contrary in this Article VIII, statute or otherwise, a member, officer, director or employee of the Authority shall retain the right to hire counsel of said person's choosing.

Section 11

Meaning of "Authority" for Purposes of Article VIII: For purposes of this Article VIII, references to "the Authority" shall include, in addition to the resulting Authority, any constituent Authority (including any constituent of a constituent) absorbed in consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its members, officers, directors and employees, so that any person who is or was a member, officer, director or employee of such constituent Authority, or is or was serving at the request of such constituent Authority as a member, officer, director or employee shall stand in the same position to the resulting or surviving Authority as such person would have with respect to such constituent Authority if its separate existence had continued.

ARTICLE IX

These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted by the Authority at any regular meeting or at any special meeting, after a public hearing has been held on such proposed altered, amended or repealed Bylaws.