

**362nd MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri**

**November 1, 2023
10:00 a.m.**

[Join WebEx Meeting](#)

Teleconference Call Number: **1-650-479-3207**
WebEx Meeting Number (Access Code): **2633 181 9540**
Meeting Password: **kMMdsUPD362**

1. Call to Order
2. Approval of Minutes
 - A. Approval of the Minutes from the 361st WebEx Meeting of the Authority held September 21, in Jefferson City, Missouri
3. State Revolving Fund Program
 - A. Issuance Resolution
Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Issue and Sell \$10,000,000 Principal Amount of Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2023; Approving the Form of and Authorizing the Authority to Enter Into a Supplemental Bond Indenture No. 2 and Other Related Documents; and Approving Certain Other Documents and Authorizing the Authority to Take Certain Other Actions in Connection with the Issuance of Said Bonds.
4. Missouri Market Development Program
 - A. Program Update
 - B. Consideration of the Funding Recommendation for the St. Louis Composting, Inc. Project and Authorizing the Director or Designee to Enter Into an Agreement on Behalf of the Authority
 - C. Other
5. Solar For All/National Clean Investment Fund Update
6. Other Business
 - A. Opportunity for Public Comment (Limit of Four Minutes per Individual)
 - B. Next Meeting Date
 - C. Other

7. Closed Meeting Pursuant to Section 610.021 (1), (11) and (12) RSMo. (as needed)
8. Adjournment of Closed Meeting and Return to Open Meeting
9. 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), (11) and (12) RSMo.

Members to be Present:	Caleb Arthur, Chair Mary Fontana Nichols, Vice Chair Deron Cherry, Treasurer, Assistant Secretary Nancy Gibler, Secretary
Staff to be Present:	Joe Boland, Executive Director Mark Pauley, Deputy Director Kristin Allan Tipton, Development Director Angie Powell, Missouri Market Development Director Cathy Schulte, Fiscal Manager Genny Eichelberger, Office Support Assistant
Legal Counsel to be Present:	David Brown, Lewis Rice LLC

**MINUTES OF THE 361ST MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

**EIERA Office
425 Madison Street, Second Floor
Jefferson City, Missouri**

**WebEx/In Person Meeting
September 21, 2023
10:00 a.m.**

EIERA MEMBERS: Caleb Arthur, Chair
Deron Cherry, Treasurer/Assistant Secretary
Mary Fontana Nichols, Vice Chair
Nancy Gibler, Secretary

EIERA STAFF: Joe Boland, Executive Director
Mark Pauley, Deputy Director
Angie Powell, Missouri Market Development Director
Kristin Allan Tipton, Development Director
Cathy Schulte, Fiscal Manager
Genny Eichelberger, Office Support Assistant

LEGAL COUNSEL: David Brown
Lewis Rice LLC

**OTHER
PARTICIPANTS:** Khalen Dwyer
Columbia Capital Management, LLC

Eric Cowan
BofA Securities, Inc.

Rob Mellinger
Citigroup Global Markets Inc.

Amanda Schultz
Seth Schenck
Williams-Keepers LLC

Matthew Livingston
Liberty Utilities

Nathan Strubhar
135 Machine Co., LLC

(AGENDA ITEM #1) CALL TO ORDER

Chair Arthur called the 361st meeting of the State Environmental Improvement and Energy Resources Authority (the “Authority”) to order at 10:00 AM. Chair Arthur took roll call and asked that the meeting record reflect a quorum was present via WebEx video conference.

(AGENDA ITEM 2) APPROVAL OF MEETING MINUTES

(AGENDA ITEM #2A) APPROVAL OF 360TH OPEN TELECONFERENCE MEETING MINUTES (AUGUST 23, 2023)

The next order of business was to review and approve the open meeting minutes of the 360th meeting (August 23, 2023) of the Authority.

MOTION: Motion was made by Ms. Fontana Nichols and seconded by Mr. Cherry to approve the minutes of the 360th meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Ms. Fontana Nichols, Mr. Cherry, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #2B) APPROVAL OF 360TH CLOSED TELECONFERENCE MEETING MINUTES (AUGUST 23, 2023)

The next order of business was to review and approve the closed teleconference meeting minutes of the 360th meeting (August 23, 2023) of the Authority.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Fontana Nichols to approve the closed teleconference minutes of the 360th meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Mr. Cherry, Ms. Fontana Nichols, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #3) PRESENTATION OF FISCAL YEAR 2023 AUDIT

Mr. Boland announced that Ms. Schultz and Mr. Schenck, representing Williams-Keepers LLC, were attending by WebEx and he called upon Ms. Schultz to present the audit results.

Ms. Schultz explained that there were three different reports issued as part of the audit: the Audit Summary that includes an opinion on the financial statements, the Auditors’ Communication Letter to the Board, including a Management’s Discussion and Analysis letter, and a Market

Development Schedule. The Authority received an unqualified audit opinion with no material findings.

The first report was the Audit Summary Report which included financial highlights that were approved by management.

Ms. Schultz reported that the Auditors' Communication Letter was very similar to the last audit and its results. She said that Governmental Accounting Standards Board (GASB) Statement No. 91, was implemented during fiscal year 2023 and there was no effect on financials. She noted that GASB 96, regarding subscription-based information technology arrangements, would be implemented during fiscal year 2024.

Ms. Schultz stated that the Authority's accounting records were reasonable in relation to the financial statements as a whole and that no transactions were found to be unusual or significant. She stated that there were no issues with internal controls and no material weaknesses were found.

The third report was the Market Development Program Schedule and the Authority was issued a "clean" opinion on the Schedule of awards.

Ms. Schultz thanked Mr. Boland, Ms. Schulte and staff for their cooperation, and the Authority for allowing them to perform the audit.

Mr. Boland thanked Ms. Schulte for doing a very good job as the audit went smoothly.

Mr. Boland thanked Ms. Schultz and Mr. Schenck for their presentation of the 2023 Audit.

(AGENDA ITEM #4) MISSOURI MARKET DEVELOPMENT PROGRAM

(AGENDA ITEM #4A) PROGRAM UPDATE

Chair Arthur called upon Ms. Powell to give an update on the Missouri Market Development Program.

Ms. Powell stated that she had three applications for the Board's consideration.

(AGENDA ITEM #4B) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE KESSLER CONTAINERS LTD. PROJECT AND AUTHORIZING THE DIRECTOR OR DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Powell reported to the Board that Kessler Containers, Ltd., located in St. Louis, requested \$250,000 to purchase two high efficiency blow molding machines costing \$561,100. These machines would enable the company to increase the amount of recovered HDPE plastics being used to manufacture custom plastic bottles and containers.

Ms. Powell stated that the new equipment would allow them to increase the amount of recovered feedstock into their bottles and containers to help keep up with the demand for a higher “recycled content” container. They will be able to reuse their internal scrap and purchase scrap material (post-consumer and postindustrial) from other sources that is currently being discarded.

Ms. Powell said that Kessler Containers, Ltd. anticipates diverting an additional 150 tons annually from the waste stream (at a minimum) and creating eight full time employees with this project.

Chair Arthur asked if there was a safety process in place for the consumer side.

Ms. Powell said that because Kessler Containers, Ltd. manufactures medical bottles, they have to meet tight specifications that require confirmation testing and certain safety protocols.

Ms. Powell stated that the Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, the Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$250,000, not to exceed 50 percent of the cost of the equipment. This is the maximum amount for which they are eligible. This funding recommendation was unanimous.

MOTION: Motion was made by Ms. Gibler and seconded by Ms. Fontana Nichols to authorize the director or designee to negotiate and enter into an agreement on behalf of the Authority with Kessler Containers Ltd. for an amount up to \$250,000,

not to exceed 50 percent of the cost of the equipment. By roll call vote, Ms. Fontana Nichols, Ms. Gibler, Mr. Cherry and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #4C) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE PRINTERIOR LLC PROJECT AND AUTHORIZING THE DIRECTOR OR DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Powell stated that Printerior LLC, located St. Louis, requested \$67,400 to purchase large format 3D printing equipment costing \$115,107. The large format 3D printing will be used to replace industrial tooling and composite molding. The use of 3D printers with recycled source material has an opportunity to turn a normally huge waste producing process into a sustainable circular system.

Ms. Powell explained that Printerior LLC has developed a large format printing technique that is optimized for using recycled materials that can help revolutionize the way industrial tooling and mold-making is currently done. Utilizing the 3D printing process makes it possible to create more intricate shapes, with less materials, and on a significantly faster timeline. She noted that there are only 20 companies in the world that perform that large of a 3D format printing.

Ms. Powell said that Printerior LLC anticipates diverting an additional 30 tons annually from the waste stream and creating three full-time positions and one part-time position with this project. Printerior LLC's retail side has increased greatly and they have added a showcase to display their recycled content printing supplies.

Ms. Powell stated that the Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, the Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$67,400, not to exceed 75 percent of the cost of the equipment. This is the maximum amount for which they are eligible. This funding recommendation was unanimous.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Gibler to authorize the director or designee to negotiate and enter into an agreement on behalf of the Authority with Printerior LLC for an amount up to \$67,400, not to exceed 75 percent of the cost of the equipment. By roll call vote, Mr. Cherry, Ms. Fontana Nichols, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #4D) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE SERVICE RECYCLING, LLC PROJECT AND AUTHORIZING THE DIRECTOR OR DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Powell reported that Service Recycling LLC requested \$225,500 to purchase a robotic pallet recovery system costing \$451,594. This machine would enable the company to disassemble and cut odd size, custom, and broken pallets to be reassembled into new standard size pallets or custom pallets.

Ms. Powell stated that Service Recycling, LLC located at 3178 N. Kentucky Avenue in Joplin, is a major commercial recycler in the Joplin area and processes materials recovered from Missouri, Oklahoma, Arkansas, and Iowa. They process scrap and waste materials (i.e. paper and other fiber materials, plastics, cardboard, pallets, etc.) from many major grocers and manufacturing plants such as Tyson Foods. They have requested financial assistance for a robotic palter recovery system that will allow damaged pallets and block pallets to be recovered and disassembled in a much more efficient way and will result in a less strenuous and safer work environment for the employees.

Ms. Powell said that Service Recycling LLC anticipates diverting an additional 5,160 tons annually from the waste stream because of the efficiency of this machine, creating an opportunity to pursue new accounts. They anticipate creating 13 full time employees with this project as they will add additional board sorters, custom pallet builders, robot feeder and maintenance technician for the new system, etc.

Ms. Powell stated that the Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of

Economic Development, the Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$225,500, not to exceed 50% of the cost of the equipment. This is the maximum amount for which they are eligible. This funding recommendation was unanimous.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Gibler to authorize the director or designee to negotiate and enter into an agreement on behalf of the Authority with Printerior LLC for an amount up to \$225,500, not to exceed 50 percent of the cost of the equipment. By roll call vote, Mr. Cherry, Ms. Fontana Nichols, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #4E) OTHER

(AGENDA ITEM #5) BROWNFIELDS REVOLVING LOAN FUND

(AGENDA ITEM #5A) PROGRAM UPDATE

Chair Arthur called upon Ms. Tipton to give an update on the Missouri Brownfields Revolving Loan Fund Program (MBRLF).

Ms. Tipton reported to the Board that the program was established in 2005, with a \$1 million capitalization grant from the EPA. Program funds can be used to cover the cost of cleanup only. With supplemental funding and a 20% match from the Authority, the program has provided nearly \$4 million to clean up contaminated properties in Missouri.

Ms. Tipton said that she had two good subgrant applications to present to the Board for their consideration.

(AGENDA ITEM #5B) CONSIDERATION AND APPROVAL OF THE FUNDING RECOMMENDATION FOR THE BOONSLICK COMMUNITY DEVELOPMENT CORPORATION PROJECT AND AUTHORIZING THE DIRECTOR OR DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton stated that the Boonslick Community Development Corporation, a Missouri non-profit corporation, has submitted a hazardous substance application to the MBRLF program requesting \$200,000 to remediate asbestos containing material in A Barracks and D Barracks of the former Kemper Military School.

Ms. Tipton stated that in 2002 the City of Boonville acquired the 8 building, 46-acre school campus, which operated from 1844 -2021. Since that time, two buildings have been demolished, two buildings are used by the YMCA, one is leased by State Fair Community College, and one building is being transferred to the Regional Library. Additionally, green space has been developed on the campus including an 18-hole Frisbee golf course, soccer fields, and a baseball field.

Ms. Tipton stated that a developer has proposed converting the property to 50-60 senior apartments and intends to begin construction as soon as the buildings are abated. This project will not only close the chapter on the City's 20 year redevelopment efforts, but will also provide much needed affordable senior housing for the community.

Ms. Tipton said that both buildings were large and had asbestos identified throughout, including insulated pipe runs and vinyl tile. Staff does not have a cost estimate yet, but MDNR has agreed to work on it for the Authority. She added that the Boonslick CDC has successfully participated in the MBRLF for remediation of two buildings on the former Kemper Military School in the past.

Ms. Tipton stated that staff reviewed the application and found the applicant and site to meet all eligibility criteria for the program. The MBRLF Review Team, consisting of staff from MoDNR's Brownfield Voluntary Cleanup Program and the Department of Economic Development's Business and Community Services Program reviewed the application and unanimously recommends that the Board approve a subgrant of up to \$250,000 for this project.

MOTION: Motion was made by Ms. Fontana Nichols and seconded by Ms. Gibler to authorize the funding recommendation for the Boonslick Community Development Corporation and for the director or designee to enter into a subgrant on behalf of the Authority for an amount not to exceed \$250,000. By roll call vote, Ms. Fontana Nichols, Ms. Gibler, Mr. Cherry and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #5C) CONSIDERATION AND APPROVAL OF THE FUNDING RECOMMENDATION FOR THE CITY OF EXCELSIOR SPRINGS PROJECT AND AUTHORIZING THE DIRECTOR OR DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton reported to the Board that the City of Excelsior Springs has submitted a hazardous substance application to the MBRLF program requesting \$200,000 to remediate lead based paint and asbestos containing materials in the former Wyman School.

Ms. Tipton stated that the Wyman School was constructed in 1912 and operated as a school until the mid 1990's. A community theater used the building for a short time but it is currently vacant. The three story concrete and brick building is on the National Register of Historic Places and is located in a residential area on a site of 1.76 acres.

Ms. Tipton explained that a developer has approached the City about converting the property to a market-rate housing project that will include between 25 and 30 apartments from studio sized to two-bedroom units. The developer has completed a number of historic renovation projects and proposes a Class A renovation on the interior and a new parking lot. An agreement has been signed and the City will transfer the property to the developer once the remediation is complete.

Ms. Tipton said that Phase I and Phase II Environmental Assessments indicate that lead based paint is present throughout the building on door and window trims. Asbestos containing materials are present in vinyl floor tiles on all three floors. The City is very interested in addressing blight in the community and feels that this project will also provide relief for a significant shortage of workforce housing.

Ms. Tipton stated that staff reviewed the application and found the applicant and site to meet all eligibility criteria for the program. The MBRLF Review Team, consisting of staff from MoDNR's Brownfield Voluntary Cleanup Program and the Department of Economic

Development's Business and Community Services Program reviewed the application and unanimously recommends that the Board approve a subgrant of up to \$250,000 for this project.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. Gibler to authorize the funding recommendation for the City of Excelsior Springs and for the director or designee to enter into a subgrant on behalf of the Authority for an amount not to exceed \$250,000. By roll call vote, Mr. Cherry, Ms. Fontana Nichols, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #5D) OTHER

There was no other business to be discussed.

(AGENDA ITEM #6) MEMORANDUM OF AGREEMENT WITH COALITION FOR GREEN CAPITAL

Mr. Boland directed the Board's attention to the draft memorandum of agreement that had been emailed to them before the meeting. The Coalition for Green Capital (CGC) is one of the national non-profits that is applying to the EPA's National Clean Investment Fund (NCIF) competition for funding greenhouse gas reduction projects. The Authority has been working with the CGC to be an implementation partner and subawardee. One of the requirements to be recognized as a possible subawardee is to enter into a Memorandum of Agreement with the CGC.

Mr. Boland explained that the NCIF will award grants to 2–3 national nonprofit financing entities to create national clean financing institutions capable of collaborating with the private sector to provide accessible, affordable financing for tens of thousands of clean technology projects nationwide.

These national nonprofits will also provide capital to community lenders and other similar institutions, like the Authority, so that they can, in turn, provide financing to the communities that they serve. The Authority, along with several similar agencies from other states have been advocating for the use of the State Revolving Fund (SRF) model as a means to develop sustainable low-cost loan programs to support these projects. CGC has been very receptive to that concept.

Mr. Boland deferred to Mr. Brown for comment.

Mr. Brown stated that there would not be any obligation to spend any of the Authority's money. In the event the CGC's application is unsuccessful, the Authority would not be penalized in any way.

The CGC has requested the Authority be a subawardee for the state and serve on a regional advisory board. If the CGC is successful in securing a \$10B award, initial calculations indicate that the Authority could receive an allocation of up to \$100 million to provide low-cost financing to support distributed energy generation and storage, zero-emissions buildings and zero-emissions transportation.

Staff hope to create a sustainable revolving-type loan program that would provide low-cost financing to support the growth of these energy markets.

MOTION: Motion was made by Ms. Gibler and seconded by Mr. Cherry to authorize the director or his designee to enter into a Memorandum of Agreement between the State Environmental Improvement and Energy Resources Authority and the Coalition for Green Capital to assist the Coalition for Green Capital in applying for funding through the National Clean Investment Fund competition. By roll call vote, Vice Chair Nichols, Mr. Cherry, Ms. Gibler and Chair Arthur all voted in favor. Motion carried.

(AGENDA ITEM #7) SOLAR FOR ALL UPDATE

Mr. Pauley reminded the Board that last month staff received approval to enter into a contract with Guidehouse for assistance on our application to EPA's Solar for All competition. Guidehouse jumped right in and has been great to work with, which is good because there is a very short turn-around to submit the application.

Mr. Pauley stated that the application was originally due September 26th – but EPA recently extended the deadline to October 12th. Even with a couple more weeks to work on it, it is still a tight turn-around.

Mr. Pauley stated that staff has been meeting with Guidehouse at least twice a week, as well as meeting with our partners on the application, of which a few partners include: Mid-America

Regional Council out of KC, East-West Gateway Council of Governments located in St. Louis, City of St. Louis, Kansas City, City of Columbia, Missouri Public Utility Alliance, Missouri Energy Initiative, and Renew Missouri. He said that everyone has been really engaged and is providing great feedback.

Mr. Pauley said that over the past couple of weeks Guidehouse has been working on collecting letters of support in four different categories from all the partners which will be submitted to EPA. Not all the draft letters have been received back yet, but they are currently reviewing what they have and will be providing feedback to the partners on any changes next week with the final signed letters due next Wednesday the 27th.

Mr. Boland stated that together with a broad array of partners, Mr. Pauley has done a good job on the application.

(AGENDA ITEM #8) OTHER BUSINESS

Mr. Boland stated that staff was in the middle of a \$10 million Clean Water SRF Series 2023 transaction to provide state match for the MDNR SRF program. He stated that Columbia Capital Management, the Authority's Financial Advisor, issued a Request for Quotation (RFQ) for the direct purchase of the bonds on September 20, 2023, with an October 6, deadline for responses. Mr. Boland stated that an October Board meeting will be needed to approve an issuance resolution and finalize the transaction. He deferred to Mr. Brown for comment.

Mr. Brown said the transaction was similar to the Series 2022 SRF issuance.

Mr. Boland asked Mr. Dwyer for comment.

Mr. Dwyer stated that the bond documents were in good shape and a good response to the RFQ is expected. The transaction is on schedule to close on November 6, 2023.

(AGENDA ITEM #8A) OPPORTUNITY FOR PUBLIC COMMENT (LIMIT OF FOUR MINUTES PER INDIVIDUAL)

Chair Arthur asked if anyone would like to make a public comment at this time. There were no comments.

(AGENDA ITEM #8B) NEXT MEETING DATE

Mr. Boland stated that the next meeting would be held in October 2023.

(AGENDA ITEM #8C) OTHER

There was no other business to be discussed.

(AGENDA ITEM #9) CLOSED MEETING PURSUANT TO SECTION 610.021 (12) RSMO

(AGENDA ITEM #10) ADJOURNMENT OF CLOSED MEETING AND RETURN TO OPEN MEETING

(AGENDA ITEM #11) ADJOURNMENT OF OPEN MEETING

There being no further business to come before the Board, there was a motion to adjourn.

MOTION: Motion was made by Ms. Gibler and seconded by Ms. Fontana Nichols to adjourn the meeting. By roll call vote, Ms. Gibler, Ms. Fontana Nichols, Mr. Cherry and Chair Arthur all voted in favor. Motion carried.

Respectfully submitted,

(SEAL)

Chair of the Authority

Secretary of the Authority

State Environmental Improvement and Energy Resources Authority
362nd Board Meeting
November 1, 2023

Agenda Item #3A

RESOLUTION OF THE AUTHORITY TO ISSUE STATE MATCH REVENUE BONDS ON BEHALF OF THE MISSOURI DEPARTMENT OF NATURAL RESOURCES IN CONNECTION WITH THE STATE REVOLVING FUND PROGRAM

Issue:

The Department of Natural Resources (DNR) has requested the Authority issue bonds under the Clean Water State Revolving Fund Program to generate state match required to draw on their federal U.S. EPA capitalization grant and otherwise provide capital for projects funded under the program.

The resolution provides authorization for the 2023 transaction for \$10,000,000 and authorizes the Authority to enter into a Supplemental Bond Indenture No. 2 and other related documents.

Action Needed:

Review and approval of the 2023 state match bond resolution.

Staff Recommendation:

Staff recommends approval of the resolution.

Staff Contact:

Joe Boland or Mark Pauley

Background:

Under the current SRF program structure, DNR issues loans directly to each participant when their projects are ready. Construction draws are made from either the U.S. EPA capitalization grant or from recycled loan funds. The Authority will then issue bonds at such time as DNR has expended available capital and needs to replenish its coffers, or needs to generate state match required to draw upon their U.S. EPA capitalization grant. DNR has expended the majority of their remaining state match for the Clean Water program and has requested that we initiate steps to issue additional state match bonds.

In order to qualify as State match bonds, the debt service on these bonds can only be paid for with the interest component of DNR participant loan repayments. Historically, state match bonds were issued by pledging future interest payments from DNR participant loans which would pay the debt service on the Authority bonds. This has proven to be a cumbersome and somewhat inefficient approach.

A new approach was initiated as part of the SRF 2020B refunding, whereby the master trust indenture was amended to allow for the creation of the Interest Accumulation Fund (IAF) at the Trustee level. The interest component of a participant's loan repayment is captured at the time a debt service payment is made and allowed to accumulate. Now, when the Authority issues state match bonds, monies from the IAF are transferred into an escrow account in an amount sufficient to repay the Authority bonds in a much shorter timeframe.

Attached you will find the Issuance Resolution for consideration and approval. Also attached are drafts of the Supplemental Indenture No. 2, and the Bond Purchase Agreement. Staff, as well as members of the finance team, will be available for discussion should you have any questions.

JB:ge

Attachments

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

(STATE OF MISSOURI)

RESOLUTION AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ISSUE AND SELL UP TO \$10,000,000 PRINCIPAL AMOUNT OF TAXABLE STATE REVOLVING FUND PROGRAM STATE MATCH FUNDING BONDS (CLEAN WATER SRF PROGRAM), SERIES 2023; APPROVING THE FORM OF AND AUTHORIZING THE AUTHORITY TO ENTER INTO A SUPPLEMENTAL BOND INDENTURE NO. 2 AND OTHER RELATED DOCUMENTS; AND APPROVING CERTAIN OTHER DOCUMENTS AND AUTHORIZING THE AUTHORITY TO TAKE CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

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, pursuant to 10 CSR 20-4.040 through 10 CSR 20-4.041 and 10 CSR 20-4.050 of the Code of State Regulations, the Missouri Department of Natural Resources ("DNR"), in cooperation with the Clean Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program (the "Clean Water SRF Direct Loan Program") to make loans to political subdivisions and other eligible entities of the State of Missouri (the "State") to finance publicly-owned wastewater treatment facilities and certain private nonpoint source projects, and pursuant to 10 CSR 60-13.020 through 10 CSR 60-13.025 and 10 CSR 60-13.030 of the Code of State Regulations, DNR, in cooperation with the Safe Drinking Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program (the "Drinking Water SRF Direct Loan Program") to make loans to political subdivisions and other eligible entities of the State to finance publicly-owned and privately-owned drinking water treatment facilities; and

WHEREAS, by resolutions adopted by the Authority on February 23, 1988 and September 22, 1998, the Authority approved the development of the Missouri Leveraged State Water Pollution Control Revolving Fund Program (the "Clean Water SRF Leveraged Program" and, together with the Clean Water SRF Direct Loan Program, the "Clean Water SRF Program") and the Missouri Leveraged State Drinking Water Revolving Fund Program (the "Drinking Water SRF Leveraged Program" and, together with the Drinking Water SRF Direct Loan Program, the "Drinking Water SRF Program" and collectively with the Clean Water SRF Program, the "SRF Programs"), the Authority has stated its intent to issue its bonds or notes, in cooperation with DNR, to finance projects pursuant to the SRF Programs; and

WHEREAS, by resolution adopted by the Authority on September 14, 2022, the Authority also approved the issuance of bonds or notes from time to time in order to provide the State of Missouri's required matching funds to receive ongoing capitalization grants from the United States Environmental Protection Agency (the "EPA") for the SRF Programs (the Authority's February 28, 1988 resolution, the September 22, 1998 resolution and the September 14, 2022 resolution are collectively referred to herein as the "Program Resolutions"); and

WHEREAS, pursuant to the Act and the Program Resolutions, the Authority is authorized to issue bonds or notes from time to time in order to provide the State's required matching funds to receive ongoing capitalization grants from the EPA for the SRF Programs (the "State Match Funding Obligations"), the proceeds of which will be used to provide loans to participants of the SRF Programs; and

WHEREAS, by resolution adopted by the Authority on September 14, 2022, the Authority approved the Master Bond Indenture dated as of September 1, 2022 (the "Master Bond Indenture") between the Authority and UMB Bank, N.A. as trustee (the "Trustee"), pursuant to which the State Match Funding Obligations would be issued; and

WHEREAS, the Authority has determined it is necessary and advisable and in the best interest of the State and the SRF Programs to issue a series of bonds under the Master Bond Indenture constituting State Match Funding Obligations pursuant to the Act in the aggregate principal amount as provided in this Resolution (the "Bonds") for the hereinafter described purposes; and

WHEREAS, the Authority further finds and determines that it is necessary and desirable in connection with the issuance and sale of the Bonds that the Authority enter into certain documents and approve certain other documents and take certain other actions in connection with the issuance of the Bonds 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. Definitions. All capitalized terms not elsewhere defined herein shall have the meanings set forth in Section 1.1 of the Indenture (as defined herein).

Section 2. Findings and Determinations. The Authority hereby finds and determines that the issuance of its bonds under the Act to provide funds to DNR in order to provide the State's required matching funds to receive ongoing capitalization grants from the EPA is in the public interest and within the power and authority vested in the Authority under the Act and will be in furtherance of the objectives and public purposes of the Act, in that such funds will result in additional monies for the SRF Programs, and will provide for the public health, safety and welfare of the residents of the State by promoting, developing and assisting in the construction of wastewater treatment, sanitary sewerage, water and water pollution control facilities in the State.

Section 3. Authorization of the Bonds. For the foregoing purposes, the Authority hereby authorizes the issuance and sale, pursuant to Section 260.040 of the Act, of its Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2023, in the aggregate principal amount not to exceed \$10,000,000. The Bonds shall be dated as of the date of their delivery and shall be issued as fully-

registered Bonds, without coupons, in the denominations of \$100,000 or any integral multiple of \$100 in excess thereof. The Bonds shall mature on a date or dates no later than July 1, 2025, shall be payable in installments, shall bear interest at a fixed rate not to exceed 7.50% per annum, payable semiannually on each January 1 and July 1, commencing January 1, 2024, at such maturities, interest rate and principal amounts as shall be approved by the Chairman or Vice Chairman by the execution of the hereinafter authorized Bond Purchase Agreement between the Authority and the Purchaser (as defined below). The Bonds shall be in such forms, shall have such terms and provisions, and shall be issued, executed and delivered in such manner and subject to such provisions, covenants and agreements, as are set forth in the Indenture. The Bonds shall be issued under the Indenture. The Indenture provides a complete description of the pledged property and revenues constituting the Trust Estate, the nature and extent of the security for the Bonds, a statement of the terms and conditions on which the Bonds are to be issued and secured, the rights, duties, obligations and immunities of the Authority, the rights, duties, obligations and immunities of the Trustee, and the rights of the holders of the Bonds. Because of the characteristics of the Bonds, the principal amount thereof, the prevailing market conditions and the advice of the Authority's financial advisor that a competitively bid private placement is expected to result in the lowest costs, after taking into account both interest rate on the Bonds and issuance expense, the Authority hereby finds that it is in the best interest of the Authority to sell the Bonds to the Purchaser who submitted the lowest and best bid in response to the Authority's Request for Quotation published on September 20, 2023.

Section 4. Limited Obligations. The Bonds and the interest thereon shall be special, limited obligations of the Authority payable solely out of and secured by a transfer, pledge and assignment of and a grant of a security interest in a portion of the Trust Estate as provided in the Indenture. The Bonds do not constitute or create an indebtedness, liability or moral obligation of the State, any political subdivision thereof, the United States of America or any agency thereof, the EPA, DNR, the Clean Water Commission, or the Safe Drinking Water Commission. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. No covenant, stipulation, obligation or agreement contained herein or in the Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future trustee, officer, member, director, employee or agent of the Authority in his or her individual capacity.

Section 5. Authorization of Authority Documents. The Authority is hereby authorized to enter into the following documents (the "Authority Documents"), in substantially the forms presented and reviewed by the Authority at this meeting (copies of which documents 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 such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

- (a) Supplemental Bond Indenture No. 2 ("Supplemental Indenture No. 2" and, together with the Master Bond Indenture and all previous amendments and supplements thereto, the "Indenture") dated as of November 1, 2023, between the Authority and the Trustee;
- (b) Bond Purchase Agreement to be dated the date of its execution and delivery (the "Bond Purchase Agreement"), between the Authority and Bank of America, N.A. or a designated affiliate of Bank of America, N.A., the purchaser of the Bonds (the "Purchaser"); and
- (c) Such other agreements, instruments and certificates as may be necessary or desirable to effectuate (i) the issuance of the Bonds, or (ii) the provision of reserve or escrow funds for the benefit of the owners of the Bonds.

Section 6. Authorization of Letter of Instructions and Certificates. The Chairman or Vice Chairman is hereby authorized and directed to execute letters of instructions or certificates (i) requesting and authorizing the Trustee to authenticate and deliver the Bonds to the Purchaser, (ii) ordering and directing the Trustee as to the deposit and application of the proceeds of the Bonds and other funds, investments and securities, and (iii) setting forth how proceeds deposited in certain funds and accounts shall be invested and, in connection with said investments, authorizing the purchase of certain securities in accordance with the terms of the Indenture. The Trustee is authorized to invest the Funds and Accounts established under the Indenture in accordance with the written directions of the Chairman, the Vice Chairman, the Director or the Deputy Director. The Chairman, Vice Chairman, Director or Deputy Director is hereby authorized to approve the payment of the costs of issuing and selling the Bonds (including, without limitation, counsel fees, Trustee fees, financial advisor fees and the Authority's fees) out of funds on deposit and held under the Amended and Restated Master Trust Agreement dated as of December 1, 2020, between the Authority and UMB Bank, N.A., as the Master Trustee.

Section 7. Execution of Bonds and Documents. The Chairman or the Vice Chairman is hereby authorized and directed to execute the Bonds, manually or by facsimile signature, and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Authority in the manner provided in the Indenture. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Authority Documents for and on behalf of and as the act and deed of the Authority. The Secretary or the Assistant Secretary is hereby authorized and directed to attest, manually or by facsimile signature, to the Bonds and the Authority Documents, and to such other documents, certificates and instruments as may be necessary or desirable in connection with the issuance of the Bonds, and further, as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 8. Ratification and Further Authority. All actions heretofore taken by the officers, agents and employees of the Authority in connection with the transaction contemplated by this Resolution are hereby ratified and confirmed. 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 such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, including applications for the registration of the Bonds under state securities laws and to carry out, comply with and perform the duties of the Authority with respect to the Bonds and the Authority Documents.

Section 9. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 1st day of November, 2023.

Chairman of the Authority

(Seal)

ATTEST:

Secretary of the Authority

Attachment “B”

GILMORE & BELL, P.C.
DRAFT – OCTOBER 24, 2023
FOR DISCUSSION PURPOSES ONLY

SUPPLEMENTAL BOND INDENTURE NO. 2

Dated as of November 1, 2023

between the

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

and

UMB BANK, N.A.,
as Trustee

\$10,000,000
TAXABLE STATE REVOLVING FUND PROGRAM STATE MATCH FUNDING BONDS
(CLEAN WATER SRF PROGRAM)
SERIES 2023

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SUPPLEMENTAL BOND INDENTURE NO. 2

This SUPPLEMENTAL BOND INDENTURE NO. 2 dated as of November 1, 2023 (this “*Supplemental Indenture No. 2*”), is entered into 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*”), organized and existing by, under and pursuant to the laws of the State of Missouri, and UMB BANK, N.A., a national banking association duly organized and existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America, with a corporate trust office located in St. Louis, Missouri, as trustee (the “*Trustee*”), pursuant to the authority of the Indenture, as hereinafter defined.

RECITALS

1. This Supplemental Indenture No. 2 supplements the Master Bond Indenture, dated as of September 1, 2022, between the Authority and the Trustee (said Master Bond Indenture, as originally executed, the “*Original Indenture*,” and with all amendments and supplements thereto, including this Supplemental Indenture No. 2, the “*Indenture*”), under which the Authority from time to time may issue and deliver one or more series of bonds for the purpose of (a) providing State Match (as defined in the Original Indenture); (b) refunding all or a portion of one or more series of bonds then outstanding under the Indenture and/or any other obligation of the Authority related to the SRF Program (as defined in the Original Indenture), and/or (c) paying Costs of Issuance (as defined in the Original Indenture).

2. Pursuant to Sections 260.005 through 260.125 and Appendix B(1) of the Revised Statutes of Missouri (collectively, the “*Act*”), the Program Resolutions (as defined in the Original Indenture) and Resolution No. 23-_____ duly adopted by the Authority on _____, 2023 (the “*Authorizing Resolution*”), the Authority is authorized to issue its Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2023 (the “*Series 2023 Bonds*”), in the aggregate principal amount of \$10,000,000 to provide funds, together with other available funds, to (a) provide State Match for the Clean Water SRF Program, and (b) pay Costs of Issuance related to the Series 2023 Bonds.

3. The Series 2023 Bonds constitute a “Series of Bonds” (as defined in the Original Indenture), authorized under Section 201 of the Original Indenture, and will be secured under the Indenture, together with any other Bonds issued under the Original Indenture from time to time, in accordance with the terms and provisions of the Indenture.

4. All acts and things have been done and performed which are necessary to make the Series 2023 Bonds, when executed and issued by the Authority, authenticated by the Trustee and delivered, the legal, valid and binding limited obligations of the Authority in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent applicable, and to make the Indenture a valid and binding agreement for the security of Series 2023 Bonds authenticated and delivered under the Indenture.

ARTICLE I

DEFINITIONS, AUTHORITY FOR SUPPLEMENTAL INDENTURE NO. 2

Section 101. Definitions of Words and Terms.

For all purposes of this Supplemental Indenture No. 2, except as otherwise provided or unless the context otherwise requires, words and terms used in this Supplemental Indenture No. 2 shall have the meanings set forth in Section 101 of the Original Indenture and the following meanings set forth in this Section. Any words and terms defined herein that are not already defined in the Original Indenture are intended to supplement the definitions contained therein. Any words and terms defined herein that are already defined in the Original Indenture are intended to replace and supersede such definitions already contained therein for purposes related to the Series 2023 Bonds. If any of the following definitions conflict with the definitions already set forth in the Original Indenture, the definitions set forth herein shall take precedence:

“Authorized Denominations” means, with respect to the Series 2023 Bonds, \$100,000 or any integral multiple of \$100 in excess thereof.

“Clean Water Portion” means, with respect to the Series 2023 Bonds, the Series 2023 Bonds designated as such on Schedule A attached to this Supplemental Indenture No. 2, as may be modified from time to time pursuant to an Officer’s Certificate.

“Dated Date” means, with respect to the Series 2023 Bonds, November 6, 2023, the date of their original issuance and delivery.

“Drinking Water Portion” means, with respect to the Series 2023 Bonds, the Series 2023 Bonds designated as such on Schedule A attached to this Supplemental Indenture No. 2, as may be modified from time to time pursuant to an Officer’s Certificate.

“Indenture” means the Original Indenture, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of the Original Indenture, including this Supplemental Indenture No. 2.

“Original Indenture” means the Master Bond Indenture, dated as of September 1, 2022, between the Authority and the Trustee.

“Payment Dates” means, with respect to the Series 2023 Bonds, January 1 and July 1 of each year, commencing January 1, 2024.

“Purchaser” means, with respect to the Series 2023 Bonds, Bank of America, N.A., the original purchaser of the Series 2023 Bonds.

“Purchase Price” means, with respect to the Series 2023 Bonds, the sum of \$10,000,000.00.

“Revenue Account Release Amounts” means, with respect to the Series 2023 Bonds, the amounts set forth on Exhibit B to this Supplemental Indenture No. 2.

“Series 2023 Bonds” means the Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2023, in the original principal amount of \$10,000,000, issued,

authenticated and delivered under and pursuant to the Original Indenture and this Supplemental Indenture No. 2.

“*Supplemental Indenture No. 2*” means this Supplemental Bond Indenture No. 2 as originally executed by the Authority and the Trustee, and as from time to time amended and supplemented.

Section 102. Authority for Supplemental Indenture No. 2.

This Supplemental Indenture No. 2 is adopted pursuant to the provisions of the Act, the Authorizing Resolution and the Original Indenture, and is supplemental to, and is authorized, executed and delivered in accordance with, Article II and Article X of the Original Indenture.

ARTICLE II

THE SERIES 2023 BONDS

Section 201. Authorization and Terms of Series 2023 Bonds.

(a) *Authorization and Amount.* The Authority is authorized under the Original Indenture and this Supplemental Indenture No. 2 to issue a Series of Bonds, in the aggregate original principal amount of \$10,000,000, consisting of and designated “Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2023” (the “*Series 2023 Bonds*”), for the purpose of providing funds, together with other available funds, to (i) provide State Match for the Clean Water SRF Program, and (ii) pay Costs of Issuance related to the Series 2023 Bonds.

(b) *Date, Maturity and Interest.* The Series 2023 Bonds shall be dated the Dated Date, shall have a Stated Maturity of July 1, 2025, and shall be payable, in installments, in accordance with the amortization schedule set forth in Exhibit D attached to this Supplemental Indenture No. 2 (subject to redemption prior to the Stated Maturity as provided in Article III hereof). The Series 2023 Bonds shall bear interest at the fixed rate of interest of _____% per annum (the “*Interest Rate*”) from their date or from the most recent Payment Date to which interest has been paid or duly provided for, payable on January 1 and July 1 of each year, commencing January 1, 2024.

(d) *Form and Denominations.* The Series 2023 Bonds shall be issuable as fully-registered bonds, without coupons, in Authorized Denominations in substantially the form set forth in Exhibit A attached to this Supplemental Indenture No. 2, with such necessary or appropriate variations, omissions and insertions as are permitted or required by the Original Indenture and this Supplemental Indenture No. 2. The Series 2023 Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

(e) *Numbering.* The Series 2023 Bonds shall be numbered from R-1 consecutively upward in order of issuance, or in such other manner as the Trustee shall designate.

(f) *Execution and Delivery.* The Series 2023 Bonds shall be executed in the manner set forth in Section 304 of the Original Indenture and delivered to the Trustee for authentication. When the documents mentioned in Section 202 of the Original Indenture have been filed with the Trustee, and when the Series 2023 Bonds have been executed and authenticated as required by the Original Indenture, the

Trustee shall deliver the Series 2023 Bonds to or upon the order of the Purchaser thereof, upon payment to the Trustee, for the account of the Authority, of the Purchase Price thereof.

(g) *Designation of Clean Water Portion and Drinking Water Portion.* The designation of the Clean Water Portion and Drinking Water Portion of the Series 2023 Bonds is set forth on Schedule A to this Supplemental Indenture No. 2.

(h) *Presentation for Payment.* Notwithstanding any provision of the Original Indenture to the contrary, the Series 2023 Bonds are not required to be presented for payment except at maturity or in the event of redemption in full prior to maturity.

ARTICLE III

REDEMPTION OF SERIES 2023 BONDS

Section 301. Redemption of Series 2023 Bonds Prior to Maturity.

The Series 2023 Bonds will be subject to redemption and payment prior to maturity, at the option and written direction of 100% of the Bondowners upon an Event of Default with respect to the Series 2023 Bonds and acceleration of the Series 2023 Bonds pursuant to Section 801 of the Original Indenture, in whole only, at the Redemption Price equal to the proceeds of sale of the Investment Securities held in the Series 2023 Revenue Account (but not to exceed 100% of the principal amount of the Series 2023 Bonds then Outstanding, plus accrued interest to the redemption date); provided, however, that, if there is a single Bondowner, in lieu of selling the Investment Securities held in the Series 2023 Revenue Account, the Trustee is authorized at the written direction of the Bondowner to exchange all or a portion of the Investment Securities for the Series 2023 Bonds for cancellation, provided that the market value of such Investment Securities exchanged does not exceed 100% of the principal amount of the Series 2023 Bonds then Outstanding, plus accrued interest to the redemption date.

ARTICLE IV

FUNDS AND ACCOUNTS, APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 401. Establishment of Funds and Accounts.

In addition to the Funds established by Section 501 of the Original Indenture, there are hereby established in the custody of the Trustee the following Accounts with respect to the Series 2023 Bonds:

(a) Within the Revenue Fund, the Series 2023 Revenue Account (the “*Series 2023 Revenue Account*”).

(b) Within the Debt Service Fund, the Series 2023 Debt Service Account (the “*Series 2023 Debt Service Account*”).

(c) Within the Bond Proceeds Fund, the Series 2023 Bond Proceeds Account (the “*Series 2023 Bond Proceeds Account*”).

(d) Within the Costs of Issuance Fund, the Series 2023 Costs of Issuance Account (the “*Series 2023 Costs of Issuance Account*”).

Section 402. Deposit and Application of Series 2023 Bond Proceeds and Other Moneys.

The proceeds of the Series 2023 Bonds, together with other available funds, shall be transferred and applied simultaneously with the delivery of the Series 2023 Bonds as follows:

(a) ~~the funds~~ ~~the investments and additional funds~~ held or on deposit in the Clean Water Account of the Interest Accumulation Fund held under the Master Trust Agreement (2020) identified in the Officer's Certificate dated as of the date of issuance of the Series 2023 Bonds shall be transferred and deposited in the Series 2023 Revenue Account and applied pursuant to Section 503 of the Original Indenture;

(b) the sum of \$10,000,000 from the proceeds from the sale of the Series 2023 Bonds shall be transferred and deposited in the Series 2023 Bond Proceeds Account and immediately upon the issuance of the Series 2023 Bonds, without further authorization, shall be transferred to DNR by ACH or EFT for deposit to The Water and Wastewater Loan Revolving Fund, accompanied by written notice to DNR of (i) the amount of the transfer, (ii) the purpose of the transfer, (iii) the transfer method and (iv) any other descriptive information needed for DNR to accurately account for such funds; and

(c) the sum of \$_____ from amounts received from the Master Trustee (2020) from the funds on deposit in the Clean Water Account of the Master Trust Bonds Expense Fund held under the Master Trust Agreement (2020) shall be transferred and deposited in the Series 2023 Costs of Issuance Account and applied pursuant to Section 505 of the Original Indenture.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 501. Applicability of Original Indenture and Supplemental Indenture No. 2.

Except as otherwise provided in this Supplemental Indenture No. 2, the provisions of the Original Indenture, as previously amended, are hereby ratified, approved and confirmed and incorporated herein and shall be applicable to the authorization, execution, authentication, issuance, redemption, payment, sale and delivery of the Series 2023 Bonds, the custody and the distribution of the proceeds and the security, payment, redemption and enforcement of payment thereof.

Section 502. Further Assurances.

The Authority shall do, execute, acknowledge and deliver such Supplemental Indentures and such further acts, instruments, financing statements and assurances as the Trustee may reasonably require for accomplishing the purposes of this Supplemental Indenture No. 2.

Section 503. Immunity of Officers, Employees and Members of the Authority.

No recourse shall be had for the payment of the principal of or interest on any of the Series 2023 Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Supplemental Indenture No. 2 against any past, present or future member, officer, director, member, employee or agent of the Authority or DNR, or of any successor private or public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or

otherwise, and all such liability of any such members, officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Supplemental Indenture No. 2 and the issuance, authentication and delivery of the Series 2023 Bonds.

Section 504. Benefit of Supplemental Indenture No. 2.

This Supplemental Indenture No. 2 shall inure to the benefit of and shall be binding upon the Authority and the Trustee and their respective successors and assigns, subject, however, to the limitations contained herein. With the exception of rights expressly conferred in this Supplemental Indenture No. 2, nothing in this Supplemental Indenture No. 2 or in the Series 2023 Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns hereunder, any separate trustee or co-trustee appointed under the Original Indenture and the Owners of Outstanding Series 2023 Bonds, any benefit or any legal or equitable right, remedy or claim under this Supplemental Indenture No. 2. Notwithstanding the foregoing, the Authority and the Trustee expressly agree that DNR is and shall be a third party beneficiary to this Supplemental Indenture No. 2.

Section 505. Severability.

If any provision in this Supplemental Indenture No. 2 or in the Series 2023 Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 506. Electronic Transactions.

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.

Section 507. Execution in Counterparts.

This Supplemental Indenture No. 2 may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 508. Governing Law.

This Supplemental Indenture No. 2 shall be governed by and construed in accordance with the laws of the State.

Section 509. Audited Financial Statements.

The Authority shall furnish the annual audited financial statements of the Authority, together with the opinion of the Authority's independent accountants, to the Purchaser of the Series 2023 Bonds no later than 210 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2024.

Section 510. Payments Set Aside.

To the extent that any payment by or on behalf of the Authority is made to a Bondowner of the Series 2023 Bonds, and such payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the such Bondowner in its discretion) to be repaid to a trustee, receiver or any other party in connection with any proceeding under the United States Bankruptcy Code or any other applicable federal or state law, or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made subject to the limitations set forth in the Indenture.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Supplemental Trust Indenture No. 2 to be duly executed by their duly authorized representatives, as of the day and year first above written.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

(SEAL)

By _____
Title: Chairman

ATTEST:

Title: Secretary

UMB BANK, N.A., as Trustee

By _____
Title: Vice President

SCHEDULE A

DESIGNATION OF CLEAN WATER PORTION AND DRINKING WATER PORTION OF SERIES 2023 BONDS

<u>Date</u>	<u>Interest Rate</u>	<u>Clean Water Portion Principal Amount</u>	<u>Drinking Water Portion Principal Amount</u>	<u>Total</u>
January 1, 2024			\$0.00	
July 1, 2024			0.00	
January 1, 2025			0.00	
July 1, 2025 [†]			0.00	

[†] Maturity

EXHIBIT A

FORM OF SERIES 2023 BONDS

Registered
No. R- _____

Registered
\$ _____

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED,
ASSIGNED OR NEGOTIATED ONLY AS PROVIDED IN THE
HEREIN DESCRIBED INDENTURE.

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY
(STATE OF MISSOURI)

TAXABLE STATE REVOLVING FUND PROGRAM STATE MATCH FUNDING BOND
(CLEAN WATER SRF PROGRAM)
SERIES 2023

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
_____ %	July 1, 2025	November 6, 2023

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture described herein.

The STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY, a body corporate and politic and a governmental instrumentality of the State of Missouri (the “*Authority*”), for value received, hereby promises to pay, but solely from the sources herein specified to the Registered Owner named above, or registered assigns, the Principal Amount stated above in installments as set forth on Schedule 1 to and including the Maturity Date stated above, except as the provisions herein set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on said Principal Amount at the Interest Rate per annum stated above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date stated above or from the most recent date to which interest has been paid or duly provided for, payable semiannually on January 1 and July 1 in each year commencing January 1, 2024 (each a “*Payment Date*”), until said Principal Amount is paid as set forth on Schedule 1.

Method and Place of Payment. The principal of and interest on this Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal and interest payable on this Bond on any Payment Date shall be paid by UMB Bank, N.A., St. Louis, Missouri (the “*Trustee*”) to the Registered Owner of this Bond appearing on the Bond Register maintained by the Trustee at the close of business on the Record Date and shall be paid by: (a) check or draft mailed to such Registered Owner at the address as it appears on such Bond Register or at such other address furnished in writing by such Registered Owner to the Trustee, or (b) by electronic transfer to such Owner upon written notice to the Trustee from such

Owner containing the electronic transfer instructions to which such Owner wishes to have such transfer directed and such written notice is given by such Owner to the Trustee not less than 15 days prior to the Record Date. Any such written notice for electronic transfer shall be signed by such Owner and shall include the name of the bank, its address, its ABA routing number and the name, number and contact name related to such Owner's account at such bank to which the payment is to be credited and shall acknowledge that an electronic transfer fee may be payable by such Owner. Notwithstanding the foregoing, the final installment of principal of this Bond shall be paid at maturity or upon redemption in full prior to maturity only upon presentation and surrender of this Bond at the designated corporate trust office of the Trustee.

Authorization of Bonds. This Bond is one of a duly authorized Series of Bonds of the Authority, designated "Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2023, in the aggregate principal amount of \$10,000,000 (the "*Series 2023 Bonds*"), issued pursuant to the authority of and in full compliance with the Constitution and statutes of the State of Missouri (the "*State*"), including particularly Sections 260.005 through 260.125 and Appendix B(1) of the Revised Statutes of Missouri (collectively, the "*Act*"), and pursuant to proceedings duly had by the Authority. The Series 2023 Bonds are issued under and are equally and ratably secured with other Series 2023 Bonds and entitled to the protection given by a Master Bond Indenture, dated as of September 1, 2022 (the "*Original Indenture*"), as supplemented by Supplemental Bond Indenture No. 2 dated as of November 1, 2023, between the Authority and the Trustee (the "*Supplemental Indenture No. 2*" and, together with the Original Indenture and all other amendments and supplements thereto executed from time to time in accordance with the provisions of the Original Indenture, the "*Indenture*"), to provide funds for the purposes described in the Indenture. Under the terms of the Indenture, additional bonds may be issued thereunder and secured separately from the Trust Estate applicable to the Series 2023 Bonds (said additional bonds, together with the Series 2023 Bonds, are collectively referred to as the "*Bonds*"). Under the Indenture, the Authority has pledged and assigned the portion of the Trust Estate held under the Indenture to the Trustee as security for each Series of Bonds as provided therein. Reference is hereby made to the Indenture, which may be inspected at the designated corporate trust office of the Trustee, for a description of the Trust Estate, and the provisions, among others, with respect to the nature and extent of the security for the Bonds, and the rights, duties and obligations of the Authority, the Missouri Department of Natural Resources ("*DNR*"), the Trustee and the Registered Bondowners, and a description of the terms upon which the Bonds are issued and secured, upon which provision for payment of the Bonds or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the Bonds.

Redemption of Bonds Prior to Maturity. The Series 2023 Bonds will be subject to redemption and payment prior to maturity, at the option and written direction of 100% of the Bondowners upon an Event of Default with respect to the Series 2023 Bonds and acceleration of the Series 2023 Bonds pursuant to Section 801 of the Original Indenture, in whole only, at the Redemption Price equal to the proceeds of sale of the Investment Securities held in the Series 2023 Revenue Account (but not to exceed 100% of the principal amount thereof, plus accrued interest to the redemption date); provided, however, that, if there is a single Bondowner, in lieu of selling the Investment Securities held in the Series 2023 Revenue Account, the Trustee is authorized at the written direction of the Bondowner to exchange the Investment Securities for the Series 2023 Bonds for cancellation.

Transfer and Exchange. THE OWNER HEREOF EXPRESSLY AGREES, BY SUCH OWNER'S ACCEPTANCE HEREOF, THAT THE RIGHT TO PURCHASE, TRANSFER, ASSIGN OR NEGOTIATE THIS SERIES 2023 BOND SHALL BE LIMITED TO PURCHASE, TRANSFER, ASSIGNMENT OR NEGOTIATION TO (A) AN AFFILIATE OF THE PURCHASER, SUBJECT TO SUCH AFFILIATE BEING AN APPROVED INVESTOR (AS DEFINED BELOW), (B) A TRUST OR OTHER

CUSTODIAL ARRANGEMENT ESTABLISHED BY THE PURCHASER OR AN AFFILIATE OF THE PURCHASER, THE OWNERS OF ANY BENEFICIAL INTEREST IN WHICH ARE LIMITED TO APPROVED INVESTORS (AS DEFINED BELOW), OR (C) AN APPROVED INVESTOR (AS DEFINED BELOW) AND UPON THE EXECUTION BY SAID PROPOSED PURCHASER OR TRANSFEREE OF A LETTER IN SUBSTANTIALLY THE FORM OF EXHIBIT C TO THE SUPPLEMENTAL INDENTURE RELATING TO THE SERIES 2023 BONDS. “*Approved Investor*” means (a) a qualified institutional buyer as defined in Rule 144A promulgated under the Securities Act of 1933, or (b) an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, that is an institution or organization and not an individual under the definition of “accredited investor” under Rule 501(a) of Regulation D. Subject to the foregoing, this Series 2023 Bond may be transferred or exchanged, as provided in the Indenture, only upon the Bond Register at the above-mentioned office of the Trustee by the Registered Owner hereof or by his duly authorized attorney, upon surrender of this Series 2023 Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new Series 2023 Bond or Series 2023 Bonds of the same series and maturity and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Authority and the Trustee may deem and treat the Person in whose name this Series 2023 Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

Authorized Denominations. The Series 2023 Bonds are issuable in the form of fully-registered bonds, without coupons, in Authorized Denominations.

Limitation on Rights. The Registered Owner of this Series 2023 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the Stated Maturity thereof, together with interest accrued thereon. The Bonds or the Indenture may be modified, amended or supplemented only to the extent and in the circumstances permitted by the Indenture.

Limited Obligations. The Bonds and the interest thereon shall be special, limited obligations of the Authority payable solely out of and secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Bondowners, as provided in the Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Indenture and the Supplemental Indenture with respect to each Series of Bonds. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Neither the State nor the Authority is obligated to pay the Bonds or the interest thereon except from the Trust Estate as provided under the Indenture and the Supplemental Indenture relating to the Series 2023 Bonds, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds. The Authority has no taxing power.

Authentication. This Series 2023 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

[Remainder of this page intentionally left blank]

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2023 Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the State Environmental Improvement and Energy Resources Authority has caused this Series 2023 Bond to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, and its seal or a facsimile thereof to be hereunto affixed, impressed, imprinted or otherwise reproduced hereon, all as of the Dated Date shown above.

Registration Date: _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the
Bonds described in the
within-mentioned Indenture.

UMB BANK, N.A.,
as Trustee

By _____
Authorized Signatory

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

By: _____
(Vice) Chairman
(SEAL)

ATTEST:

(Assistant) Secretary

SCHEDULE 1 TO BOND

AMORTIZATION SCHEDULE

\$10,000,000

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY
(STATE OF MISSOURI)
TAXABLE STATE REVOLVING FUND PROGRAM
STATE MATCH FUNDING BONDS
(CLEAN WATER SRF PROGRAM)
SERIES 2023

<u>Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
January 1, 2024				
July 1, 2024				
January 1, 2025				
July 1, 2025 [†]				
Total				

[†] Maturity

ASSIGNMENT

[**NOTE RESTRICTIONS ON TRANSFERS**]

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

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

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

Dated: _____.

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

Medallion Signature Guarantee:

EXHIBIT B

SCHEDULE OF REVENUE ACCOUNT RELEASE AMOUNTS

<u>Date</u>	Series 2023 Revenue Account
	<u>Release Amount</u>
January 1, 2024	
July 1, 2024	
January 1, 2025	
July 1, 2025 [†]	

[†] Maturity

EXHIBIT C

FORM OF PURCHASER'S LETTER OF REPRESENTATIONS

State Environmental Improvement and Energy Resources Authority
Jefferson City, Missouri

Missouri Department of Natural Resources
Jefferson City, Missouri

UMB Bank, N.A., as Trustee
St. Louis, Missouri

Re: Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2023

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to the purchase by the Purchaser of \$[**PRINCIPAL AMT**] aggregate principal amount of Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2023 (the “Bonds”), issued by the State Environmental Improvement and Energy Resources Authority (the “Authority”). The Bonds are secured in the manner set forth in the Master Bond Indenture, dated as of September 1, 2022 (said Master Bond Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, herein called the “Indenture”), as supplemented by Supplemental Bond Indenture No. 2 dated as of November 1, 2023, between the Authority and UMB Bank, N.A., as Trustee. *Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in the Indenture.*

The undersigned hereby represents to each of you and agrees with each of you, as follows:

1. The Purchaser holds an extensive portfolio of investments and other securities and has sufficient knowledge and experience in financial and business matters to be able to evaluate the merits and risks of purchasing the Bonds and is not relying on any information supplied or representations or warranties made by the Authority, DNR or any other party with respect to the Bonds except as otherwise provided in the Request for Quotation published on September 20, 2023. The Purchaser is able to bear the economic risk represented by the purchase of the Bonds. The Purchaser understands that the Bonds are special, limited obligations of the Authority payable solely out of and secured by a transfer, pledge and assignment of and a grant of a security interest in a portion of the Trust Estate to the Trustee, which is specifically limited to the funds, accounts and subaccounts established for the Bonds as provided in the Indenture and the Supplemental Indenture relating to the Bonds.

2. The Purchaser has made its own inquiry and analysis with respect to or affecting the likelihood of the payment of the Bonds. The Purchaser acknowledges that the Authority and DNR have offered to give access, without restriction or limitation, to all information to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the Bonds, this financing transaction, the Authority and DNR.

3. The Purchaser understands that the Bonds and interest thereon are not a debt or liability of the State or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State or of any political

subdivision thereof, but shall be payable solely from the funds provided for in the Indenture and the Supplemental Indenture relating to each Series of Bonds. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Neither the State nor the Authority is obligated to pay the Bonds or the interest thereon except from the Trust Estate as provided under the Indenture and the Supplemental Indenture relating to each Series of Bonds, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds. The Authority has no taxing power.

4. The Bonds are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; *provided, however*, that the Purchaser reserves the right to sell, transfer or distribute the Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

that is an affiliate of the Purchaser, subject to such affiliate being an Approved Investor and who executes an investor letter substantially in the form of this letter;

that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to Approved Investors and who executes an investor letter substantially in the form of this letter;

that is a secured party, custodian or other entity in connection with a pledge by the Approved Investor Bondowner to secure public deposits or other obligations of the Purchaser or one of its affiliates to state or local governmental entities, subject to such Purchaser or an affiliate of the Purchaser, remaining the Bondowner; or

that the Purchaser reasonably believes to be an Approved Investor and who executes an investor letter substantially in the form of this letter.

5. The Purchaser understands that the Bonds have not been registered pursuant to the Securities Act of 1933, as amended (the “1933 Act”), the securities laws of any state nor has the Indenture been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Bonds (i) are not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, and (ii) will not be listed on any securities exchange.

6. The Indenture (including the Supplemental Indenture relating to the Bonds), as finally executed, contain terms and are in forms acceptable to the Purchaser.

7. The Purchaser acknowledges that none of the Authority, DNR, or the State have committed to provide public dissemination of ongoing financial and operating information with respect to the Bonds.

8. The Purchaser agrees to indemnify and hold you harmless from any and all claims, judgments, attorneys’ fees and expenses of whatsoever nature, whether relating to litigation or otherwise, resulting from any attempted or effected sale, offer for sale, pledge, transfer, conveyance, hypothecation, mortgage or disposition of the Bonds in violation of this letter.

9. The Purchaser has satisfied itself and hereby represents that the Bonds may be legally purchased by the Purchaser.

10. The undersigned represents to each of you that the Purchaser is an Approved Investor.

Sincerely,

_____, as Purchaser

By: _____

Title: Authorized Officer

EXHIBIT D

AMORTIZATION SCHEDULE

\$10,000,000

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY
(STATE OF MISSOURI)
TAXABLE STATE REVOLVING FUND PROGRAM
STATE MATCH FUNDING BONDS
(CLEAN WATER SRF PROGRAM)
SERIES 2023

<u>Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
January 1, 2024				
July 1, 2024				
January 1, 2025				
July 1, 2025 [†]				
Total				

[†] Maturity

BOND PURCHASE AGREEMENT

THIS BOND PURCHASE AGREEMENT, dated as of _____, 2023 (the “*Bond Purchase Agreement*” or the “*Agreement*”), is by and 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 Bank of America, N.A., a national banking association (the “*Purchaser*”). *Terms not otherwise defined in this Bond Purchase Agreement have the meanings set forth in the Indenture (as hereinafter defined).*

ARTICLE I

DEFINITIONS

Section 1.1. Defined Terms. In addition to the terms defined elsewhere in this Agreement and the Indenture, the following terms shall have the meanings set forth below:

“*Affiliate*” means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“*Bonds*” means the Authority’s Taxable State Revolving Fund Program State Match Funding Bonds (Clean Water SRF Program), Series 2023, in the aggregate principal amount of \$10,000,000.

“*Debt*” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, loan agreements, bank agreements or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business and not past due for more than 60 days after the date on which such trade account was created), (d) all obligations of such Person as lessee under capital leases, (e) all Debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person, (f) all guarantees by such Person of Debt of other Persons, (g) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments and (h) all obligations of such Person under any swap contract.

“*Designated Jurisdiction*” means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“*Effective Date*” means November ____, 2023, subject to the satisfaction or waiver by the Purchaser of the conditions precedent set forth in Section 3.5 hereof.

“*ERISA*” means the Employee Retirement Income Security Act of 1974.

“*FRB*” means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

“*Governmental Authority*” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, the Financial Conduct Authority, the Prudential Regulation Authority and any supra-national bodies such as the European Union or the European Central Bank).

“*Laws*” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“*Lien*” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“*Majority Bondowner*” means the Bondowners (as defined in the hereinafter defined Original Indenture) with a majority of the aggregate principal amount of Bonds from time to time. As of the Effective Date, the Purchaser shall be the Majority Bondowner.

“*Margin Stock*” has the meaning ascribed to such term in Regulation U promulgated by the FRB, as now and hereafter from time to time in effect.

“*Material Adverse Effect*” means: (a) a material adverse change in, or a material adverse effect upon, the operations, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the Authority; (b) a material impairment of the ability of the Authority to perform its obligations under any Related Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Authority of any Related Document to which it is a party or the rights, security, interests or remedies of the Purchaser hereunder or under any other Related Document.

“*OFAC*” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Parity Debt” means any Debt issued or incurred by or on behalf of the Authority and secured on a parity with the Lien on certain Government Obligations held within the Trust Estate securing the payment of the principal and purchase price of and interest on the Bonds and the obligations under this Agreement which is secured by the full faith and credit of the Authority.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“Purchaser’s Letter of Representations” means the Purchaser’s Letter of Representations dated November _____, 2023 and delivered by the Purchaser to the Authority on the Effective Date.

“Related Documents” means this Agreement, the Indenture, the Bonds and any other documents related to any of the foregoing or executed in connection therewith, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing permitted hereunder and thereunder.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Sanction(s)” means any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, His Majesty’s Treasury or other relevant sanctions authority.

ARTICLE II

AUTHORITY REPRESENTATIONS

The Authority represents that:

Section 2.1. Authority. The execution and delivery by the Authority of (a) this Bond Purchase Agreement, (b) the Master Bond Indenture, dated as of September 1, 2022, between the Authority and the Trustee (said Master Bond Indenture, as originally executed, the *“Original Indenture,”* and with all amendments and supplements thereto, including the hereinafter defined Supplemental Indenture No. 2, the *“Indenture”*), (c) the Supplemental Bond Indenture No. 2 dated as of November 1, 2023, between the Authority and the Trustee (the *“Supplemental Indenture No. 2”*), and (d) the Bonds, are within its authority under all applicable laws, including the Constitution and laws of the State of Missouri (the *“State”*), including specifically Sections 260.005 through 260.125 and Appendix B(1) of the Revised Statutes of Missouri (collectively, the *“Act”*), and that all action on its part for the execution and delivery of this Bond Purchase Agreement, the Original Indenture and Supplemental Indenture No. 2 has been duly and effectively taken; and that the

Bonds and this Bond Purchase Agreement in the hands of the Owners thereof will be valid and enforceable obligations of the Authority according to the import thereof, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Section 2.2. Use of Proceeds; Margin Stock. The proceeds of the sale of the Bonds will be deposited as provided in Supplemental Indenture No. 2 and used as provided in Supplemental Indenture No. 2. The Authority is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds from the issuance of the Bonds will be used to purchase or carry any such Margin Stock or extend credit to others for the purpose of purchasing or carrying any such Margin Stock.

Section 2.3. Litigation and Governmental Authorization. To its knowledge, there is no action or proceeding pending or threatened by or against the Authority before any court or administrative agency which would reasonably be expected to adversely affect the authority or ability of the Authority to perform its obligations under the Original Indenture, Supplemental Indenture No. 2, this Bond Purchase Agreement or the Bonds, or any Related Documents. To its knowledge, all authorizations, consents and approvals of governmental bodies or agencies applicable to Authority required by all applicable Laws in connection with the execution and delivery by the Authority of the Original Indenture, Supplemental Indenture No. 2, this Bond Purchase Agreement and the Bonds or in connection with the carrying out by Authority of its obligations under the Original Indenture, Supplemental Indenture No. 2, this Bond Purchase Agreement or the Bonds have been obtained.

Section 2.4. Existence and Power. The Authority is a body corporate and politic and a governmental instrumentality of the State validly existing under the Laws of the State and has the power and authority to own its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties owned or leased by it or in which the transactions of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary.

Section 2.5. Pending Litigation and Other Proceedings. There is no action, suit or proceeding pending in any court, any other Governmental Authority with jurisdiction over the Authority or any arbitration in which service of process has been completed against the Authority or, to the knowledge of the Authority, any other action, suit or proceeding pending or threatened in any court, any other Governmental Authority with jurisdiction over the Authority or any arbitrator, in either case against the Authority or any of its properties or revenues, or any of the Related Documents to which it is a party, which is reasonably likely to result in a Material Adverse Effect.

Section 2.6. Financial Statements. The Audited Financial Statements, which financial statements, accompanied by the audit report of Williams-Keepers LLC, furnished to the Purchaser, which are consistent in all material respects with the audited financial statements of the Authority for the Fiscal Year ended June 30, 2023, fairly present the financial condition of the Authority in

all material respects as of such dates and the results of its operations for the periods then ended in conformity with generally accepted accounting principles in the United States of America. Since the date of the Audited Financial Statements, there has been no material adverse change in the financial condition or operations of the Authority that could reasonably be expected to result in a Material Adverse Effect.

Section 2.7. ERISA. The Authority is not subject to ERISA and maintains no Plans.

Section 2.8. No Parity Debt. No Parity Debt has been issued by the Authority.

Section 2.9. Pending Legislation and Decisions. There is no amendment, or to the knowledge of the Authority, proposed amendment to the Constitution of the State or any State Law or any administrative interpretation of the Constitution of the State or any State Law, or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to result in a Material Adverse Effect.

Section 2.10. Sanctions Concerns and Anti-Corruption Laws.

(a) *Sanctions Concerns.* Neither the Authority, nor, to the knowledge of the Authority, any member or officer thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

(b) *Anti-Corruption Laws.* To the knowledge of the Authority, the Authority has conducted its business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions.

ARTICLE III

THE BONDS

Section 3.1. Issuance of Bonds. The Purchaser agrees, upon the terms and subject to the conditions contained in this Bond Purchase Agreement, to purchase from the Authority, and the Authority agrees to issue and sell to the Purchaser, the Bonds in the aggregate principal amount of \$10,000,000 at a purchase price equal to the principal amount of the Bonds, plus accrued interest, if any, from the dated date of the Bonds, which purchase price shall be paid in immediately available funds. The purchase price shall be paid by the Purchaser to the Trustee who shall credit such amount as provided in Supplemental Indenture No. 2 and such payment shall be evidenced to the Authority by a written receipt of the Purchaser. The Bonds sold hereunder shall mature in the years and bear interest as set forth in Schedule I attached hereto and shall be issued substantially in the form set forth in, and subject to the terms and provisions of, the Indenture.

The Authority acknowledges and agrees that: (a) the only obligation the Purchaser has to the Authority with respect to the transaction contemplated hereby is expressly set forth in this Bond Purchase Agreement; and (b) the Authority has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

Section 3.2. Terms of the Bonds. The Bonds are authorized pursuant to a Resolution adopted by the Authority on [____], 2023 (the “*Bond Resolution*”) and pursuant to the Indenture. The Bonds shall bear interest at a rate of [5.89%][5.82%]¹ (the “*Interest Rate*”) and shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest shall be paid semi-annually on each January 1 and July 1, commencing on January 1, 2024. The Bonds are subject to optional redemption prior to maturity in accordance with the terms of the Supplemental Indenture No. 2.

Section 3.3. Security. The obligations of the Authority hereunder and under the Bonds shall be special, limited obligations of the Authority payable solely as provided in the Indenture.

Section 3.4. Closing. The purchase of the Bonds shall occur on November ____, 2023, at 10:00 a.m. at the offices of Gilmore & Bell, P.C., One Metropolitan Square, Suite 2000, 211 N. Broadway, St. Louis, Missouri, or at such other place, at such time, and on such date as the Authority and the Purchaser shall mutually agree (the “*Closing*”).

Section 3.5. Conditions of Purchase of the Bonds. The obligation of the Purchaser to purchase the Bonds hereunder is conditioned upon:

- (a) receipt by the Purchaser of no less than three Business Days’ notice from the Authority of the proposed date and time of purchase if different than as set forth above;
- (b) at the conclusion of such sale and after the application of any proceeds therefrom no Event of Default specified in the Indenture and no event which, with the giving of notice or lapse of time or both, would become such an Event of Default shall have occurred and be continuing;
- (c) the representations of the Authority contained or referred to in Article I being true and correct;
- (d) receipt by the Purchaser of the Bonds;
- (e) receipt by the Purchaser of a fully-executed copy of this Bond Purchase Agreement;
- (f) receipt by the Purchaser of an opinion of Gilmore & Bell, P.C., as Bond Counsel, that the Bonds constitute valid and legally binding obligations of the Authority; the Bonds are exempt from registration under the Securities Act of 1933, as amended; and the Original Indenture, as supplemented by the Supplemental Indenture No. 2, is exempt from qualification under the Trust Indenture Act of 1939, as amended; provided, however,

¹ As of Oct. 5, 2023. Subject to change and subject to chosen maturity date.

that such opinion of Bond Counsel may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally and need not express any opinion as to the availability of any specific remedy;

(g) receipt by the Purchaser of an opinion of counsel to the Authority, dated the date of Closing in form and substance satisfactory to the Authority, the Purchaser and to Gilmore & Bell, P.C., Bond Counsel;

(h) such additional items as the Purchaser or its counsel may reasonably require;

(i) receipt by the Purchaser of the Authority's most recent audited financial statements; and

(j) receipt by the Purchaser of a certificate of an authorized officer of the Authority pertaining to incumbency and certifying that all representations and warranties contain herein are true and correct; that no Event of Default and any other event that, with the passage of time, the giving of notice, or both would result in an Event of Default has occurred; and that there is currently no event or condition that has had or could be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect.

Section 3.6. Conditions of Sale of the Bonds. The obligation of the Authority to sell the Bonds hereunder is conditioned upon:

(a) receipt by the Authority of a fully-executed copy of this Bond Purchase Agreement;

(b) receipt by the Authority of the purchase price of the Bonds;

(c) delivery of the Purchaser's Letter of Representations in the form provided in Supplemental Indenture No. 2, duly executed by the Purchaser; and

(d) such additional items as the Authority or its counsel may reasonably require.

ARTICLE IV

COVENANTS

Section 4.1. Purchaser Representations. The Purchaser acknowledges that in purchasing the Bonds it is not relying on any representations of the Authority with respect to the financial quality of the Bonds. The Purchaser is relying solely on its own knowledge and investigation of the facts and circumstances relating to the purchase of the Bonds.

Section 4.2. No Registration. The Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended, and that such registration is not legally required. The Purchaser is purchasing the Bonds for its own account for investment and has no present intention of distributing or selling such Bonds or any portion thereof or any interest therein, but expressly reserves the right to sell the Bonds or sell participations in the Bonds.

Section 4.3. Sophisticated Investor. The Purchaser holds an extensive portfolio of investments and other securities and has sufficient knowledge and experience in financial and business matters to be able to evaluate the merits and risks of purchasing the Bonds and is not relying on any information supplied or representations or warranties made by the Authority, DNR or any other party with respect to the Bonds except as otherwise provided in the Request for Quotation published on September 20, 2023. The Purchaser is able to bear the economic risk represented by the purchase of the Bonds. The Purchaser understands that the Bonds are special, limited obligations of the Authority payable solely out of and secured by a transfer, pledge and assignment of and a grant of a security interest in a portion of the Trust Estate to the Trustee, which is specifically limited to the funds, accounts and subaccounts established for the Bonds as provided in the Original Indenture and Supplemental Indenture No. 2 relating to the Bonds.

Section 4.4. Access to Information. The Purchaser has made its own inquiry and analysis with respect to or affecting the likelihood of the payment of the Bonds. The Purchaser acknowledges that the Authority and DNR have offered to give access, without restriction or limitation, to all information to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the Bonds, this financing transaction, the Authority and DNR.

Section 4.5. Documents. The Original Indenture, Supplemental Indenture No. 2 and this Bond Purchase Agreement, as finally executed, contain terms and are in form acceptable to the Purchaser.

Section 4.6. Anti-Discrimination Against Israel Act Certification. Pursuant to Section 34.600 of the Revised Statutes of Missouri, the Purchaser hereby certifies to the Authority that the Purchaser (including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the Purchaser) is not currently engaged in and shall not, for the duration of this Bond Purchase Agreement, engage in a boycott of goods or services from the State of Israel, companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel, or persons or entities doing business in the State of Israel within the meaning of Section 34.600 of the Revised Statutes of Missouri.

Section 4.7. Reliance. The Authority and the Purchaser agree that each party hereto is entitled to rely on their respective representations and covenants contained in this Bond Purchase Agreement. The Authority is also entitled to rely on the additional representations made by the Purchaser in the Purchaser's Letter of Representation dated November 6, 2023 related to the purchase of the Bonds, such representations being fully incorporated herein by this reference.

Section 4.8. Reports. The Authority shall furnish to the Purchaser in form and detail satisfactory to the Purchaser such information regarding the business affairs, financial condition and/or operations of the Authority as the Purchaser may from time to time reasonably request.

Section 4.9. Sanctions. The Authority will not knowingly, directly or indirectly, use any proceeds from the issuance of the Bonds, or lend, contribute or otherwise make available such proceeds to any Person, to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person of Sanctions.

Section 4.10. Anti-Corruption Laws. The Authority will not knowingly, directly or indirectly, use any proceeds from the issuance of the Bonds for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions.

ARTICLE V

MISCELLANEOUS

Section 5.1. Limitation. Notwithstanding any provision of this Bond Purchase Agreement or the Indenture to the contrary, no recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Bond Purchase Agreement or the Indenture against any past, present or future member, officer, director, employee or agent of the Authority or DNR, or of any successor private or public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such members, officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Bond Purchase Agreement and the issuance, authentication and delivery of the Bonds.

Section 5.2. Notices. It shall be sufficient service of any notice, request, demand, authorization, direction, consent, waiver or other paper required or permitted by this Bond Purchase Agreement to be made, given or furnished to or filed with the party identified below, if the same shall be delivered by prepaid overnight delivery service, or mailed by first class mail, postage prepaid, or transmitted by electronic mail and confirmed by telephone, at the address provided below or such other address as is furnished in writing to the other parties referenced herein:

(a) To the Authority:

State Environmental Improvement and Energy
Resources Authority
425 Madison Street, Second Floor
Jefferson City, Missouri 65101
Attention: Executive Director
Email: joe.boland@eiera.mo.gov

with a copy to:

Lewis Rice LLC
600 Washington Avenue, Suite 2500
St. Louis, Missouri 63101
Attention: David W. Brown, Esq.
Email: dbrown@lewisrice.com

(b) To the Purchaser:

Bank of America, N.A.
IL4-110-26-01
110 N. Wacker Dr.
Chicago, IL 60606
Attention: Thomas Ryan Denes, Senior Vice President
Email: ryan.denes@bofa.com

Section 5.3. Term of Agreement. The term of this Bond Purchase Agreement shall be until the termination of the Purchaser's obligation to purchase the Bonds hereunder or until the payment in full of the Bonds, whichever is later.

Section 5.4. Copies of Certificates, Etc. Whenever the Authority is required to deliver notices, certificates, opinions, statements or other information hereunder to the Purchaser, it shall do so in such number of copies as the Purchaser shall reasonably specify.

Section 5.5. No Waivers. No failure or delay by the Authority or the Purchaser in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 5.6. Governing Law. This Bond Purchase Agreement and the Bonds shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the State.

Section 5.7. Changes, Waivers, Etc. Neither this Bond Purchase Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, except by a statement in writing signed by each party against which enforcement of such change, waiver, discharge or termination is sought.

Section 5.8. Waiver of Jury Trial. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or any other Related Document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any other person has represented, expressly or otherwise, that such other Person would not, in the event

of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the other Related Documents by, among other things, the mutual waivers and certifications in this Section.

Section 5.9. No Advisory or Fiduciary Relationship. In connection with all aspects of the transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the Authority acknowledges and agrees that: (a) (i) the Authority has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (ii) the Authority is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b) (i) the Purchaser and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary pursuant to Section 15B of the Securities Exchange Act of 1934, for the Authority, or any other Person and (ii) neither the Purchaser nor any of its Affiliates has any obligation to the Authority with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Related Documents; and (c) the Purchaser and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Authority, and neither the Purchaser nor any of its Affiliates has any obligation to disclose any of such interests to the Authority. To the fullest extent permitted by law, the Authority, hereby waives and releases any claims that it may have against the Purchaser or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

Section 5.10. Electronic Execution of Certain Documents. This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a “Communication”), including Communications required to be in writing, may, if agreed by the Purchaser, be in the form of an Electronic Record and may be executed using Electronic Signatures, including, without limitation, facsimile and/or .pdf. The Authority agrees that any Electronic Signature (including, without limitation, facsimile or .pdf) on or associated with any Communication shall be valid and binding on the Authority to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered to the Purchaser. The Purchaser agrees that any Electronic Signature (including, without limitation, facsimile or .pdf) on or associated with any Communication shall be valid and binding on the Purchaser to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered to the Authority. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Purchaser and the Authority of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted

into another format, for transmission, delivery and/or retention. The Purchaser and the Authority may, at their respective option, create one or more copies of any Communication in the form of an imaged Electronic Record ("*Electronic Copy*"), which shall be deemed created in the ordinary course of the Purchaser's or Authority's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Purchaser is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Purchaser pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Purchaser has agreed to accept such Electronic Signature, the Purchaser shall be entitled to rely on any such Electronic Signature without further verification and (b) upon the request of the Purchaser any Electronic Signature shall be promptly followed by a manually executed, original counterpart. For purposes hereof, "*Electronic Record*" and "*Electronic Signature*" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

Section 5.11. USA Patriot Act. The Purchaser hereby notifies the Authority that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "*Patriot Act*"), it is required to obtain, verify and record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow the Purchaser to identify the Authority in accordance with the Patriot Act. The Authority agrees to, promptly following a request by the Purchaser, provide all such other documentation and information that the Purchaser requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

Section 5.12. Successors and Assigns.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the Authority, its successors, transferees and assigns and shall inure to the benefit of the Bondowners and their respective permitted successors, transferees and assigns. The Authority may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Purchaser; *provided* that the Authority may be combined with or merged into another governmental entity of the State so long as there is no impairment of the source of payment or security for the Bonds or the amounts owing hereunder. Each Bondowner may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Bonds and the Related Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Bondowner may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Bondowner may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section. Bank of America, N.A. shall be the Purchaser hereunder until such time as the Majority Bondowner designates an alternate Person to serve as the Purchaser hereunder by delivery of written notice to the Authority and the Trustee and such Person accepts and agrees to act as the Purchaser hereunder and under the Related Documents. The Majority Bondowner may so designate an alternate Person to act as the Purchaser from time to time. Upon acceptance and notification thereof to the Authority and the Trustee, the

successor to the Purchaser for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Purchaser, and Bank of America, N.A. or any other Person being replaced as the Purchaser shall be discharged from its duties and obligations as the Purchaser hereunder.

(b) *Participations.* Each Bondowner shall have the right to grant participations in all or a portion of such Bondowner's interest in the Bonds, this Agreement and the other Related Documents to one or more other banking institutions; *provided, however,* that (i) no such participation by any such participant shall in any way affect the obligations of the Purchaser hereunder and (ii) the Authority and the Trustee shall be required to deal only with the Purchaser, with respect to any matters under this Agreement, the Bonds and the other Related Documents and no such participant shall be entitled to enforce any provision hereunder against the Authority. The Authority agrees that each participant shall be entitled to the benefits of Section 510 of Supplemental Indenture No. 2 to the same extent as if it were a Bondowner hereunder; *provided, however,* that a participant shall not be entitled to receive any greater payment under Section 510 of Supplemental Indenture No. 2 than such Bondowner would have been entitled to receive with respect to the participation sold to such participant, unless the sale of the participation to such participant is made with the Authority's prior written consent.

(c) *Certain Pledges.* In addition to the rights of the Purchaser set forth above, the Purchaser may at any time pledge or grant a security interest in all or any portion of its rights or interests under the Bonds, this Agreement and/or the Related Documents to secure obligations of the Purchaser or an Affiliate of the Purchaser, including any pledge or assignment to secure obligations to a Federal Reserve Bank or to any state or local governmental entity or with respect to public deposits; *provided* that no such pledge or assignment shall release the Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for the Purchaser as a party hereto.

Section 5.13. US QFC Stay Rules

(a) *Recognition of U.S. Resolution Regimes.* In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement (and any interest and obligation in or under this Agreement and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. The requirements of this paragraph (a) apply notwithstanding the provisions of paragraph (b).

(b) *Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings.* Notwithstanding anything to the contrary in this Agreement or any related

agreement, but subject to the requirements of paragraph (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to exercise a Default Right against such Covered Entity with respect to this Agreement shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following:

(a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Insolvency Proceeding” means a receivership, insolvency, liquidation, resolution, or similar proceeding.

“U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Authority and the Purchaser have caused this Bond Purchase Agreement to be duly executed by their duly authorized representatives, as of the day and year first above written.

STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY

(SEAL)

By _____
Title: Chairman

ATTEST:

Title: Secretary

BANK OF AMERICA, N.A.

By _____
Title: Senior Vice President

SCHEDULE I

\$[**PRINCIPAL AMT**]

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY
(STATE OF MISSOURI)
TAXABLE STATE REVOLVING FUND PROGRAM
STATE MATCH FUNDING BONDS
(CLEAN WATER SRF PROGRAM)
SERIES 2023

<u>Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
January 1, 2024				
July 1, 2024				
January 1, 2025				
July 1, 2025 [†]				
Total				

[†] Maturity

State Environmental Improvement and Energy Resources Authority
362nd Board Meeting
November 1, 2023

Agenda Item #4B
MISSOURI MARKET DEVELOPMENT PROGRAM
ST. LOUIS COMPOSTING, INC.

Issue:

St. Louis Composting, Inc. requested \$250,000 to purchase a biochar machine (i.e. Ecochar Carbonator) for their Biochar Manufacturing Initiative. This machine would enable the company to divert more wood waste from area landfills and create biochar, which is a valuable soil amendment.

Action Needed:

Consideration of the funding recommendation for St. Louis Composting, Inc.

Staff Recommendation:

Staff recommends funding this project in the amount of \$250,000, not to exceed 50% of the cost of the equipment.

Staff Contact:

Angie Powell, Market Development Program Director

Background:

St. Louis Composting is a major composter in the State of Missouri, owning operations in St. Louis, Kansas City, and Pacific. They have requested financial assistance for their Biochar Manufacturing Initiative, specifically for the purchase of an Ecochar Carbonator Machine. This would allow them to divert more wood waste from area landfills and create biochar.

St. Louis Composting is currently purchasing out-of-state biochar to help meet the demand of this product in some of the soil mixes they are currently offering. This machine will allow them to offer new products to their customer base and will have an economic impact to their local economies. The increasing demand for biochar will be able to be fulfilled in-state and they are positioning themselves to provide this beneficial soil amendment to state residents and growers without relying on out of state resources. In addition, landfill diversion will result as they utilize wood waste as a feed stock in the production process.

St. Louis Composting anticipates creating 3 full time positions and diverting approximately 30,000 tons of wood waste consisting of pallets and wood waste coming from transportation and waste management companies.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, the Solid Waste Advisory Board, and the Authority, recommends funding this project in the amount of \$250,000, not to exceed 50% of the cost of the equipment. This is the maximum amount for which they are eligible. This funding recommendation was unanimous.

AP:ge