
INDENTURE OF TRUST

Dated as of July 1, 1999

between the

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

and

**UMB BANK, N.A.,
as Trustee**

Relating to

**\$2,470,000
Water Facilities Refunding Revenue Bonds
(The Raytown Water Company)
Series 1999A**

and

**\$200,000
Taxable Water Facilities Revenue Bonds
(The Raytown Water Company)
Series 1999B**

INDENTURE OF TRUST

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (the "Indenture"), made and entered into as of July 1, 1999, 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 **UMB BANK, N.A.**, a 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, and having its principal corporate trust office located in Kansas City, Missouri, as Trustee (the "Trustee");

RECITALS:

1. The Authority is authorized and empowered, under the provisions of Sections 260.005 to 260.125, inclusive, R.S.Mo., as amended, and Appendix B(1) thereto (the "Act"), to issue bonds and loan the proceeds thereof for any of the purposes of the Act, including the payment of "costs" of "water facilities" as defined in the Act.

2. Pursuant to the Act and a resolution duly adopted by the Authority, the Authority previously issued its \$3,000,000 original principal amount of Water Facilities Revenue Bonds (The Raytown Water Company) Series 1992 (the "Prior Bonds"), under an Indenture of Trust dated as of March 1, 1992 between the Authority and BNY Trust Company of Missouri (as successor to Boatmen's Trust Company, the "Prior Trustee") for the purpose of making a loan to The Raytown Water Company, a Missouri corporation (the "Company") to provide funds to finance the construction, acquisition and installation of transmission mains and an elevated water tank at 9906 East 63rd Street (Rear), Raytown, Missouri (the "Project").

3. The Company has requested that the Authority issue refunding bonds to refund the Prior Bonds and pay certain related costs and thereby refinance the Project.

4. Pursuant to the Act and a resolution duly adopted by the Authority on May 11, 1999 (the "Resolution"), the Authority is authorized to issue \$2,470,000 principal amount of Water Facilities Refunding Revenue Bonds (The Raytown Water Company) Series 1999A (the "Series 1999A Bonds") and \$200,000 principal amount of Taxable Water Facilities Revenue Bonds (The Raytown Water Company) Series 1999B (the "Series 1999B Bonds," together with the Series 1999A Bonds, the "Series 1999 Bonds"), under this Indenture for the purpose of making a loan to the Company under the terms of a Loan Agreement of even date herewith (the "Loan Agreement"), between the Authority and the Company, to provide funds, together with other available funds of the Company to refund the Prior Bonds, to fund a debt service reserve and pay costs related to the issuance of the Series 1999 Bonds. The loan will be evidenced by the Company's Promissory Note, Series 1999 (the "Series 1999 Note") in the aggregate principal amount of \$2,670,000 executed and delivered by the Company under the Loan Agreement.

5. Provision is made herein for the issuance of additional parity bonds from time to time ("Additional Bonds," the Series 1999 Bonds and any Additional Bonds collectively the "Bonds") on the terms and conditions provided for in this Indenture.

6. All things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, legal and binding obligations of the Authority, and to constitute this

Indenture a valid, legal and binding pledge and assignment of the property, rights, interests and revenues herein made for the security of the payment of the principal of, redemption premium, if any, and interest on the Bonds issued under this Indenture, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms of this Indenture, have in all respects been duly authorized.

7. Terms not otherwise defined in these Recitals and the following Granting Clauses have the meanings set forth in Article I.

AGREEMENT:

GRANTING CLAUSES

The Authority, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, redemption premium, if any, and interest on all of the Bonds issued and Outstanding under this Indenture from time to time according to their tenor and effect and to secure the performance and observance by the Authority of all the covenants, agreements and conditions herein and in the Bonds contained, does hereby transfer, pledge and assign to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust and its assigns, in and to all and singular the property described in paragraphs (a) and (b) below (said property being herein referred to as the "Trust Estate"), to wit:

(a) All right, title and interest of the Authority (including, but not limited to, the right to enforce any of the terms thereof) in, to and under (1) the Loan Agreement, and all payments derived by the Authority from the Company including, without limitation, Loan Payments and other amounts to be received by the Authority and paid by the Company under and pursuant to and subject to the provisions of the Loan Agreement (but excluding the Authority's rights to payment of its fees and expenses and to indemnification as set forth in the Loan Agreement and excluding any payments made by the Trustee or the Company to meet the rebate requirements of Section 148(f) of the Code), (2) the Series 1999 Note and any Additional Notes, (3) the Mortgage and the Mortgaged Property mortgaged and pledged thereunder, and (4) all financing statements or other instruments or documents evidencing, securing or otherwise relating to the loan of the proceeds of the Series 1999 Bonds; and

(b) All moneys and securities (except moneys and securities held in the Rebate Fund) from time to time held by the Trustee under the terms of this Indenture, and any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Authority or by anyone in its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of this Indenture.

TO HAVE AND TO HOLD, all and singular, the Trust Estate with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust forever,

IN TRUST NEVERTHELESS, upon the terms and conditions herein set forth for the equal and pro rata benefit and security of each and every Owner, without preference, priority or distinction as to participation in the lien, benefit and protection of this Indenture of one Bond over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided, so that each and all of such Bonds shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby with the same effect as if the same had all been made, issued and negotiated simultaneously with the delivery of this Indenture and were expressed to mature on one and the same date;

SUBJECT, NEVERTHELESS, as to the properties conveyed, assigned, and pledged under this Indenture, to Permitted Encumbrances;

PROVIDED, NEVERTHELESS, and these presents are upon the express condition, that if the Authority or its successors or assigns shall well and truly pay or cause to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds or shall provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions of this Indenture, and shall also pay or cause to be paid all other sums payable hereunder by the Authority, then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Authority and upon the payment of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the Authority such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the Authority, its successors or assigns, all and singular the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force.

In connection with the foregoing pledge, transfer and assignment, the Trustee acknowledges and agrees to the terms of the Loan Agreement and the Mortgage as they relate to the Trustee and its participation in the transactions contemplated by this Indenture, the Loan Agreement and the Mortgage.

It is expressly declared, covenanted and agreed by and between the Authority and the Trustee that all Bonds issued and secured under this Indenture are to be issued, authenticated and delivered, and that the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed. The Authority agrees and covenants with the Trustee and with the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms. In addition to words and terms defined in the Recitals, the following words and terms as used in this Indenture have the following meanings, unless some other meaning is plainly intended:

"Accountant" means any individual certified public accountant or firm of independent certified public accountants, selected by the Company and acceptable to the Authority, which individual or firm

has no interest, direct or indirect, in the Company and, in the case of an individual, is not a director, officer or employee of the Company and, in the case of a firm, does not have a partner, member, director, officer or employee who is a director, officer or employee of the Company.

"Accountant's Certificate" means a certificate, report or opinion prepared and executed by an Accountant.

"Additional Bonds" means any additional parity Bonds issued by the Authority pursuant to Section 203.

"Additional Indebtedness" means any Indebtedness incurred or assumed by the Company subsequent to the date this Indenture and the Loan Agreement are executed and delivered.

"Additional Notes" means any additional parity Notes issued by the Company to the Authority, pursuant to Section 6.1 of the Loan Agreement, in connection with the issuance of Additional Bonds by the Authority.

"Additional Obligations" means any Indebtedness of the Company, other than the Notes issued or incurred by the Company pursuant to Section 6.1 of the Loan Agreement, and secured on a parity with the Notes, which obligations may be issued to any Person including Persons other than the Authority.

"Additional Payments" means those payments required to be made by the Company pursuant to Sections 4.2 of the Loan Agreement.

"Additional Project" means any "water facilities" as defined in the Act to be financed or refinanced out of the proceeds of Additional Bonds or Additional Obligations.

"Affiliate" means any corporation (whether for-profit or not-for-profit), partnership, limited liability company or association which "controls," or is "controlled" by, or is under common "control" with, the Company. For purposes of this definition, an entity "controls" another entity when the first entity possesses or exercises directly, or indirectly through one or more other affiliates or related entities, at least 50% of the power to direct the management and policies of the other entity, whether through the ownership of voting rights, membership, the power to appoint members or directors, by contract or otherwise.

"Authority Representative" means the Chairman, Vice Chairman, Secretary or Assistant Secretary of the Authority, and such other person or persons at the time designated to act on behalf of the Authority in matters relating to the Loan Agreement and this Indenture as evidenced by a written certificate furnished to the Company and the Trustee containing the specimen signature of such person or persons and signed on behalf of the Authority by its Chairman or Vice Chairman. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authority Representative.

"Authorized Denominations" means \$100,000 or any integral multiple of \$5,000 in excess of \$100,000.

"Bond," "Bonds" or "Series of Bonds" means any bond or bonds authenticated and delivered under and pursuant to this Indenture, including the Series 1999 Bonds and Additional Bonds.

"Bond Counsel" means Gilmore & Bell, P.C. or other legal counsel selected by the Company and satisfactory to the Authority who shall be nationally recognized as expert in matters pertaining to the validity of obligations of governmental issuers and the exclusion from gross income for purposes of federal income taxation of interest on such obligations.

"Bond Documents" means this Indenture, the Bonds, the Loan Agreement, the Notes, the Refunding Agreement, the Mortgage, the Tax Compliance Agreement, the Limited Continuing Disclosure Agreement, the Bond Purchase Agreement and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

"Bond Purchase Agreement" means the Bond Purchase Agreement among the Authority, the Original Purchaser and the Company.

"Bond Register" means the registration books of the Authority kept by the Bond Registrar to evidence the registration and transfer of Bonds.

"Bond Registrar" means the Trustee when acting as such, and any other bank or trust company designated and at the time serving as bond registrar under this Indenture.

"Bondowner", "Owner" or "Registered Owner" means the Person in whose name a Bond is registered on the Bond Register.

"Book Value" means the value of the Property of the Company, net of accumulated depreciation, as carried on the books of account of the Company in accordance with generally accepted accounting principles.

"Business Day" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Trustee and the Bond Registrar are located are authorized by law or executive order to close.

"Capitalized Lease" means a lease required to be capitalized under generally accepted accounting principles.

"Cede & Co." means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

"Closing Date" means the date of delivery of and payment for the Series 1999 Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of the Code, and all applicable regulations (whether proposed, temporary or final) under the Code and the statutory predecessor of the Code, and any successor provisions to the provisions of the Code and those regulations and any official rulings, announcements, notices, procedures and judicial determinations under the foregoing applicable to the Bonds.

"Commitment Indebtedness" means the obligation of any Person to repay amounts disbursed pursuant to a commitment from a credit provider to pay or refinance when due, or to purchase when tendered for purchase by the holder thereof, other Indebtedness of such Person, which other Indebtedness was incurred in accordance with the provisions of the Loan Agreement, and may include interest and any

fees or costs, including costs of enforcement, indemnity, supplemental or other payments to such credit provider.

"Company" means The Raytown Water Company, a Missouri corporation, and its successors and assigns and any surviving, resulting or transferee corporation as provided in Section 5.12 of the Loan Agreement.

"Company Representative" means the President, any Vice-President or Secretary of the Company or other person or persons at the time designated to act on behalf of the Company in matters relating to the Bond Documents as evidenced by a written certificate furnished to the Authority and the Trustee containing the specimen signature of such person or persons and signed on behalf of the Company by its President or Vice President. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Company Representative.

"Construction Index" means the most recent issue of the "Dodge Construction Index for U.S. and Canadian Cities" for the city located closest to the property in question or, if such index is no longer published, such other index as is certified to be comparable and appropriate by the Company Representative in a certificate delivered to the Trustee and is acceptable to the Trustee.

"Consultant" means an individual or firm selected by the Company and acceptable to the Authority, qualified to pass upon questions relating to the financial affairs of organizations engaged in like operations to those of the Company and having a favorable reputation for skill and experience in such financial affairs, which individual or firm shall have no interest, direct or indirect, in the Company and, in the case of an individual, is not a director, officer or employee of the Company, and in the case of a firm, does not have a partner, member, director, officer or employee who is a director, officer or employee of the Company.

"Costs of Issuance Fund" means the fund by that name created by Section 401 of this Indenture.

"Counsel" means legal counsel acceptable to the Company and the Trustee and, to the extent the Authority is asked to take action in reliance thereon, the Authority, who may be an employee of or counsel to the Company.

"Current Value" means:

(a) with respect to Property, Plant and Equipment:

(1) the aggregate fair market value of the Property, Plant and Equipment as reflected in the most recent written report of an appraiser acceptable to the Trustee and, in the case of real property, who is a member of the American Institute of Real Estate Appraisers (MAI), delivered to the Trustee (which report shall be dated not more than three years prior to the date as of which Current Value is calculated) increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is calculated; plus

(2) the Book Value of the Property, Plant and Equipment acquired since the last such report increased or decreased by a percentage equal to the aggregate percentage increase or

decrease in the Construction Index from the date of such acquisition to the date as of which Current Value is to be calculated; minus

(3) the greater of the Book Value or the fair market value (as reflected in such most recent appraiser's report) of any Property, Plant and Equipment disposed of since the last such report increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated, and

(b) with respect to any other Property the fair market value of such Property as determined by a Consultant.

"Debt Service" means the aggregate principal payments (whether at maturity or pursuant to sinking fund redemption requirements), interest payments and other payments of the Company on the Series 1999 Note, the Additional Notes, the Additional Obligations and other Outstanding Long-Term Indebtedness for the period of time for which calculated. For purposes of calculating such amount principal and interest shall be excluded from the determination of Debt Service to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Trustee or another Person approved by the Trustee.

"Debt Service Coverage Ratio" means the ratio of Net Revenues Available for Debt Service for the period or periods of calculation to the Maximum Annual Debt Service.

"Debt Service Fund" means the Fund by that name created by Section 401.

"Debt Service Reserve Fund" means the Fund by that name created by Section 401.

"Debt Service Reserve Requirement" means, as of any computation date, \$150,000 plus, if any Additional Bonds are issued, the least of (1) 10% of the sale proceeds of the Additional Bonds, (2) the Maximum Annual Debt Service becoming due on the Additional Bonds in any one Fiscal Year following the date for which such calculation is made, or (3) 125% of the average annual Debt Service for the Additional Bonds during any Fiscal Year. If, however, the Trustee receives an opinion of Bond Counsel that the Debt Service Reserve Requirement must be reduced in order that the amounts on deposit in the Debt Service Reserve Fund may continue to be invested without yield restriction under the Code, then the Debt Service Reserve Requirement will be reduced in conformity with that opinion. The Debt Service Reserve Requirement may be satisfied by deposits (i) in cash, (ii) Permitted Investments, or (iii) by an insurance policy, letter of credit or surety bond issued by a Qualified Financial Institution in the amount of the Debt Service Reserve Requirement and guaranteeing payments into the Debt Service Reserve Fund as may be required under this Indenture.

"Defaulted Interest" means interest on any Bond which is payable but not paid on the date due.

"Defeasance Obligations" means:

(a) United States Government Obligations which are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the highest rating category by Moody's (presently "Aaa") or Standard & Poor's (presently "AAA").

"Determination of Taxability" means (i) a determination by the Commissioner or any District Director of the Internal Revenue Service, (ii) a private ruling or Technical Advice Memorandum issued by the National Office of the Internal Revenue Service in which the Company was afforded the opportunity to participate, (iii) a determination by any court of competent jurisdiction, or (iv) receipt by the Trustee, at the request of the Company, the Authority or any Bondowner, of an Opinion of Bond Counsel that the interest on the Series 1999A Bonds (or any other Bonds, the interest on which are excludable from gross income for federal income tax purposes) is includable in gross income for federal income tax purposes of the Owners thereof or any former Owner thereof, other than an Owner who is a "substantial user" (as such term is defined in Section 147(a) of the Code) of the Project or a Related Person. No Determination of Taxability under clause (i) or (iii) will be deemed to have occurred if the Company has been afforded the opportunity to contest such determination, has elected to contest such determination in good faith and is proceeding with all applicable dispatch to prosecute such contest until the earliest of (a) a final determination from which no appeal may be taken with respect to such determination, or (b) abandonment of such appeal by the Company.

"Encumbrance" means any mortgage of, security interest in, deed of trust, lien, charge or encumbrance on or pledge of Property of the Company or any part thereof.

"Engineer" means an engineer or firm of engineers licensed by or permitted to practice in the State, selected by the Company and acceptable to the Authority, which engineer or firm of engineers has no interest, direct or indirect, in the Company and, in the case of an individual, is not a director, officer or employee of the Company and, in the case of a firm, does not have a partner, member, director, officer or employee who is a director, officer or employee of the Company. An arm's-length contract with the Company for the performance of engineering services is not, in and of itself, to be regarded as creating an interest in or an employee relationship with such entity.

"Event of Default" means (a) with respect to this Indenture, any event or occurrence as defined in Section 701, and (b) with respect to the Loan Agreement, any event or occurrence as defined in Section 8.1 of the Loan Agreement, and (c) with respect to the Mortgage, failure to comply with any of the provisions thereof.

"Facilities" means the water facilities of the Company located primarily in the City of Raytown, Jackson County, Missouri, including the Site, all buildings, improvements and fixtures existing on the Site, the Project, any additional distribution or storage facilities related to the operation of the Company's water facilities, and any machinery, equipment and other Property owned by the Company on the Closing Date or thereafter.

"Fiscal Year" means the fiscal year of the Company, initially January 1 through December 31.

"Guaranty" means, when used in connection with a particular Person, all obligations of such Person guaranteeing or in effect guaranteeing any indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly; provided, however, that notwithstanding the foregoing, none of the following shall be deemed to constitute a Guaranty: (w) the endorsement in the ordinary course of business of negotiable instruments for deposit or collection; (x) the discount or sale with recourse of any such Person's notes receivable or accounts receivable; (y) rentals payable in future years under operating leases; and (z) the obligation to make payments on the Notes pursuant to the provisions of the Loan Agreement and this Indenture.

"Hazardous Materials" means any hazardous substance or pollutant or contaminant defined as such in (or for the purposes of) any Environmental Law and shall include, but shall not be limited to, petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature or pressure (60 degrees fahrenheit at 14.7 pounds per square inch absolute), any radioactive material, including, but not limited to, any source, special nuclear or by-product material as defined at 42 U.S.C. Section 2011 et seq., as amended or hereafter amended, and asbestos in any form or condition.

"Indebtedness" means the Notes and all other obligations appearing as liabilities on the balance sheet for the payment of moneys incurred or assumed by the Company, all as determined in accordance with generally accepted accounting principles consistently applied, and Guaranties. "Indebtedness" does not include any continuing obligation of the Company to pay principal of and interest on any of the foregoing that is deemed to be discharged or defeased in accordance with the terms of the instrument or instruments creating or evidencing the foregoing, if there is delivered to the Trustee a letter from an Accountant verifying the adequacy of any escrow established in connection with the discharge or defeasance.

"Indenture" means this Indenture of Trust as originally executed by the Authority and the Trustee, as from time to time amended and supplemented by Supplemental Indentures in accordance with the provisions of Article IX.

"Insurance Consultant" means an individual or firm selected by the Company and acceptable to the Authority, qualified to survey risks and to recommend insurance coverage for organizations engaged in like operations to those of the Company and having a favorable reputation for skill and experience in such surveys and such recommendations, and, in the case of an individual, is not a director, officer or employee of the Company, and in the case of a firm, does not have a partner, member, director, officer or employee who is a director, officer or employee of the Company and who may be a broker or agent with whom the Company transacts business.

"Interest Payment Date" means (a) with respect to the Series 1999 Bonds, March 1 and September 1 of each year, beginning on September 1, 1999; and (b) with respect to any series of Additional Bonds, the dates specified in the Supplemental Indenture authorizing the Additional Bonds.

"Irrevocable Deposit" means the irrevocable deposit in trust or in escrow of cash in an amount (or Defeasance Obligations the principal of and interest on which will be in an amount) and under terms sufficient to pay all or a portion of the principal of and interest on, as the same shall become due, any Indebtedness which would otherwise be considered Outstanding. The trustee of such deposit may be the Trustee or any other Person authorized to act in such capacity.

"Issuance Costs" means issuance costs with respect to the Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following:

(a) underwriters' spread (whether realized directly or derived through purchase of Bonds at a discount below the price at which they are expected to be sold to the public);

(b) counsel fees (including Bond Counsel, underwriter's counsel, Company's counsel, as well as any other specialized counsel fees incurred in connection with the borrowing);

(c) financial advisor fees of any financial advisor to the Authority or the Company incurred in connection with the issuance of the Bonds;

(d) rating agency fees;

(e) trustee, escrow agent and paying agent fees;

(f) accountant fees and other expenses related to issuance of the Bonds;

(g) printing costs (for the Bonds and of the preliminary and final official statement);
and

(h) fees and expenses of the Authority incurred in connection with the issuance of the Bonds.

"Limited Continuing Disclosure Agreement" means the Limited Continuing Disclosure Agreement dated as of July 1, 1999, between the Company and the UMB Bank, N.A.

"Loan Agreement" means the Loan Agreement dated as July 1, 1999, between the Authority and the Company, as from time to time amended by Supplemental Loan Agreements in accordance with the provisions of Article X hereof and of Article X of the Loan Agreement.

"Loan Payments" means the payments of principal and interest on the Series 1999 Note and any Additional Notes.

"Long-Term Indebtedness" means Indebtedness having an original maturity greater than one year or renewable or extendible at the option of the debtor for a period greater than one year from the date of original issuance or date incurred.

"Maximum Annual Debt Service" means the maximum amount of Debt Service as computed for the then current or any future Fiscal Year.

"Maximum Interest Rate" means the highest rate of interest on any of the Bonds at the time of determination.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority, by notice to the Trustee.

"Mortgage" means the Deed of Trust and Security Agreement dated as of July 1, 1999, from the Company to the Mortgage Trustee, for the benefit of the Authority and its assigns.

"Mortgaged Property" means the property described in the Granting Clauses of the Mortgage.

"Mortgage Trustee" means the individual or corporation initially named in and serving as Mortgage Trustee under the Mortgage and any successor or successors as provided in the Mortgage.

"Net Proceeds" means the gross proceeds from any insurance or condemnation award less all expenses (including attorneys' fees and any expenses of the Authority or the Trustee) incurred in the collection of such gross proceeds.

"Net Revenues Available for Debt Service" means, as to any period of time, all Revenues of the Company minus Total Expenses of the Company other than depreciation, amortization and interest.

"Non-Recourse Indebtedness" means any Indebtedness secured by a mortgage, lien or security interest, liability for which is effectively limited to the Property subject to such encumbrance with no recourse to any other Property of the Company.

"Notes" means the Series 1999 Note and the Additional Notes, if any.

"Officer's Certificate" means a written certificate signed by a Company Representative, which certificate shall be deemed to constitute a representation of, and shall be binding upon, the Company with respect to matters set forth therein.

"Official Statement" means the Official Statement dated July 16, 1999, relating to the Series 1999 Bonds.

"Original Purchaser" means UMB Scout Brokerage Services, Inc., Kansas City, Missouri.

"Outstanding" means:

(a) when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, except:

(1) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation pursuant to Section 210;

(2) Bonds which are deemed to have been paid in accordance with Article XI;

(3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to Article II; and

(4) for purposes of any consent or other action to be taken by the Owners of a specified percentage of Bonds under this Indenture or the Loan Agreement, Bonds owned or held by or for the account of the Authority, the Company or any Person controlling, controlled by or under common control with either of them. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Company or any Affiliate.

(b) when used in connection with Indebtedness other than Bonds, all Indebtedness except Indebtedness with respect to which the obligation to make payments has been discharged in accordance with the terms of the instrument or instruments creating or evidencing such Indebtedness.

"Owner" unless otherwise evidenced by the context of the statement, shall have the same meaning as the term "Bondowner."

"Paying Agent" means the Trustee or any other entity designated pursuant to this Indenture as the agent of the Authority and the Trustee to receive and disburse the principal of and premium, if any, and interest on the Bonds.

"Permitted Encumbrances" has the meaning set forth in the Mortgage.

"Permitted Investments" means:

(a) United States Government Obligations;

(b) bonds, notes or other obligations of any state of the United States or any political subdivision of any state, which at the time of their purchase are rated in either of the two highest rating categories by Moody's or Standard & Poor's;

(c) certificates of deposit or time deposits constituting direct obligations of any bank, bank holding company, savings and loan association, trust company, financial institution or other credit provider, except that investments may be made only in certificates of deposit or time deposits which are:

(1) insured by the Federal Deposit Insurance Corporation or any other similar United States Government deposit insurance program then in existence;

(2) continuously and fully secured by securities described above, which have a market value, at all times at least equal to the principal amount of such certificates of deposit or time deposits; or

(3) issued by a bank, bank holding company, savings and loan association, trust company, financial institution or other credit provider whose outstanding unsecured long-term debt is rated at the time of issuance in either of the two highest rating categories by Moody's or Standard & Poor's;

(d) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, financial institution or other credit provider organized under the laws of the United States or any state, which are continuously and fully secured by any one or more of the securities described above and which have a market value at all times at least equal to the principal amount of such repurchase agreements;

(e) investment agreements constituting an obligation of a bank, bank holding company, savings and loan association, trust company, financial institution or other credit provider whose outstanding unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by Moody's or Standard & Poor's;

(f) short term discount obligations of the Federal National Mortgage Association and the Government National Mortgage Association; or

(g) mutual funds that invest only in Permitted Investments described in (a) or (b) above, or that are rated in either of the two highest categories by Moody's or Standard & Poor's; and all such securities so purchased shall mature or be redeemable at the option of the Owner on a date or dates prior to the time when, in the judgment of the Trustee, the funds so invested will be required for expenditure. The judgment of the Trustee as to the time when any funds will be required for expenditure or be redeemable shall be final and conclusive.

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

"Prime Rate" means the floating prime rate listed in the "Money Rates" section of *The Wall Street Journal (Midwest Edition)* as the base rate on corporate loans posted by the nation's largest banks as reported on Tuesday of each week (or if *The Wall Street Journal (Midwest Edition)* is not published on a Tuesday, then the next preceding publication date).

"Principal and Interest Requirements" means, for any period of time, the aggregate of the payments to be made in respect of principal and interest on Outstanding Long-Term Indebtedness of the Company during such period. With respect to Indebtedness refunded or refinanced during such period, the amount of principal taken into account during such period shall be assumed to equal only the principal not paid or payable from the proceeds of the refunding or refinancing Indebtedness. In reference to Long-Term Indebtedness incurred to finance the construction of capital improvements, interest shall be excluded from the determination of Principal and Interest Requirements to the extent that escrowed or trustee funds derived from the proceeds of such Indebtedness are available to pay such interest. Principal and interest shall be excluded from the determination of the Principal and Interest Requirements to the extent that escrowed or trustee funds are available to pay such principal and interest and until so paid are invested in United States Government Obligations.

"Prior Bonds" means the Authority's Water Facilities Revenue Bonds (the Raytown Water Company) Series 1992 being refunded with the proceeds of the Series 1999 Bonds.

"Project" means the transmission mains and an elevated water tank at 9906 East 63rd Street (Rear), Raytown, Missouri, located on the Site, which constitute "water facilities" within the meaning of the Act, and which were paid in whole or in part, or for which the Company is reimbursed in whole or in part, from the proceeds of the sale of the Prior Bonds.

"Property" means, when used in connection with a particular Person, any and all rights, title and interests of such Person in and to any and all property whether real or personal, tangible or intangible, and wherever situated.

"Property, Plant and Equipment" means the entire complex of tangible assets used by the Company as shown on the balance sheet of the Company, determined on a consolidated or combined basis in accordance with generally accepted accounting principles consistently applied.

"Purchase Money Indebtedness" means Indebtedness incurred by the Company pursuant to a purchase money contract, conditional sale agreement, installment purchase contract, capitalized lease, or other similar debt or title retention agreement in connection with the acquisition of real or personal property and secured by a purchase money mortgage, security interest or lien with respect to the property acquired by the Company, where the lien of the seller or lender under such agreement is limited to such property.

"Qualified Financial Institution" means a bank, trust company, national banking association, insurance company or other financial services company or entity, whose unsecured long term debt obligations (in the case of a bank, trust company, national banking association or other financial services company or entity) or whose claims paying abilities (in the case of an insurance company) are rated in any of the two highest rating categories by Moody's or Standard & Poor's.

"Qualified Institutional Buyer" means a "qualified institutional buyer" as defined from time to time in Rule 144A (17 C.F.R. §230.144A(a)(i)) promulgated by the Securities Exchange Commission under the Securities Act of 1933.

"Rebate Fund" means the fund by that name created by Section 401.

"Record Date" means the 15th day (whether or not a business day) of the calendar month next preceding the month in which an interest payment on any Bond is to be made.

"Refunding Agreement" means the Refunding Agreement dated as of July 1, 1999, among the Company, the Trustee and the Prior Trustee.

"Refunding Indebtedness" means any Additional Indebtedness issued for the purpose of refunding any Outstanding Long-Term Indebtedness.

"Related Person" means a "related person" within the meaning of Section 147(a) of the Code.

"Repair and Replacement Fund" means the fund by that name created by Section 4.2 of the Loan Agreement.

"Replacement Bonds" means Bonds issued to the beneficial owners of the Bonds in accordance with Section 211(b).

"Resolution" means the Resolution of the Authority authorizing the execution and delivery of this Indenture, the Loan Agreement and the Mortgage and the issuance of any Bonds.

"Revenues" means for any period, all revenues earned by the Company from its operations including (a) gross revenues less uncollectable accounts, plus (b) other operating revenues, plus (c) non-operating revenues, all as determined in accordance with generally accepted accounting principles consistently applied. Revenues do not include (x) income derived from Irrevocable Deposits, (y) any gain or loss resulting from the early extinguishment of Indebtedness or the sale, exchange or other disposition of Property not in the ordinary course of business and (z) insurance (other than business interruption) and condemnation proceeds. For purposes of any calculation that is made with reference to both Revenues and Total Expenses, any deduction from gross revenues otherwise required by the preceding provisions of this definition shall not be made if and to the extent that the amount of such deduction is included in Total Expenses.

"Securities Depository" means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

"Series 1999 Bonds" means the Series 1999A Bonds and the Series 1999B Bonds.

"Series 1999A Bonds" means the Water Facilities Refunding Revenue Bonds (The Raytown Water Company) Series 1999A, aggregating the principal amount of \$2,470,000 issued pursuant to Section 202.

"Series 1999B Bonds" means the Water Facilities Refunding Revenue Bonds (The Raytown Water Company) Series 1999B, aggregating the principal amount of \$200,000 issued pursuant to Section 202.

"Series 1999 Note" means the promissory note which evidences the obligation of the Company to repay the loan to the Company and which is referred to in Article IV of the Loan Agreement and set out in Exhibit A to the Loan Agreement.

"Short-Term Indebtedness" means Indebtedness having an original maturity less than or equal to one year from the date originally incurred, and not renewable or extendible at the option of the obligor thereon for a term greater than one year beyond the date of original issuance.

"Significant Bondowner" means the Owner or beneficial owner of 50% or more in aggregate principal amount of the Bonds.

"Site" means the real estate described in Exhibit A to the Mortgage on which the portion of the Project consisting of the elevated water tank at 9906 East 63rd Street in Raytown, Missouri, and any other after-acquired real estate which become subject to the lien of the Mortgage pursuant to the provisions of the Mortgage.

"Special Record Date" means the date fixed by the Trustee pursuant to Section 205 for the payment of Defaulted Interest.

"Standard & Poor's" means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its

successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority, by notice to the Trustee.

"State" means the State of Missouri.

"Subordinated Indebtedness" means Indebtedness that is evidenced by instruments, or issued under an indenture or other document, containing provisions for the subordination of such Indebtedness (to which appropriate reference shall be made in the instrument evidencing such Indebtedness) to the Bonds, the Notes and any Additional Obligations, provided at the time of the issuance of such Subordinated Indebtedness the Company shall not be in default in the performance of any covenant or agreement contained in the Loan Agreement, and provided further that such Subordinated Indebtedness shall be junior and subordinate to the Notes and all Indebtedness on a parity with the Bonds, the Notes and Additional Obligations so that if at any time the Company shall be in default in paying either interest on or principal of the Notes, or any other Indebtedness on a parity with the Bonds, the Notes and Additional Obligations or if the Company shall be in default in making any other payments under the provisions of the Loan Agreement, the Company shall make no payments of either principal of or interest on such Subordinated Indebtedness until said default or defaults be cured.

"Supplemental Indenture" means any indenture supplemental or amendatory to this Indenture entered into by the Authority and the Trustee pursuant to Article IX.

"Supplemental Loan Agreement" means any agreement supplemental or amendatory to the Loan Agreement entered into by the Authority and the Company pursuant to Article X and to Article X of the Loan Agreement.

"Tax Compliance Agreement" means the Tax Compliance Agreement of even date herewith, among the Authority, the Company and the Trustee, as from time to time amended in accordance with the provisions thereof.

"Total Expenses" means for any period total operating and non-operating expenses of the Company, determined on a consolidated or combined basis in accordance with generally accepted accounting principles consistently applied.

"Total Operating Revenues" means the aggregate of operating revenues of the Company for the most recent Fiscal Year for which financial statements are available, less allowances for bad debts, determined in accordance with generally accepted accounting principles consistently applied and in such a manner that no portion of operating revenues or allowances for bad debts is included more than once.

"Trust Estate" means the Trust Estate described in the Granting Clauses of this Indenture.

"Trustee" means UMB Bank, N.A., Kansas City, Missouri, and its successor or successors and any other corporation, trust company or association which at any time may be substituted in its place pursuant to and at the time serving as trustee under this Indenture.

"Unencumbered" means not subject to an Encumbrance.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and

interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America, or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by Standard & Poor's and Moody's, and such obligations are held in a custody account by a custodian satisfactory to the Trustee.

"Unrestricted Receivables" means all accounts and assignable general intangibles now owned or hereafter acquired by the Company, and all proceeds therefrom whether cash or noncash, all as defined in Article 9 of the Uniform Commercial Code of the State.

"Value" means, as of any particular time of determination, (1) for cash, the face value thereof, and (2) for Permitted Investments, the lower of the cost or market value thereof provided, however, that the value of Permitted Investments in the Debt Service Reserve Fund shall be valued at their market value.

"Written Request" means, with reference to the Authority, a request in writing signed by an Authority Representative and, with reference to the Company, a request in writing signed by a Company Representative, or any other officers designated by the Authority or the Company, as the case may be, to sign such written Requests.

Section 102. Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(b) All references in this instrument to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision unless the context indicates otherwise.

(c) The table of contents hereto and the headings and captions herein are not a part of this document.

(d) Accounting terms used herein and not otherwise defined herein or in the Indenture shall have the meaning ascribed to them by generally accepted accounting principles.

(e) References to any particular section of the Code, the Act, any other legislation or federal or state regulations shall be deemed to refer also to any successor section thereto or to redesignations thereof for codification purposes.

(f) Whenever an item or items are listed after the word "including," the listing is not intended to be a listing that excludes items not listed.

ARTICLE II

THE BONDS

Section 201. Title and Amount of Bonds. No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The Bonds authorized to be issued under this Indenture shall be designated as Water Facilities Refunding Revenue Bonds (The Raytown Water Company), with such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular series as the Authority may determine. The total principal amount of Series 1999 Bonds that may be issued as provided in Section 202 is expressly limited to \$2,670,000. Additional Bonds may be issued as provided in Section 203.

Section 202. Authorization of Series 1999 Bonds.

(a) There shall be issued and secured by this Indenture two series of Bonds in the aggregate principal amount of \$2,670,000 for the purpose of providing funds to make a loan to the Company to refund the Prior Bonds, consisting of the "Water Facilities Refunding Revenue Bonds (The Raytown Water Company) Series 1999A" in the original principal amount of \$2,470,000 and the "Water Facilities Refunding Revenue Bonds (The Raytown Water Company) Series 1999B" in the original principal amount of \$200,000. The Series 1999 Bonds are dated July 1, 1999, become due on March 1 in the years and in the respective principal amounts (subject to prior redemption as hereinafter provided in Article III), and bear interest at the respective rates per annum, as follows:

SERIES 1999A BONDS

<u>Maturity</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2009	\$2,470,000	5.62%

SERIES 1999B BONDS

<u>Maturity</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2000	\$100,000	6.25%
2006	100,000	7.00

The Series 1999 Bonds will bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their dated date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date.

(b) The Trustee is hereby designated as the Authority's paying agent for the payment of the principal of, redemption premium, if any, and interest on the Series 1999 Bonds (herein referred to as the "Paying Agent").

(c) The Series 1999A Bonds shall be numbered from RA-1 consecutively upward in order of issuance and the Series 1999B Bonds shall be numbered from RB-1 consecutively upward in order of issuance.

(d) The Series 1999 Bonds shall be executed substantially in the form and manner set forth in Section 206 and delivered to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Series 1999 Bonds by the Trustee there shall be filed with the Trustee the following:

(1) a copy, certified by the Secretary or Assistant Secretary of the Authority, of the Resolution adopted by the Authority authorizing the issuance of the Series 1999 Bonds and the execution of this Indenture, the Loan Agreement and any other Bond Documents to which it is a party;

(2) a copy, duly certified by the Secretary or an Assistant Secretary of the Company, of the resolutions adopted and approved by the Company authorizing the execution and delivery of the Loan Agreement, the Series 1999 Note and the other Bond Documents to which the Company is a party, and approving this Indenture and the issuance and sale of the Series 1999 Bonds;

(3) an original executed counterpart of this Indenture, the Loan Agreement, the Mortgage, the Refunding Agreement, the Tax Compliance Agreement and each of the other Bond Documents;

(4) the original executed and endorsed Series 1999 Note;

(5) a request and authorization to the Trustee on behalf of the Authority, executed by an Authority Representative, to authenticate the Series 1999 Bonds and deliver said Bonds to the purchasers therein identified upon payment to the Trustee, for the account of the Authority, of the purchase price thereof;

(6) opinions of Bond Counsel, dated the Closing Date, in substantially the forms attached to the Bond Purchase Agreement;

(7) a supplemental opinion of Bond Counsel to the effect that the Series 1999 Bonds are exempt from registration under the Securities Act of 1933, as amended, and this Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(8) certificates of insurers showing that insurance coverage required by Section 5.2 of the Loan Agreement is in force and effect; and

(9) such other certificates, statements, receipts and documents required by any of the Bond Documents or as the Trustee shall reasonably require for the delivery of the Series 1999 Bonds.

(e) When the documents specified in paragraph (d) have been filed with the Trustee, and when the Series 1999 Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Series 1999 Bonds to or upon the order of the Original Purchaser thereof, but only upon payment to the Trustee of the purchase price of the Series 1999 Bonds. The proceeds of the

sale of the Series 1999 Bonds, including accrued interest and premium thereon, if any, shall be immediately paid over to the Trustee, and the Trustee shall deposit and apply such proceeds as provided in Article IV.

Section 203. Authorization of Additional Bonds.

(a) Additional Bonds may be issued under and equally and ratably secured by this Indenture on a parity with the Series 1999 Bonds and any other Additional Bonds at any time and from time to time, upon compliance with the conditions hereinafter provided in this Section, in Section 1101 and in Article VI of the Loan Agreement, for the purpose of making a loan to the Company to provide funds to pay the costs of:

- (1) any Additional Project;
- (2) refinancing any outstanding mortgages or advances issued, made or given by the Company for the cost of its water facilities, including Additional Obligations;
- (3) repaying and retiring any series of Bonds at the time Outstanding, if such series of Bonds may be prepaid in full; or
- (4) any other purpose permitted under the Act, all as provided in the Act.

The principal amount of any Additional Bonds may include an amount sufficient to pay the costs and expenses of issuance, any required funding of the Debt Service Reserve Fund and such capitalized amounts as are permitted by the Act.

(b) Before any Additional Bonds shall be issued under the provisions of this Section, the Authority shall adopt a resolution authorizing the issuance of such Additional Bonds, fixing the amount thereof and describing in brief and general terms the purpose or purposes for which such Additional Bonds are being issued, authorizing the Authority to enter into a Supplemental Indenture for the purpose of issuing such Additional Bonds, and, if required, authorizing the Authority to enter into a Supplemental Loan Agreement with the Company to provide for payments at least sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds then to be Outstanding (including the Additional Bonds to be issued) as the same become due, and for such other matters as are appropriate because of the issuance of the Additional Bonds proposed to be issued which matters, in the judgment of the Authority, are not prejudicial to the Authority or the Owners of the Bonds previously issued.

(c) Additional Bonds shall have the same designation as the Series 1999 Bonds, except for an identifying series letter or date, shall be dated, shall mature on such date or dates in such year or years, shall be numbered, shall bear interest at such rate or rates not exceeding the maximum rate then permitted by law payable at such times, and shall be redeemable at such times and prices, all as may be provided by the Supplemental Indenture authorizing the issuance of such Additional Bonds. Except as to any difference in the date, the maturity or maturities, the rate or rates of interest or the provisions for redemption, such Additional Bonds shall be on a parity with and shall be entitled to the same benefit and security of this Indenture as the Series 1999 Bonds and any other Additional Bonds and shall be secured by the Debt Service Reserve Fund, which Fund shall be fully funded to the Debt Service Reserve Requirement at the time of issuance of such Additional Bonds from the proceeds of the sale of such Additional Bonds or other available moneys.

(d) Additional Bonds shall be executed substantially in the form and manner set forth in Section 206 and shall be deposited with the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of such Additional Bonds by the Trustee there shall be filed with the Trustee the following:

(1) a copy, certified by the Secretary or Assistant Secretary of the Authority, of the resolution adopted by the Authority authorizing the issuance of such Additional Bonds and the execution of such Supplemental Indentures, Supplemental Loan Agreements and supplements to any other Bond Documents as may be necessary;

(2) a copy, certified by the Secretary or Assistant Secretary of the Company, of the resolutions theretofore adopted and approved authorizing the execution and delivery of the Additional Note, the Supplemental Loan Agreements and any supplement to any other Bond Documents and further approving such Supplemental Indenture and the issuance and sale of the Additional Bonds;

(3) an original executed counterpart of the Supplemental Indenture providing for the issuance of the Additional Bonds, the Supplemental Loan Agreements and each supplement to any of the other Bond Documents;

(4) the original executed and endorsed Additional Note;

(5) if the proceeds of the Additional Bonds are to be used to make a loan to be evidenced by Additional Notes (as authorized by Section 6.1 of the Loan Agreement), an Officer's Certificate that the conditions precedent to the issuance of such Additional Notes (as set out in Section 6.1 of the Loan Agreement) have been met and copies of all engineers', accountants', consultants' and Corporation certificates required by said Section;

(6) a request and authorization to the Trustee, on behalf of the Authority, executed by an Authority Representative, to authenticate the Additional Bonds and deliver the Additional Bonds to the purchasers therein identified upon payment to the Trustee, for the account of the Authority, of the purchase price thereof;

(7) an opinion of Bond Counsel to the effect that all requirements for the issuance of such Additional Bonds have been met and the issuance of such Additional Bonds will not result in the interest on any Bonds then Outstanding becoming includable in gross income for federal income tax purposes; and

(8) such other certificates, statements, receipts, opinions and documents as the Trustee shall reasonably require for the delivery of the Additional Bonds.

(e) When the documents specified in paragraph (d) of this Section shall have been filed with the Trustee, and when such Additional Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers thereof, but only upon payment to the Trustee of the purchase price of such Additional Bonds. The proceeds of the sale of such Additional Bonds, including accrued interest and premium thereon, if any, shall be immediately paid over to the Trustee and shall be deposited and applied by the Trustee as provided in Article IV and in the Supplemental Indenture authorizing the issuance of such Additional Bonds.

(f) Except as provided in this Section and in Article VI of the Loan Agreement, the Authority will not otherwise issue any obligations on a parity with the Bonds, but the Authority may issue other obligations specifically subordinate and junior to the Bonds.

Section 204. Form, Denomination and Dating of Bonds.

(a) The Series 1999 Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be, respectively, in substantially the forms set forth in Exhibit A. Any Additional Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall also be in substantially the forms set forth in Exhibit A, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The 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.

(b) The Bonds shall be issuable in the form of fully registered Bonds, without coupons, in Authorized Denominations.

(c) The Series 1999 Bonds shall be dated as provided in Section 202. Bonds of subsequent series shall be dated as provided in the Supplemental Indenture authorizing such series of Bonds.

Section 205. Method and Place of Payment of Bonds.

(a) The principal of, redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

(b) The principal of and the redemption premium, if any, on all Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the Bond Register at the maturity or redemption date thereof, upon the presentation and surrender of such Bonds at the principal corporate trust office of the Trustee or of any Paying Agent named in the Bonds.

(c) The interest payable on each Bond on any Interest Payment Date shall be paid by the Trustee to the Person in whose name such Bond is registered on the Bond Register at the close of business on the Record Date for such interest, by check or draft mailed to such registered owner at his address as it appears on such Bond Register. At the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least \$1,000,000, interest shall be paid by electronic transfer to a bank (located in the continental United States of America) for the credit to the account number filed with the Trustee no later than 10 days preceding 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.

(d) Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. The Company shall notify the

Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment; money deposited with the Trustee shall be held in trust for the benefit of the Owners of the Bonds entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Owner of a Bond entitled to such notice at the address of such owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

Section 206. Execution and Authentication of Bonds.

(a) The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary, and shall have the corporate seal of the Authority affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Bond may be signed by such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Exhibit A, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee. Such executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any authorized officer or employee of the Trustee, but it shall not be necessary that the same officer or employee sign the Certificate of Authentication on all of the Bonds that may be issued hereunder at any one time.

Section 207. Registration, Transfer and Exchange of Bonds.

(a) The Trustee is hereby appointed Bond Registrar and as such shall keep the Bond Register at its principal corporate trust office.

(b) The Bonds or any beneficial interest therein may only be purchased by or sold or transferred to Qualified Institutional Buyers.

(c) Any Bond may be transferred only upon the Bond Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Authority shall execute and the Trustee shall authenticate and deliver in exchange

for such Bond a new Bond or Bonds, registered in the name of the transferee, in Authorized Denominations.

(d) Any Bonds, upon surrender thereof at the principal office of the Trustee, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same series and maturity, in Authorized Denominations, and bearing interest at the same rate.

(e) In all cases in which Bonds shall be exchanged or transferred hereunder, the Authority shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee.

(f) The Authority or the Trustee may make a charge against the Bondowner requesting the same for every such transfer or exchange of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange hereunder and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Company. In the event any registered owner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such registered owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Trustee from amounts otherwise payable to such registered owner hereunder or under the Bonds.

(g) The Person in whose name any Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute owner of such Bond for all purposes, and payment of or on account of the principal of and redemption premium, if any, and interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

(h) At reasonable times and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the Company, the Authority or by the Owners (or a designated representative thereof) of 10% or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 208. Temporary Bonds.

(a) Until definitive Bonds of any series are ready for delivery, the Authority may execute, and upon request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same limitations and conditions as definitive Bonds, temporary printed, engraved, lithographed or typewritten Bonds.

(b) If temporary Bonds shall be issued, the Authority shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its principal corporate trust office of any temporary Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Bond of the same series and maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged the

temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder.

Section 209. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond shall become mutilated, or be lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond of like date and tenor as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Trustee evidence of such loss, theft or destruction satisfactory to the Authority and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured or selected for redemption, instead of issuing a substitute Bond the Authority may pay or authorize the payment of the same without surrender thereof. Upon the issuance of any substitute Bond, the Authority and the Trustee may require the payment of an amount by the Bondowner sufficient to reimburse the Authority and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 210. Cancellation and Destruction of Bonds Upon Payment. All Bonds which have been paid or redeemed or which the Trustee has purchased or which have otherwise been surrendered to the Trustee under this Indenture, either at or before maturity, shall be cancelled and destroyed by the Trustee immediately upon the payment, redemption or purchase of such Bonds and the surrender thereof to the Trustee. The Trustee shall execute a certificate in triplicate describing the Bonds so cancelled and destroyed, and shall file executed counterparts of such certificate with the Authority and the Company.

Section 211. Book-Entry Bonds; Securities Depository.

(a) The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interest in the Bonds, except in the event the Paying Agent issues Replacement Bonds as provided in subsection (b). It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Paying Agent authenticates and delivers Replacement Bonds to the beneficial owners as described in subsection (b).

(b) (1) If the Authority determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, or (C) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Bonds, or (2) if the Paying Agent receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Bonds, then the Paying Agent shall notify the Bondowners of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Paying Agent shall register in the name of and authenticate and deliver Replacement Bonds to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (1)(A) or (1)(B) of this subsection (b), the Authority, with the consent of the Paying

Agent, may select a successor securities depository in accordance with Section 211(c) to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository is the registered owner of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Paying Agent, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Authority, the Paying Agent or Bondowners are unable to locate a qualified successor of the Securities Depository in accordance with Section 211(c), then the Paying Agent shall authenticate and cause delivery of Replacement Bonds to Bondowners, as provided herein. The Paying Agent may rely on information from the Securities Depository and its Participants as to the names of the beneficial owners of the Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Authority.

(c) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the Authority may appoint a successor Securities Depository provided the Paying Agent receives written evidence satisfactory to the Paying Agent with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Paying Agent upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds Generally. The Series 1999 Bonds shall be subject to redemption prior to maturity in accordance with the terms and provisions set forth in this Article. Additional Bonds shall be subject to redemption prior to maturity in accordance with the applicable terms and provisions contained in this Article and as may be specified in the Supplemental Indenture authorizing such Additional Bonds.

Section 302. Redemption of Series 1999 Bonds.

(a) *Mandatory Sinking Fund Redemption.* The Series 1999A Bonds are subject to the mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section on March 1 in the years herein provided at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date. The Loan Payments specified in Section 4.1 of the Loan Agreement which are to be deposited into the Principal Account in the Debt Service Fund shall be sufficient to redeem, and the Authority shall redeem, on March 1 in each of the following years, the following principal amounts of the Series 1999A Bonds:

Series 1999A Term Bonds Maturing March 1, 2009

<u>Year</u>	<u>Principal Amount</u>
2000	\$130,000
2001	215,000
2002	225,000
2003	235,000
2004	240,000
2005	250,000
2006	165,000
2007	280,000
2008	290,000
2009	440,000

The Trustee shall, in each year in which the Bonds are to be redeemed pursuant to the terms of this subsection (a), make timely selection of such Bonds or portions thereof to be so redeemed in Authorized Denominations in such equitable manner as the Trustee may determine and shall give notice thereof as provided in Section 304 without further instructions from the Authority or the Company. The Trustee may, upon written instructions from the Company, use moneys on hand in the Debt Service Fund to purchase Bonds in the open market, to the extent practical, at a price not in excess of their principal amount, and each Bond so purchased shall be credited at 100% of the principal amount thereof on the obligation of the Authority to redeem Bonds of the same maturity on the next mandatory redemption date applicable to Bonds of such maturity, and the principal amount of Bonds of such maturity to be redeemed by operation of this subsection (a) shall be reduced accordingly. At its option, to be exercised on or before the 61st day next preceding March 1 in the years 2000 to 2009, inclusive, the Authority or the Company may: (1) deliver to the Trustee for cancellation Bonds in the aggregate principal amount desired; or (2) furnish to the Trustee funds, together with written instructions, for the purpose of purchasing any of said Bonds from any Owner thereof whereupon the Trustee shall expend such funds for such purposes to such extent as may be practical; or (3) receive a credit in respect to the mandatory redemption obligation of the Authority under this subsection (a) for any Bonds which prior to such date have been redeemed (other than through the operation of the requirements of this subsection (a)) and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation under this subsection (a). Each Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Authority to redeem Bonds of the same maturity on such redemption date, and any excess of such amount shall be credited on future mandatory redemption obligations for Bonds of the same maturity in chronological order and the principal amount of Bonds of the same maturity to be redeemed by operation of the requirements of this subsection (a) shall be accordingly reduced. If the Authority or the Company intends to exercise the option granted by the provisions of clauses (1), (2) or (3) of this subsection, the Authority or the Company, as the case may be, will, on or before the 61st day next preceding each March 1 in the years 2000 to 2009, inclusive, furnish the Trustee a certificate signed by the Authority Representative or the Company Representative, as the case may be, indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with in respect to such mandatory redemption payment.

(b) *Optional Redemption.* The Series 1999 Bonds are subject to redemption and payment prior to maturity, at the option of the Authority, upon instructions from the Company, on and after March

1, 2005, in whole on any date or in part on any Interest Payment Date at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

(c) *Extraordinary Optional Redemption.* The Series 1999 Bonds are subject to redemption and payment prior to the stated maturity thereof, at the option of the Authority, which shall be exercised upon written direction from the Company, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, upon the occurrence of any of the following events:

(1) all or a substantial portion of the Project is damaged or destroyed by fire or other casualty, or title to, or the temporary use of, all or a substantial portion of the Project is condemned or taken for any public or quasi-public use by any authority exercising the power of eminent domain or title thereto is found to be deficient, to such extent that in the determination of the Company (A) the Project cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the Company is thereby prevented from carrying on its normal operations of the Project, or (C) the cost of restoration or replacement thereof would exceed the Net Proceeds of any casualty insurance, title insurance or condemnation awards with respect thereto; or

(2) as a result of any changes in the Constitution of the State of Missouri or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final direction, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Company in good faith, this Indenture, the Loan Agreement or the Mortgage becomes void or unenforceable or impossible of performance.

(d) *Redemption Upon Determination of Taxability.* The Series 1999A Bonds are subject to mandatory redemption in whole on the earliest practicable date for which notice can be given, if a Determination of Taxability occurs, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Section 303. Selection of Bonds to be Redeemed.

(a) Bonds shall be redeemed only in principal amounts equal to \$5,000 or any integral multiple thereof and such that any Bond redeemed in part shall, after such redemption, be in an Authorized Denomination of the Bonds. When less than all of the Outstanding Bonds of any Series are to be redeemed and paid prior to maturity pursuant of Section 302, such Bonds shall be redeemed from the maturities selected by the Company and Bonds of less than a full maturity of a Series of Bonds are to be selected by the Trustee in principal amounts equal to \$5,000 or any integral multiple thereof in such equitable manner as it may determine and such that any Bonds redeemed in part from an Owner shall, after such redemption, be in an Authorized Denomination of the Bonds. The Trustee may, for purposes of selecting Bonds for redemption treat all registered Bonds of the same maturity held by or for the benefit of an Owner as one Bond owned by such Owner and, upon such redemption and without charge to the Owner thereof, shall exchange a new Bond or Bonds for the unredeemed portion of the principal amount of all such Bonds in such Authorized Denominations as such Owner may direct.

(b) If any Bond selected for redemption is to be redeemed only in part, then upon notice of intention to redeem such Bond, the Owner of such fully registered Bond or his attorney or legal representative shall forthwith present and surrender such Bond to the Trustee (1) for payment of the

redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such fully registered Bond in an amount equal to any Authorized Denomination of the Bonds. If the Owner of any such fully registered Bond shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

(c) The Trustee shall call Bonds for redemption and payment as herein provided upon receipt by the Trustee at least 45 days prior to the redemption date of a Written Request of the Authority given upon instructions of the Company. Such request shall specify the principal amount of Bonds and their maturities so to be called for redemption, the applicable redemption price or prices and the provision or provisions above referred to pursuant to which such Bonds are to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Bonds pursuant to Section 302(a), and Bonds shall be called by the Trustee for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Authority or the Company and whether or not the Trustee shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

Section 304. Notice and Effect of Call for Redemption.

(a) Unless waived by any Owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Trustee on behalf of the Authority by mailing a copy of an official redemption notice by first class mail, at least 30 days and not more than 60 days prior to the redemption date to each Registered Owner of the Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee.

(b) All official notices of redemption shall be dated and shall state:

(1) the redemption date;

(2) the redemption price;

(3) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts to be redeemed) of the Bonds to be redeemed;

(4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Trustee.

(c) Prior to any redemption date, moneys shall be deposited with the Trustee in an amount sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

(d) Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be cancelled and destroyed by the Trustee and shall not be reissued.

(e) Failure to give any notice to any Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Bonds. Any notice mailed shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives the notice.

(f) In addition to the foregoing notice, further notice shall be given by the Trustee on behalf of the Authority as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(3) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(g) For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Trustee shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Trustee, the Securities Depository, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

ARTICLE IV

CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 401. Creation of Funds and Accounts. There are hereby created and ordered to be established in the custody of the Trustee the following special trust funds in the name of the Authority to be designated as follows:

- (a) Costs of Issuance Fund.
- (b) Escrow Fund.
- (c) Debt Service Fund.
- (d) Debt Service Reserve Fund.
- (e) Rebate Fund.

Section 402. Deposit of Bond Proceeds and Other Moneys.

(a) The Authority, for and on behalf of the Company, will deposit with the Trustee all of the purchase price of the Series 1999 Bonds, including accrued interest. The Trustee will deposit and apply the purchase price as follows:

(1) deposit the accrued interest received from the sale of the Series 1999 Bonds to the Debt Service Fund;

(2) deposit the balance of the proceeds of the Series 1999A Bonds to the Escrow Fund;

(3) deposit \$76,583 from the proceeds of the Series 1999B Bonds to the Debt Service Reserve Fund;

(4) deposit the balance of the proceeds of the sale of the Series 1999B Bonds to the Costs of Issuance Fund.

(b) Concurrently with the issuance and delivery of the Series 1999 Bonds, the Trustee will deposit \$73,417 from moneys transferred from the debt service funds held by the Prior Trustee to the Debt Service Reserve Fund.

Section 403. Costs of Issuance Fund. Moneys on deposit in the Costs of Issuance Fund will be paid out from time to time by the Trustee upon Written Requests of the Company, in substantially the form of Exhibit B, in amounts equal to the amount of Issuance Costs certified in such Written Requests. At such time as the Trustee is furnished with an Officer's Certificate stating that all such fees and expenses have been paid, and in any case not later than 90 days after the Closing Date, the Trustee will transfer any moneys remaining in the Costs of Issuance Fund to the Debt Service Fund.

Section 404. Escrow Fund. Immediately upon deposit of the proceeds of the Bonds to the Escrow Fund, moneys in the Escrow Fund will be disbursed, without further authorization, in accordance with the Refunding Agreement.

Section 405. Debt Service Fund.

(a) The Trustee will make deposits and credits to the Debt Service Fund, as and when received, as follows:

- (1) the amount required by Section 402(a)(1) and all Loan Payments paid by the Company pursuant to Section 4.1(b)(1) of the Loan Agreement;
- (2) all Loan Payments payable by the Company to the Authority specified in Section 4.1(a) and (b) of the Loan Agreement;
- (3) as and if required, the balance of the Net Proceeds of condemnation awards or insurance received by the Trustee pursuant to Section 5.14 of the Loan Agreement;
- (4) as and if required by Section 403, the balance of the Costs of Issuance Fund;
- (5) interest earnings and other income on Permitted Investments required to be deposited in the Debt Service Fund pursuant to Section 502;
- (6) any amounts required by a Supplemental Indenture authorizing the issuance of Additional Bonds to be deposited in the Debt Service Fund, as specified in such Supplemental Indenture; and
- (7) all other moneys received by the Trustee under and pursuant to any of the provisions of the Loan Agreement or any other Bond Document, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Debt Service Fund.

In the event the balance of moneys in the Debt Service Fund is insufficient to pay principal of or interest on the Bonds when due and payable, moneys may be transferred into the Debt Service Fund from the Debt Service Reserve Fund in an amount sufficient to make up such deficiency.

(b) Except as otherwise provided in this Indenture, moneys in the Debt Service Fund shall be expended solely as follows:

- (1) to pay principal of the Bonds as the same mature and become due and upon mandatory sinking fund redemption thereof;
- (2) to pay interest on the Bonds as the same becomes due; and
- (3) to pay principal of and redemption premium, if any, on the Bonds as the same become due upon redemption (other than mandatory sinking fund redemption) prior to maturity.

(c) The Authority authorizes and directs the Trustee to withdraw sufficient funds from the Debt Service Fund to pay principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable at maturity or upon redemption and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said principal, redemption premium, if any, and interest.

(d) Whenever there is on deposit in the Debt Service Fund moneys sufficient to redeem all or a portion of the Bonds Outstanding and to pay interest to accrue thereon prior to such redemption and redemption premium, if any, the Trustee shall, upon written request of the Company, take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the Company. Any moneys in the Debt Service Fund may be used to redeem a part of the Bonds Outstanding, in accordance with the provisions of Article III, so long as the Company is not in default with respect to any payments under the Loan Agreement and to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases when such Bonds have not been presented for payment.

Section 406. Debt Service Reserve Fund.

(a) The Trustee will deposit in the Debt Service Reserve Fund the initial deposit required to be made under the provisions of Section 402(a) and 402(b), the additional payments made by the Company pursuant to Section 4.2(e) of the Loan Agreement.

(b) Except as otherwise provided in this Indenture, moneys in the Debt Service Reserve Fund will be applied solely to the payment of the principal of and redemption premium, if any, and interest on the Bonds if sufficient moneys therefor are not available in the Debt Service Fund. In the event the balance of moneys in the Debt Service Fund is insufficient to pay principal of or interest on the Bonds when due and payable, moneys in the Debt Service Reserve Fund will be transferred into the Debt Service Fund in an amount sufficient to make up such deficiency. The Trustee may use moneys in the Debt Service Reserve Fund for such purpose whether or not the amount in the Debt Service Reserve Fund at that time equals the Debt Service Reserve Requirement. Such moneys shall be used first to make up any deficiency in the payment of interest and then principal. Moneys in the Debt Service Reserve Fund shall also be used to pay the last Bonds becoming due unless such Bonds and all interest thereon be otherwise paid.

(c) The Trustee will determine the Value of cash and Permitted Investments in the Debt Service Reserve Fund on each February 15 and August 15 beginning February 15, 2000, at the time of any withdrawal from the Debt Service Reserve Fund and at such other times as the Trustee deems appropriate. If on any valuation date, the Value of cash and Permitted Investments on deposit in the Debt Service Reserve Fund is less than 95% of the Debt Service Reserve Requirement, or at any time any amount is withdrawn from the Debt Service Reserve Fund for the purposes described above, the Trustee will immediately notify the Company of the deficiency, and instruct the Company to make additional payments pursuant to Section 4.2(e) of the Loan Agreement. If the Owners of not less than a majority in principal amount of Bonds then Outstanding approve another schedule of periodic payments, the amount of the deficiency will be paid by the Company to the Trustee in accordance with that schedule. If at any time of valuation, the Value of cash and Permitted Investments on deposit in the Debt Service Reserve Fund is in excess of the Debt Service Reserve Requirement, the Trustee will transfer the amount of the excess to the Debt Service Fund.

Section 407. Reserved.

Section 408. Rebate Fund.

(a) The Trustee will deposit in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. Subject to the transfer provisions provided in

subsection (c) below, all amounts on deposit in the Rebate Fund shall be held by the Trustee in trust, to the extent required to pay arbitrage rebate to the United States of America, and neither the Authority, the Company nor the Owners of the Bonds will have any rights in or claim to such money. All amounts held in the Rebate Fund shall be governed by this Section and by the Tax Compliance Agreement (which is incorporated herein by reference).

(b) The Trustee is entitled to unconditionally accept and rely upon the recommendations, advice, calculations and opinions of the Rebate Analyst (as defined in the Tax Compliance Agreement) as to actions required or not required to be taken by the Trustee to comply with the provisions of Section 148(f) of the Code, including the payment of arbitrage rebate. The Trustee agrees to act in accordance with the recommendations, advice and opinions of the Rebate Analyst for the purpose of complying with any applicable provision of Section 148(f) of the Code.

(c) Pursuant to the Tax Compliance Agreement, the Trustee shall remit all rebate installments and a final rebate payment to the United States of America pursuant to the final report of the Rebate Analyst. The Trustee shall have no obligation to pay any amounts required to be rebated pursuant to this Section and the Tax Compliance Agreement, other than from moneys held in the Funds created under this Indenture or from other moneys provided to it by the Company. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds, the payment of any other amounts due hereunder and payment and satisfaction of any arbitrage rebate shall be withdrawn and remitted to the Company.

(d) Notwithstanding any other provision of this Indenture, including in particular Article XI, the obligation to pay arbitrage rebate to the United States of America and to comply with all other requirements of this Section and the Tax Compliance Agreement shall survive the defeasance or payment in full of the Bonds.

Section 409. Payments Due on Other than Business Day. If the date of maturity of principal of, redemption premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds shall be a day that is not a Business Day, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 410. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Authority to the Owner thereof for the payment of such Bond, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds in trust in a separate trust account, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on or with respect to said Bond. If any Bond shall not be presented for payment within four years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall repay to the Company the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Company, and the Owner thereof shall be entitled to look only to the Company for payment, and then only to the extent of the amount so repaid, and the Company shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 411. Reports From Trustee. The Trustee shall furnish monthly to the Authority and the Company, by the tenth Business Day of the month following the month in which the Bonds are delivered, and by the tenth Business Day of each month thereafter, a report on the status of each of the funds and accounts established under this Article which are held by the Trustee, showing at least the balance in each such fund or account as of the first day of the preceding month, the total of deposits to and the total of disbursements from each such fund or account, the dates of such deposits and disbursements, and the balance in each such fund or account on the last day of the preceding month. In addition, to the extent the financial reports required by this Section or otherwise in this Indenture do not provide sufficient information for the Authority to comply with Section 23.195 of the Revised Statutes of Missouri, as amended, or as may be necessary for the conduct of the annual audit of the financial condition of the Authority, the Trustee shall provide such additional information as may be requested by the Authority for such purposes.

Section 412. Certain Verifications. The Trustee from time to time may cause, at the expense of the Company, a firm of attorneys, consultants or independent accountants or an investment banking firm to supply the Authority or the Trustee with such information as the Authority or the Trustee may request in order to determine in a manner reasonably satisfactory to the Authority or the Trustee all matters relating to (a) the actuarial yields on the Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code, and (b) compliance with rebate requirements of Section 148(f) of the Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be Additional Payments and shall be paid by the Company.

Section 413. Final Balances. Upon the deposit with the Trustee of moneys sufficient to pay all principal of, premium, if any, and interest on the Bonds, and upon satisfaction of all claims against the Authority under this Indenture and the other Bond Documents, including any rebate obligation, all fees, charges and expenses of the Trustee, the Bond Registrar, the Authority and any Paying Agent which are properly due and payable under this Indenture, or upon the making of adequate provisions for the payment of such amounts as permitted hereby, all moneys remaining in all Funds, except: (1) moneys necessary to pay principal of, premium, if any, and interest on the Bonds, which moneys shall be held by the Trustee for payment to the Owners or; and (2) moneys, if any, set aside pursuant to Section 408, shall be remitted to the Company.

ARTICLE V

DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 501. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for the funds held under this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture shall be held by the Trustee or the Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture and the Loan Agreement. Until used or applied as provided in this Indenture, all such moneys will constitute part of the Trust Estate and will not be commingled with any other funds of the Authority or the Company except as provided under Section 502 for investment purposes. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

Section 502. Investment of Moneys.

(a) Moneys held in each of the funds under this Indenture shall, pursuant to written direction of the Company, signed by a Company Representative, be invested and reinvested by the Trustee in accordance with the provisions of this Indenture and the Tax Compliance Agreement in Permitted Investments which mature or are subject to redemption by the owner thereof prior to the date such funds are expected to be needed and in any event which mature in ten years or less. Notwithstanding any other provision of this Indenture, if the Trustee fails to receive written directions of the Company regarding investment of funds pursuant to this Section, moneys held in any fund or account hereunder may be invested or reinvested in Permitted Investments at the discretion of the Trustee. The Trustee may make any investments permitted by the provisions of this Section through its own bond department or short-term investment department and may pool moneys for investment purposes, except moneys held in the yield restricted portion of any fund or account, which shall be invested separately. Any such Permitted Investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest accruing on each fund or account and any profit realized from such Permitted Investments (other than any amounts required to be deposited in the Rebate Fund pursuant to Section 408) shall be credited at the time of valuation of Permitted Investments first to the Debt Service Reserve Fund to the extent necessary to make up any deficiency therein, and then to the Debt Service Fund to pay Debt Service on the Bonds and any loss resulting from such Permitted Investments shall be charged to such fund or account. The Trustee shall sell and reduce to cash a sufficient amount of such Permitted Investments whenever the cash balance in such fund or account is insufficient for the purposes of such fund or account.

(b) Investments in United States Government Obligations under this Section may be made through repurchase agreements with banks or other financial institutions, including but not limited to the Trustee and its affiliates, whose long-term debt obligations are rated by Moody's and Standard & Poor's, respectively, in one of the two highest rating categories by a nationally recognized rating service, to the extent the same are Permitted Investments. A repurchase agreement must conform to current industry standards, is in commercially reasonable form, is for a commercially reasonable period, results in transfer of legal title to identified United States Government Obligations which are segregated in a custodial or trust account for the benefit of the Trustee. United States Government Obligations acquired pursuant to repurchase agreements will be valued at the lower of the then current market value thereof or the repurchase price thereof set forth in the applicable repurchase agreement.

Section 503. Record Keeping. The Trustee will maintain records designed to show compliance with the provisions of this Article and with the provisions of Article IV for at least six years after the payment of all of the Outstanding Bonds.

ARTICLE VI

PARTICULAR COVENANTS AND PROVISIONS

Section 601. Limited Obligations.

(a) The Bonds and the interest thereon shall be limited obligations of the Authority payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof and under certain circumstances from insurance proceeds and condemnation awards) solely out of the Loan Payments and other payments derived by the Authority under the Notes and the Loan Agreement (except

for fees and expenses payable to the Authority, the Authority's right to indemnification as set forth in the Loan Agreement and any payments made by the Trustee or the Company to meet the rebate requirements of Section 148(f) of the Code) as provided in this Indenture. The Bonds are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Bonds. 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 Loan Agreement, the Notes and in this Indenture. 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. The State shall not in any event be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any charge upon its general credit or against its taxing power.

(b) To secure the obligations of the Company under the Notes and the Loan Agreement, including the obligation to make Loan Payments, the Company has entered into the Mortgage with the Authority and the Mortgage Trustee. Pursuant to the Loan Agreement, the Company has agreed that the Trustee may enforce the rights of the Authority under the Notes and Loan Agreement.

Section 602. Payment of Principal, Redemption Premium and Interest. The Authority covenants and agrees that it will deposit or cause to be deposited in the Debt Service Fund all Loan Payments and any and all other payments and sums received under the Loan Agreement and this Indenture promptly to meet and pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof.

Section 603. Authority to Issue Bonds and Execute Indenture. The Authority covenants that it is duly authorized under the Constitution and laws of the State to execute this Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken; and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Authority according to the import thereof, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and general equitable principles.

Section 604. Performance of Covenants. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds and in all proceedings pertaining thereto.

Section 605. Instruments of Further Assurance. The Authority covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better assuring, transferring, pledging and assigning to the Trustee, and granting a security interest unto the Trustee in and to the Trust Estate and the other property and revenues herein described. The Loan Agreement, the Mortgage, all Supplemental Loan Agreements

and Supplemental Mortgages, the Series 1999 Note, any Additional Note and all other documents, instruments or policies of insurance required by the Trustee shall be delivered to and held by the Trustee.

Section 606. Inspection of Books. The Authority covenants and agrees that all books and documents in its possession relating to this Indenture, the Loan Agreement, and any other Bond Documents and the transactions relating thereto shall at all times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

Section 607. Enforcement of Rights. The Authority agrees that the Trustee, as assignee, transferee, pledgee, and Owner of a security interest hereunder in its name or in the name of the Authority may enforce all rights of the Authority and all obligations of the Company under and pursuant to the Loan Agreement, the Notes and the Mortgage for and on behalf of the Bondowners, whether or not the Authority is in default hereunder.

Section 608. Tax Covenants.

(a) The Authority agrees that so long as any of the Bonds remain Outstanding, it will not (to the extent within its power or direction) use any money on deposit in any fund maintained in connection with the Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other source, in a manner that would cause the Bonds to be "arbitrage bonds," within the meaning of Section 148 of the Code. In the event the Authority is made aware that it is necessary to restrict or limit the yield on the investment of moneys held by the Trustee pursuant to this Indenture, or to use such moneys in any certain manner to avoid the Bonds being considered "arbitrage bonds," the Authority shall (to the extent within its power or direction) deliver to the Trustee a written certificate to such effect and appropriate instructions specifying the investments to be made.

(b) The Authority shall not (to the extent within its power or direction) use or permit the use of any proceeds of Bonds or any other funds of the Authority, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the Bonds being treated other than an obligation described in Section 103(a) of the Code.

(c) The Trustee agrees, upon receipt of the Tax Compliance Agreement and other written letter or opinion of Bond Counsel which sets forth such requirements, to comply with any statute, regulation or ruling that may apply to it as Trustee hereunder and relating to reporting requirements or other requirements (such as arbitrage rebate) necessary to preserve the exclusion from federal gross income of the interest on the Bonds.

(d) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to Article XI or any other provision of this Indenture, until the final maturity date of all Bonds Outstanding.

ARTICLE VII

DEFAULT AND REMEDIES

Section 701. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default" under this Indenture:

- (a) default in the due and punctual payment of any interest on any Bond; or
- (b) default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond, whether at the stated maturity or accelerated maturity thereof, or upon proceedings for redemption thereof; or
- (c) the Authority shall for any reason be rendered incapable of fulfilling its obligations under this Indenture, or the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture or any Supplemental Indenture on the part of the Authority to be performed, and such incapacity or default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority and the Company by the Trustee (which notice may be given by the Trustee in its discretion and shall be given at the written request of the Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding); provided, however, if any such default shall be correctable but is such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Authority or the Company within such period and diligently pursued until the default is corrected; or
- (d) any Event of Default as specified in Sections 8.1 of the Loan Agreement has occurred and is continuing.

With regard to any alleged default concerning which notice is given to the Company under the provisions of this Section, the Authority hereby grants the Company full authority for account of the Authority to perform any covenant or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Authority, with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts in order to remedy such default.

Section 702. Acceleration of Maturity in Event of Default. If an Event of Default shall have occurred and be continuing, the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding shall, by notice in writing delivered to the Authority and the Company, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. If, however, at any time after the principal of the Bonds then Outstanding shall have so become due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such acceleration or before the completion of the enforcement of any other remedy under this Indenture, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all fees and expenses of the Trustee in connection with such default shall have been paid or provided for, upon the written request of the Owners of at least a majority in aggregate principal amount of all Bonds then Outstanding, then and in every case the acceleration of the Bonds then Outstanding and the consequences of such acceleration shall be annulled or rescinded, but no such annulment or rescission shall extend to or affect any subsequent acceleration of the Bonds then Outstanding, or impair any right consequent hereon.

Section 703. Appointment of Receivers in Event of Default. If an Event of Default shall have occurred and be continuing, and upon the filing of a suit or other commencement of judicial

proceedings to enforce the rights of the Trustee and of the Bondowners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the Loan Payments, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 704. Exercise of Remedies by the Trustee.

(a) Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or equity by suit, action, mandamus or other proceeding (including but not limited to any rights of a secured party under the Uniform Commercial Code of the State) to enforce the payment of the principal of, redemption premium, if any, and interest on the Bonds then Outstanding, to realize on or to foreclose any of its interests or liens hereunder or under any other of the Bond Documents, to enforce and compel the performance of the duties and obligations of the Authority as herein set forth and to enforce or preserve any other rights or interests of the Trustee under this Indenture with respect to any of the Trust Estate or otherwise existing at law or in equity.

(b) If an Event of Default has occurred and is continuing, and if requested so to do by the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding and if indemnified as provided in Section 801(g), the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article as the Trustee shall deem most expedient in the interests of the Bondowners.

(c) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall, subject to the provisions of Section 707, be for the equal benefit of all the Owners of the Outstanding Bonds.

Section 705. Limitation on Exercise of Remedies by Bondowners.

(a) No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (1) a default has occurred of which the Trustee has been notified as provided in Section 801(p) or of which by said section the Trustee is deemed to have notice, (2) such default shall have become an Event of Default, (3) the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee, shall have provided it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and shall have provided to the Trustee indemnity as provided in Section 801(g), and (4) the Trustee shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name.

(b) Such notification, request and offer of indemnity are, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy under this Indenture.

(c) The Owners of the Bonds have no right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right under this Indenture except in the manner provided in this Indenture. All proceedings at law or in equity shall be instituted, had and maintained in the manner provided in this Indenture for the equal benefit of the Owners of all Bonds then Outstanding.

(d) Nothing in this Indenture contained shall, however, affect or impair the right of any Owner to payment of the principal of and interest on any Bond at and after the maturity thereof or the obligation of the Authority to pay the principal of, redemption premium, if any, and interest on each of the Bonds to the respective Owners thereof at the time, place, from the source and in the manner in this Indenture and in the Bonds expressed.

Section 706. Right of Bondowners to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of Bonds then Outstanding have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, custodian or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture. The Trustee has the right to decline to follow any such direction if the Trustee in good faith determines that the proceedings so directed would involve it in personal liability for which it has not been indemnified.

Section 707. Application of Moneys in Event of Default.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall be applied as follows:

FIRST: Pro rata to the payment of all expenses (including but not limited to attorneys' fees) and disbursements associated with the collection of such moneys incurred by or on behalf of the Authority, the Trustee or the Mortgage Trustee with interest at the Prime Rate. Any such interest shall belong to the party incurring the expense or disbursement.

SECOND: Pro rata to the payment of all advances by the Authority or the Trustee with interest at the Prime Rate. Any such interest shall belong to the party making the advance.

THIRD:

A. If the principal of all the Bonds shall not have become due and payable, all such moneys shall be applied:

First: Pro rata to the Persons entitled thereto of all installments of interest then due and payable on the Bonds, with interest at the stated rate of interest on the Bonds.

Second: Pro rata to the Persons entitled thereto of the unpaid principal of any of the Bonds (other than Bonds called for redemption for the payment of

which moneys are held pursuant to the provisions of this Indenture) with interest at the stated rate of interest on the Bonds.

B. If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied pro rata to the payment of the principal and interest then due and unpaid on all the Bonds to the persons entitled thereto with interest at the stated rate of interest on the Bonds.

C. If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled (under the provisions of this Article), then the moneys shall be applied in accordance with part "A" of this subsection.

(b) The provisions of subsection (a) notwithstanding, owners of Additional Obligations shall be entitled to receive amounts collected pursuant to the exercise of remedies permitted under the Loan Agreement and any other Bond Document to the extent provided therein.

(c) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(d) Whenever all of the Bonds and interest thereon have been paid under the provisions of this Section, and all expenses and charges of the Trustee and the Authority have been paid, and all amounts owing to the United States Government under Section 148 of the Code have been paid, any balance remaining in the Debt Service Fund shall be paid to the Company as provided in Section 413.

Section 708. Remedies Cumulative. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondowners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every case the Authority, the Company, the Trustee and the Owners shall be restored to their former positions and all rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 709. Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal upon the written

request of the Owners of at least a majority in aggregate principal amount of all Bonds then Outstanding in the case of any default; provided, however, that there shall not be waived without the consent of the Owners of all the Bonds Outstanding (a) an Event of Default in the payment of the principal of any Outstanding Bonds at the date of maturity specified therein, or (b) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission of the Event of Default referred to in (a) or (b) above, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every case the Authority, the Company, the Trustee and the Bondowners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

ARTICLE VIII

THE TRUSTEE

Section 801. Acceptance of Trusts.

(a) The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. Any action taken by the Trustee in accordance with this Indenture upon the request, authority, or on consent of any person who, at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or upon transfer or in place thereof.

(d) The Trustee shall be entitled to rely upon a certificate of the Company as to the sufficiency of any request or direction of the Company mentioned herein, the existence or non-existence of any fact or the sufficiency or validity of any instrument, paper or proceeding, or that a resolution in the form therein set forth has been adopted by the governing board of the Company has been duly adopted, and is in full force and effect.

(e) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate of the Company or the Authority.

(f) The Trustee may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.

(g) Notwithstanding any provision of this Indenture to the contrary, the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture whether at the request or direction of any of the Bondowners pursuant to this Indenture or otherwise, unless such Bondowners shall have offered to the Bond Trustee reasonable security or indemnity against the fees, advances, costs, expenses and liabilities, including those arising in connection with any environmental claim (except as may result from the Trustee's own negligence or willful misconduct) which might be incurred by it in compliance with such request or direction.

(h) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Authority, personally or by agent or attorney.

(i) The Trustee assumes no responsibility for the correctness of the recitals contained in this Indenture and in the Bonds, except the certificate of authentication on the Bonds or for the recording or rerecording, filing or refiling of this Indenture or any security agreement in connection therewith, or for insuring the Project or the Facilities or collecting any insurance money or for the sufficiency of security for the Bonds. The Trustee makes no representations to the value or condition of the Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Authority or the Company of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the Authority or the Company under any provision of this Indenture.

(j) The Trustee, in its individual or any other capacity, may become the Bondowner or pledgee of Bonds and may otherwise deal with the Authority or the Company with the same rights it would have if it were not Trustee.

(k) All money received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Indenture. The Trustee shall be under no liability for interest on any money received by it hereunder except for earnings on Permitted Investments purchased at the written direction of the Company and except in the case of a failure to follow investment directions from the Company in accordance with Section 502.

(l) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.

(m) The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(n) The Trustee shall not be required to give any bond or security in respect of the execution or administration of this Indenture.

(o) Notwithstanding any other provision of this Indenture to the contrary, any provision intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification to the Trustee shall be interpreted to include any action of the Trustee whether it is deemed to be in its capacity as Trustee, Bond Registrar, Paying Agent or Tender Agent.

(p) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, except failure of the Authority to cause to be made any of the payments to the Trustee required to be made in Article IV (including, without limitation, Loan Payments due from the Company under Section 4.1 of the Loan Agreement and Additional Payments due from the Company under Section 4.2(e) of the Loan Agreement), unless the Trustee shall be specifically notified in writing of such Event of Default by the Authority, the Company, or by the Owners of at least 10% in aggregate principal amount of all Bonds then Outstanding.

(q) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, with reasonable notice, shall have the right, but shall not be required, to inspect any and all of the Project, including all books, papers and records of the Authority pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(r) The Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, appraisal or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee as are deemed desirable for the purpose of establishing the right of the Authority to the

authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee.

(s) The Trustee may elect not to proceed in accordance with the directions of the Owners without incurring any liability to the Owners if, in the opinion of the Trustee, such direction may result in environmental or other liability to the Trustee, in its capacity as Trustee or in an individual capacity, for which the Trustee has not received indemnity pursuant to Section 801(g) from the Owners, and the Trustee may rely upon an opinion of Counsel addressed to the Trustee in determining whether any action directed by the Owners or the Authority may result in such liability.

(t) The Trustee may inform the Owners of environmental hazards that the Trustee has reason to believe exist, and the Trustee shall have the right to take such action as it shall determine or to take no further action if the Trustee determines that any such action or inaction would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not received indemnity pursuant to Section 801(g).

Section 802. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment of and reimbursement for reasonable fees for its ordinary services rendered hereunder and all advances, agent and counsel fees and other ordinary expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services and, in the event that it should become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the neglect or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and as Bond Registrar for the Bonds. Pursuant to the provisions of the Loan Agreement, the Company has agreed to pay to the Trustee as Additional Payments all reasonable fees, charges and expenses of the Trustee, and the Trustee agrees to look only to the Company for the payment of all reasonable fees, charges and expenses of the Trustee and any Paying Agent as provided in the Loan Agreement. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a lien with right of payment prior to payment on account of principal of, redemption premium, if any, or interest on any Bond, upon all moneys in its possession under any provisions of this Indenture (except moneys in the Rebate Fund) for the foregoing advances, fees, costs and expenses incurred.

Section 803. Notice to the Bondowners if Default Occurs. If a default occurs of which the Trustee is required by Section 801(p) to take notice or if notice of default be given as in said section provided, then the Trustee shall, as soon as practicable, give written notice thereof to the Owners of all Bonds then Outstanding as shown by the Bond Register.

Section 804. Intervention by the Trustee. In any judicial proceeding to which the Authority is party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of the Bonds, the Trustee may intervene on behalf of Bondowners and shall do so if requested in writing by the Owners of at least 25% in the aggregate principal amount of Bonds then Outstanding, provided that the Trustee shall first have been provided such reasonable indemnity as it may require against the reasonable costs, expenses and liabilities which it may incur in or by reason of such proceeding. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 805. Successor Trustee Upon Merger, Consolidation or Sale. Any corporation or association with or into which the Trustee may be merged or converted or with or into which it may be consolidated, or to which the Trustee may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, provided such corporation or association is otherwise eligible under Section 806, shall be and become successor Trustee under this Indenture and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of the Authority or the Trustee.

Section 806. Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be a trust company or commercial bank located in the State and in good standing and qualified to accept such trusts having a reported capital and surplus of not less than \$25,000,000. If such institution publishes reports of conditions at least annually pursuant to law or regulation, then for the purposes of this section the capital and surplus of such institution shall be deemed to be its capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner provided in Section 807. No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the successor Trustee has accepted its appointment under Section 809.

Section 807. Resignation of Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice to the Authority, the Company and the Bondowners, but no such resignation shall take effect until the appointment of a successor Trustee by the Bondowners or by the Authority pursuant to Section 809.

Section 808. Removal of Trustee. The Trustee may be removed for cause or without cause at any time by an instrument or concurrent instruments in writing delivered (a) to the Trustee, the Authority and the Company and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding or (b) so long as no Event of Default or condition that with the giving of notice or the passage of time, or both, would constitute an Event of Default hereunder or under the Loan Agreement has occurred and is continuing, to the Trustee and the Authority and signed by the Company. The Authority, the Company or any Bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee.

Section 809. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or shall otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing; provided, nevertheless, that in case of such vacancy the Authority, by an instrument executed and signed by its Chairman or Vice Chairman and attested by its Secretary under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondowners in the manner above provided; and any such temporary Trustee so appointed by the Authority shall immediately and without further acts be superseded by the successor Trustee so appointed by such Bondowners. If a successor Trustee or a temporary Trustee has not been appointed by the Bondowners within 30 days, the Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee.

Section 810. Vesting of Trusts in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority and the Company an instrument in writing accepting such appointment hereunder, and thereupon such successor shall become fully vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of its predecessor; but such predecessor shall, nevertheless, on the written request of the Authority, execute and deliver an instrument transferring to such successor Trustee all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

Section 811. Right of Trustee to Pay Taxes and Other Charges. In case any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the Facility is not paid as required herein or in the Loan Agreement, or in the case any amount required to be rebated to the United States pursuant to the provisions of Section 148(f) of the Code is not paid when due, the Trustee may pay such tax, assessment, rebate or governmental or other charge or insurance premium, without prejudice, however, to any rights of the Trustee or the Bondowners hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at the Prime Rate, shall become an additional obligation secured by this Indenture and the same shall be given a preference in payment from the Trust Estate over any payment of principal of, premium, if any, or interest on the Bonds, if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the Owners of at least 25% of the aggregate principal amount of Bonds then Outstanding and shall have been provided adequate funds for the purpose of such payment.

Section 812. Trust Estate May be Vested in Co-Trustee.

(a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Loan Agreement, and in particular in case of the enforcement of either on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee, or take any other action which may be desirable or necessary in connection therewith, it may be necessary or desirable that the Trustee appoint an individual or institution as a co-trustee or separate trustee, and the Trustee is hereby authorized to appoint such co-trustee or separate trustee.

(b) In the event that the Trustee appoints an additional individual or institution as co-trustee or separate trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, title, interest and lien expressed or intended by this Indenture to be exercised by the Trustee with respect thereto shall be exercisable by such co-trustee or separate trustee but only to the extent necessary to enable such co-trustee or separate trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such co-trustee or separate trustee shall run to and be enforceable by either of them.

(c) Should any deed, conveyance or instrument in writing from the Authority be required by the co-trustee or separate trustee so appointed by the Trustee for more fully and certainly vesting in and

confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

(d) In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all the properties, rights, powers, trusts, duties and obligations of such co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such co-trustee or separate trustee.

Section 813. Annual Accounting. The Trustee shall render an annual accounting for each calendar year ending December 31 to the Authority, to the Company and to any Bondowner requesting the same and paying the costs associated therewith, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period, including investment earnings and the balance in any funds or accounts created by this Indenture as of the beginning and close of such accounting period. On or before January 31 of each calendar year, the Trustee shall provide to the Authority and to the Authority's independent auditor representations as to the accuracy of the facts contained in the financial reports that were delivered by the Trustee with respect to the calendar year ending the previous December 31.

Section 814. Paying Agents.

(a) The Authority may appoint a Paying Agent other than the Trustee for any series of Bonds and covenants and agrees that upon such appointment it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which it shall agree with the Trustee, subject to the provisions of this Section:

(1) that such Paying Agent shall hold in trust for the benefit of the Owners of Bonds of such series or of the Trustee all sums held by such Paying Agent for the payment of the principal of and premium, if any, or interest on the Bonds of such series;

(2) that such Paying Agent will give the Trustee notice of any payment by the Company of the principal of and premium, if any, and interest on a Bond of such series, specifying the amount paid and, to the extent known to it, identifying each Bond on which any payment was made by number, series and the name of the Owner, if any; and

(3) that, at any time during the continuance of any default, upon the written request of the Trustee, such Paying Agent will forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

(b) Anything in subsection (a) to the contrary notwithstanding, the Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, cause to be paid to the Trustee all sums held in trust by any Paying Agent as required by subsection (a), such sums to be held by the Trustee upon the trusts herein contained.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures Not Requiring Consent of Bondowners. The Authority and the Trustee may from time to time, without the consent of or notice to any of the Bondowners, enter into such Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions of this Indenture, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Indenture or to release property from the Trust Estate which was included by reason of an error or other mistake;
- (b) to grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondowners or the Trustee or either of them;
- (c) to more precisely identify any Additional Project or to add additional property thereto;
- (d) to subject to this Indenture additional revenues, properties or collateral;
- (e) to issue Additional Bonds as provided in Section 203 or Additional Obligations pursuant to the Loan Agreement;
- (f) to modify, amend or supplement this Indenture or any indenture supplemental thereto in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States;
- (g) to provide for the refunding or advance refunding of any Bonds or Additional Obligations;
- (h) to evidence the appointment of a separate trustee or the succession of a new trustee hereunder;
- (i) to modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit the issuance of coupon Bonds of any series hereunder and to permit the exchange of Bonds from fully registered form to coupon form and vice versa; or
- (j) to make any other change which, in the sole judgment of the Trustee, does not materially adversely affect the security for the Bondowners. In exercising such judgment the Trustee may rely on an opinion of Counsel acceptable to the Company, the Authority and a majority in aggregate principal amount of the Bonds then Outstanding.

Section 902. Supplemental Indentures Requiring Consent of Bondowners.

- (a) In addition to Supplemental Indentures permitted by Section 901 and subject to the terms and provisions contained in this Section, and with the written consent of the Owners of not less than a

majority in aggregate principal amount of the Bonds then Outstanding, the Authority and the Trustee may from time to time enter into such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the Authority for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing in this Section contained shall permit or be construed as permitting:

- (1) an extension of the maturity of the principal of or the scheduled date of payment of interest on any Bond issued hereunder, or
- (2) a reduction in the principal amount, redemption premium or any interest payable on any Bond, or
- (3) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or
- (4) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture, or
- (5) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee.

(b) If at any time the Authority shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed to each Bondowner. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondowners. If within 60 days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 903. Company's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article which affects any rights of the Company shall not become effective unless and until the Company shall have consented in writing to the execution and delivery of such Supplemental Indenture, provided that receipt by the Trustee of a Supplemental Loan Agreement executed by the Company in connection with the issuance of Additional Bonds under Section 203 shall be deemed to be the consent of the Company to the execution of a Supplemental Indenture pursuant to Section 203. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture (other than a Supplemental Indenture proposed to be executed and delivered pursuant to Section 203) together with a copy of the proposed Supplemental Indenture to be mailed to the Company at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

Section 904. Opinion of Bond Counsel. Notwithstanding anything to the contrary in Sections 901 or 902, before the Authority and the Trustee enter into any Supplemental Indenture pursuant to Section 901 or 902, there shall have been delivered to the Trustee an opinion of Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the validity of the Bonds or the exclusion of interest on tax-exempt Bonds from gross income for federal income tax purposes.

ARTICLE X

SUPPLEMENTAL LOAN AGREEMENTS

Section 1001. Supplemental Loan Agreements Not Requiring Consent of Bondowners. The Authority and the Trustee may, without the consent of or notice to the Bondowners, consent to the execution of any Supplemental Loan Agreements by the Authority and the Company as may be required:

- (a) by the provisions of the Loan Agreement and this Indenture,
- (b) for the purpose of curing any ambiguity or formal defect or omission in the Loan Agreement,
- (c) so as to more precisely identify any Additional Project or add additional property thereto,
- (d) in connection with the issuance of Additional Bonds or Additional Obligations under Section 203, or
- (e) in connection with any other change therein which, in the sole judgment of the Trustee, does not materially adversely affect the security for the Bondowners. In exercising such judgment, the Trustee may rely on an opinion of Counsel.

Section 1002. Supplemental Loan Agreements Requiring Consent of Bondowners.

(a) In addition to Supplemental Loan Agreements permitted by Section 1001, the Authority and the Trustee may consent to the execution of any Supplemental Loan Agreements by the Authority and the Company with the mailing of notice and the obtaining of the written consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and obtained as provided in Section 902. No such Supplemental Loan Agreement, however, will be entered into which permits (a) an extension of the maturity of the principal of or the interest on any Note, or (b) any reduction in the principal amount of any Note or the premium or rate of interest payable thereon.

(b) If at any time the Authority and the Company requests the consent of the Trustee to any proposed Supplemental Loan Agreement under this Section, the Trustee will cause notice of such proposed Supplemental Loan Agreement to be mailed in the same manner as provided by Section 902 with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Loan Agreement and shall state that copies of the same are on file at the principal corporate office of the Trustee for inspection by all Bondowners.

Section 1003. Opinion of Bond Counsel. Anything to the contrary in Sections 1001 or 1002 notwithstanding, before the Authority and the Trustee consent to any Supplemental Loan Agreement, there shall have been delivered to the Trustee an opinion of Bond Counsel stating that such amendment is authorized or permitted by this Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority (if the Authority is a party thereto) in accordance with its terms and will not adversely affect the validity of the Bonds or the exclusion from federal gross income of interest on tax-exempt Bonds and an opinion of Counsel stating that such Supplemental Loan Agreement will be valid and binding upon the Company.

ARTICLE XI

SATISFACTION AND DISCHARGE OF INDENTURE

Section 1101. Bonds Deemed To Be Paid.

(a) Any Bond or Bonds shall be deemed to be paid and no longer Outstanding under this Indenture and shall cease to be entitled to any lien, benefit or security under this Indenture if the Authority shall pay or provide for the payment of such Bond or Bonds in any one or more of the following ways:

(1) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bond or Bonds, as and when the same become due and payable;

(2) by delivering and surrendering to the Trustee, for cancellation by it, such Bond or Bonds; or

(3) by depositing with the Trustee, in trust, moneys or Defeasance Obligations in such amounts and with maturities as the Trustee shall determine will be, together with other moneys deposited therein and together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bond or Bonds at or before their respective maturity dates and to pay the interest thereon as it comes due, and, in the case of Bonds which do not mature or will not be redeemed within 90 days of such deposit, a verification report of a recognized accountant as to the adequacy of trust funds to fully pay the Bonds deemed to be paid.

(b) Notwithstanding the foregoing, in the case of any Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (3) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been given in accordance with Article III or irrevocable instructions shall have been given to the Trustee to give such notice and, with respect to Bonds to be paid upon maturity or redemption on a date which is more than 90 days from the date of deposit, the Trustee shall have received an opinion of Bond Counsel to the effect that the requirements of the Article have been satisfied and that said deposit will not cause the interest on any tax-exempt Bonds to be includable in gross income for federal income tax purposes.

(c) Notwithstanding any provisions of any other Section of this Indenture which may be contrary to the provisions of this Section, all moneys or Defeasance Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of Bonds (including redemption premium thereon, if any) shall be held irrevocably in trust for the Owners of such Bonds and applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) with respect to which such moneys and Defeasance Obligations have been so set aside in trust.

Section 1102. Satisfaction and Discharge of the Indenture.

(a) The principal of, redemption premium, if any, and interest on all of the Bonds shall have been paid in accordance with their terms, or provision has been made for such payment as provided in Section 1101, and provision shall also be made for paying all other sums payable hereunder, including the payment of any arbitrage rebate to the United States and the fees and expenses of the Authority, the Trustee and any Paying Agent to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect of this Indenture shall thereupon cease, determine and be void, and thereupon the Trustee, upon Written Request of the Authority, and upon receipt by the Trustee of an opinion of Bond Counsel to the effect that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall cancel, discharge and release this Indenture and shall execute, acknowledge and deliver to the Authority such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the Authority, the Company or other Person entitled thereto as their respective interests may appear, any property and revenues at the time subject to this Indenture which may then be in its possession, other than moneys or obligations held by the Trustee for the payment of the principal of and interest and redemption premium, if any, due or to become due on the Bonds.

(b) The Authority is hereby authorized to accept a certificate by the Trustee that the whole amount of the principal and interest and redemption premium, if any, so due and payable upon all of the Bonds then Outstanding and all other amounts required to be paid hereunder have been paid or such payment has been provided for in accordance with Section 1101 as evidence of satisfaction of this Indenture, and upon receipt thereof shall cancel and erase the inscription of this Indenture from its records.

(c) Upon provision for the payment of all Outstanding Bonds in accordance with this Section, and compliance with the other payment requirements of Section 1101, and subject to the provisions of this Section, the Indenture may be discharged in accordance with the provisions of this Indenture; provided, however, that the obligation of the Authority in respect of such Bonds shall nevertheless continue but the Owners thereof shall thereafter be entitled to payment only out of the moneys or Defeasance Obligations deposited with the Trustee as aforesaid.

(d) Provision for payment of the Bonds Outstanding hereunder may not be made as aforesaid nor may this Indenture be discharged if under any circumstances the interest on such Bonds theretofore tax-exempt is thereby made subject to federal income taxation. In determining the foregoing, the Trustee may rely upon an opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that so providing for the payment of any Bonds will not cause the interest on the Bonds to be subject to federal income taxation under Section 103(a) of the Code, notwithstanding the satisfaction and discharge of this Indenture.

Section 1103. Payment of Bonds After Discharge. Notwithstanding the discharge of the lien of this Indenture as provided in this Article, the Trustee shall nevertheless retain such rights, powers and

duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein. Nevertheless, any moneys held by the Trustee or any Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any Bond remaining unclaimed for four years after the principal of all Bonds has become due and payable, whether at maturity or upon proceedings for redemption or by declaration as provided herein, shall then be paid to the Company and the Owners of any Bonds not theretofore presented for payment shall thereafter be entitled to look only to the Company for payment thereof and all liability of the Trustee or any Paying Agent or the Authority with respect to such moneys shall thereupon cease.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1201. Consents and Other Instruments by Bondholders.

(a) Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(1) the fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution; and

(2) the fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register.

(b) In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Company or any Affiliate shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Company or any Affiliate.

Section 1202. Limitation of Rights Under the Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied by this Indenture or the Bonds is intended or shall be construed to give any person other than the parties hereto, and the Owners of the Bonds, any right, remedy or claim under or in respect to this Indenture, this Indenture and all of the

covenants, conditions and provisions of this Indenture being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owners of the Bonds as provided in this Indenture.

Section 1203. Notices. All notices, certificates or other communications under this Indenture shall be given to all parties identified below, shall be in writing (except as otherwise expressly provided herein) and shall be sufficiently given and shall be deemed given when delivered by hand delivery, telegram or facsimile or served by depositing the same with the United States Postal Service, or any official successor thereto, designated as Registered or Certified Mail, Return Receipt Requested, bearing adequate postage, or delivery by reputable private courier such as Federal Express, Airborne, DHL or similar overnight delivery service, and addressed as hereinafter provided. Notices, except to the Trustee, shall be deemed given when mailed as provided herein. Notices to the Trustee shall be deemed given only when received by the Trustee. All parties identified below may, by written notice given by each to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Indenture. Any notice, certificate, report, financial statement or other communication properly provided by legal counsel on behalf of any party hereunder shall be deemed properly provided by the party represented by such counsel. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

(a) To the Authority at:

State Environmental Improvement and Energy
Resources Authority
325 Jefferson Street
Jefferson City, Missouri 65102
Attention: Director
(573) 751-4919

(b) To the Trustee at:

UMB Bank, N.A.
928 Grand Boulevard, 13th Floor
Kansas City, Missouri 64106
Attention: Corporate Trust Department
(816) 860-7000

(c) To the Company at:

The Raytown Water Company
9820 E. 63rd Street
Raytown, Missouri 64133
Attention: President
(816) 356-0333

Any provision in this Indenture relative to the mailing of a notice or other paper to Bondowners shall be fully complied with if it is mailed by first class mail, postage prepaid, to each Owner of any Bonds then Outstanding at the address of the Owner appearing upon the Bond Register.

Section 1204. Suspension of Mail Service. If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient notice.

Section 1205. Immunity of Officers, Employees and Members of Authority. No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Bonds.

Section 1206. Limitation on Authority Obligations.

(a) Any and all obligations (including without limitation, fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Authority or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Indenture or any of the Bond Documents or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively the "Obligations-"), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

(i) proceeds of the Bonds and investments therefrom; and

(ii) payments derived from the Bonds, the Indenture (including the Trust Estate to the extent provided in the Indenture) and the Loan Agreement (except for the fees and expenses of the Authority and the Authority's right to indemnification under the Loan Agreement under certain circumstances).

The above provisions (i) and (ii) being collectively referred to as the "exclusive sources of the Obligations."

(b) The Obligations 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 or of the Authority, but shall be payable solely from and out of the exclusive sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon the State or any charge upon its general credit or taxing power.

(c) In no event shall any member, officer, agent, director, employee, representative or advisor of the Authority, or any successor or assign of any such person or entity, be liable, personally or otherwise, for any Obligation.

(d) In no event shall this Indenture be construed as:

(1) depriving the Authority of any right or privilege; or

(2) requiring the Authority or any member, officer, director, agent, employee, representative or advisor of the Authority to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else, which deprivation or requirement would violate or result in the Authority's being in violation of the Act or any other applicable state or federal law.

(e) At no time and in no event will the Company permit, suffer or allow any of the proceeds of the Notes to be transferred to any person or entity in violation of, or to be used in any manner which is prohibited by, the Act or any other state or federal law.

Section 1207. Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions of this Indenture or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained shall not affect the remaining portions of this Indenture, or any part thereof.

Section 1208. Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1209. Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf and its official seal to be hereunto affixed and attested by its duly authorized officers and, to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf and its corporate seal to be hereunto affixed and attested by its duly authorized officers, all as of the date first above written.

**STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY**

By *Alvin Barman*
Chairman

(SEAL)
ATTEST:

[Signature]
Secretary

UMB BANK, N.A., as Trustee

[SEAL]

ATTEST:

Maria Stevens
Title: Assistant Secretary

[Signature]
Title: SVP

**EXHIBIT A
TO INDENTURE OF TRUST**

FORM OF SERIES 1999 BONDS

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED ONLY IN DENOMINATIONS OF \$100,000 OR INTEGRAL MULTIPLES OF \$5,000 IN EXCESS THEREOF TO "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF RULE 144A PROMULGATED BY THE SECURITIES EXCHANGE COMMISSION AND PURSUANT TO THE OTHER TERMS AND CONDITIONS CONTAINED IN THE INDENTURE.

UNITED STATES OF AMERICA

STATE OF MISSOURI

**Registered
No. R - _____**

**Registered
\$ _____**

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

**WATER FACILITIES REFUNDING REVENUE BOND
(THE RAYTOWN WATER COMPANY)
SERIES 1999[A][B]**

Interest Rate

Maturity Date

Dated Date

CUSIP

July 1, 1999

Registered Owner: _____

Principal Amount: _____ DOLLARS

THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY (STATE OF MISSOURI), a body corporate and politic and a governmental instrumentality of the State of Missouri (herein called the "Authority"), for value received, promises to pay, but solely from the sources hereinafter specified to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, except as the provisions hereinafter 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 specified above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on March 1 and September 1 in each year, commencing September 1, 1999, until said Principal Amount is paid.

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 of and redemption premium, if any, on this Bond shall be payable by check or draft to the Registered Owner at the maturity or redemption date hereof upon presentation and surrender of this Bond at the principal corporate trust office of UMB Bank, N.A., in the City of Kansas City, Missouri (the "Trustee-). The interest payable on this Bond on any Interest Payment Date shall be paid by the Trustee to the Registered Owner appearing on the registration books of the Authority (the "Bond Register") maintained by the Trustee, as Bond Registrar, at the close of business on the Record Date for such interest, which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Payment Date and shall be paid by check or draft of the Trustee mailed to such Registered Owner at his address as it appears on such Bond Register or at such other address furnished in writing by such Registered Owner to the Trustee. At the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least \$1,000,000, interest shall be paid by electronic transfer to the bank for credit to the account number filed with the Trustee no later than the Record Date.

[Series 1999A Bonds: This Bond is one of a series of Bonds of the Authority limited in aggregate original principal amount to \$2,470,000 and designated as "Water Facilities Refunding Revenue Bonds (The Raytown Water Company) Series 1999A" (the "Series 1999A Bonds"), issued on a parity with the Authority's "Taxable Water Facilities Revenue Bonds (The Raytown Water Company) Series 1999B" (the "Series 1999B Bonds," collectively with the Series 1999A Bonds, the "Series 1999 Bonds") issued in the original principal amount of \$200,000.] [Series 1999B Bonds: This Bond is one of a series of Bonds of the Authority limited in aggregate original principal amount to \$200,000 and designated as "Taxable Water Facilities Revenue Bonds (The Raytown Water Company) Series 1999B" (the "Series 1999B Bonds"), issued on a parity with the Authority's "Water Facilities Refunding Revenue Bonds (The Raytown Water Company) Series 1999A" (the "Series 1999A Bonds," collectively with the Series 1999B Bonds, the "Series 1999 Bonds") issued in the original principal amount of \$2,470,000.]

The Series 1999 Bonds are issued for the purpose of making a loan to The Raytown Water Company, a Missouri corporation (the "Company"), to provide funds to refund certain prior bonds issued by the Authority, the proceeds of which were used to finance the construction, acquisition and installation of transmission mains and an elevated water tank in the City of Raytown, Missouri (the "Project"), all by the authority of and in full compliance with the provisions, restrictions and limitations of the laws of the State of Missouri (the "State"), particularly Sections 260.005 to 260.125, inclusive, and Appendix B(1), RSMo (the "Act") and pursuant to proceedings duly had by the Authority. The loan will be made pursuant to the Loan Agreement dated as of July 1, 1999 (the Loan Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, the "Loan Agreement"), between the Authority and the Company, and will be evidenced by a Promissory Note Series 1999, of the Company in the principal amount of \$2,670,000 (the "Series 1999 Note") delivered under the Loan Agreement. The loan is secured by a conveyance of the Project to a mortgage trustee under the Deed of Trust and Security Agreement dated as of July 1, 1999 (the "Mortgage"), from the Company to the mortgage trustee for the benefit of the Authority, by a security interest in the Company's machinery, equipment, furnishings, intangible personal property and certain other personal property (with such exceptions as are described in the Mortgage), and a pledge of the Company's "Unrestricted Receivables" under the Mortgage.

The Series 1999 Bonds are issued under and are equally and ratably secured and entitled to the protection given by an Indenture of Trust dated as of July 1, 1999 (the Indenture of Trust, as amended and supplemented from time to time in accordance with the provisions thereof, the "Indenture"), between the Authority and the Trustee, pursuant to which the rights of the Authority under the Loan Agreement, the Series 1999 Note and the Mortgage are pledged and assigned by the Authority to the Trustee as security for the Bonds. Subject to the terms and conditions set forth therein, the Indenture permits the Authority to issue Additional Bonds (as defined in the Indenture) secured by the Indenture on a parity with the Series 1999 Bonds (the Series 1999 Bonds together with any Additional Bonds collectively the "Bonds"). The Indenture, the Loan Agreement and the Mortgage also permit the Company to issue Additional Obligations (as defined therein) in certain circumstances which will be equally and ratably secured on a parity with the Series 1999 Bonds, the Series 1999 Note under the Mortgage. Reference is hereby made to the Indenture for a description of the property pledged and assigned thereunder, 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 Trustee and the Owners of the Bonds, 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.

Pursuant to the provisions of the Loan Agreement, Loan Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, and interest on the Bonds are to be paid by the Company directly to the Trustee for the account of the Authority and deposited in a Debt Service Fund and all Loan Payments under the Loan Agreement have been duly pledged and assigned to the Trustee for that purpose.

The Series 1999A Bonds are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Indenture on March 1 in each of the years 2000 to 2009, inclusive, at 100% of the principal amount thereof plus accrued interest thereon to the redemption date. Bonds to be so redeemed shall be selected by the Trustee in such equitable manner as it may determine.

The Series 1999 Bonds are subject to redemption and payment prior to maturity at the option of the Authority, upon instructions from the Company, on and after March 1, 2005, in whole at any time or in part from time to time on any Interest Payment Date thereon in such equitable manner as the Trustee may determine, at 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

The Series 1999 Bonds are subject to redemption and payment prior to the stated maturity thereof in whole or in part (Bonds to be selected by the Trustee in such equitable manner as it may determine), at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and without premium, on any date in the event the Project or the Facilities or any part thereof is damaged, destroyed or condemned or the Trustee or the Authority realizes upon the title insurance required to be maintained under the Loan Agreement to the extent of funds provided for such purpose in the Loan Agreement.

The Series 1999 Bonds are subject to redemption and payment in whole prior to the date of maturity thereof, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and without premium, on any date if (a) as a result of any changes in the Constitution of the State of Missouri or the Constitution of the United States of America or of legislative or administrative action (whether Missouri or federal) or by final direction, judgment or

order of any court or administrative body (whether state or federal) entered after the contest thereof by the Company in good faith, the Series 1999 Note, the Mortgage, the Loan Agreement or the Indenture shall have become void and unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Series 1999 Note, the Mortgage, the Loan Agreement or the Indenture; or (b) any burden shall have been imposed on the Authority or any unreasonable burden or excessive liability, whether direct or indirect, shall have been imposed on the Company including without limitation federal, state or other ad valorem, property, income or other taxes not being imposed on the date of the Indenture as evidenced by a certificate of the Authority or the Company, as the case may be, delivered to the other and to the Trustee.

The Series 1999 Bonds are subject to mandatory redemption in whole on the earliest practicable date for which notice can be given, if a Determination of Taxability (as defined in the Indenture) occurs, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Notice of redemption, unless waived, is to be given by the Bond Registrar by mailing an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the Authority shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One Bond certificate with respect to each date on which the Bonds are stated to mature or with respect to each form of Bonds, registered in the nominee name of the Securities Depository, is being issued. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations pursuant to the Indenture being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Authority and the Paying Agent will recognize the Securities Depository nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Authority and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements among the Authority, the Paying Agent and the Securities Depository.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED ONLY IN DENOMINATIONS OF \$100,000 OR INTEGRAL MULTIPLES OF \$5,000 IN EXCESS THEREOF TO "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF RULE 144A PROMULGATED BY THE SECURITIES EXCHANGE COMMISSION AND PURSUANT TO THE OTHER TERMS AND CONDITIONS CONTAINED IN THE INDENTURE. This Bond is transferable, as provided in the Indenture, only upon the Bond Register at the above-mentioned office of the Trustee, as Bond Registrar. The Registered Owner hereof in person or by his duly authorized attorney may transfer this Bond by surrendering it to the Bond Registrar, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new Bond or Bonds of the same series 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, the Trustee and any paying agent may deem and treat the person in whose name this Bond is registered 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.

The Bonds are issuable in the form of fully registered Bonds without coupons in the denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Subject to the conditions and upon the payment of the charges provided in the Indenture, the owner of this Bond may surrender the same (together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney), in exchange for an equal aggregate principal amount of Bonds, in any denomination authorized by the Indenture.

The Owner of this 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. Modifications or alterations of the Bonds or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds and the interest thereon are limited obligations of the Authority payable solely out of Loan Payments and other payments derived by the Authority under the Loan Agreement and are secured by a pledge and assignment of the Loan Payments and the trust estate as provided in the Indenture. The Bonds shall never constitute an indebtedness or liability of the State of Missouri or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State but shall be payable by the Authority solely from the funds provided for in the Loan Agreement and in the Indenture. 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.

The State shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any charge upon its general credit or its taxing power.

The Bonds shall not constitute an indebtedness of the State and the State shall not be liable on the Bonds.

No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds of any series or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer, director, member, employee or agent of the Authority, or any officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Authority or any successor corporation or body politic, as such, either directly or through the Authority or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of any of the Bonds.

This 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.

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 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 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 an Assistant Secretary and its corporate seal to be affixed or imprinted hereon, all as of the Dated Date specified above.

CERTIFICATE OF AUTHENTICATION

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

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

By: _____
Chairman

Date of Authentication: _____

[SEAL]

UMB BANK, N.A., Trustee

ATTEST:

By: _____
Authorized Signature

Secretary

(FORM OF ASSIGNMENT)

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

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

the within 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 as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15).

By _____
Title: _____

**EXHIBIT B
TO INDENTURE OF TRUST**

WRITTEN REQUEST

No: _____

Date: _____

(§ 403 - COSTS OF ISSUANCE FUND)

To: UMB Bank, N.A., as Trustee
Kansas City, Missouri, as Trustee

Re: \$2,470,000 Water Facilities Refunding Revenue Bonds (The Raytown Water Company) Series 1999A and \$200,000 Taxable Water Facilities Revenue Bonds (The Raytown Water Company) Series 1999B of the State Environmental Improvement and Energy Resources Authority

Ladies and Gentlemen:

You are hereby authorized and directed as Trustee under the Indenture of Trust dated as of July 1, 1999 (the "Indenture") between the State Environmental Improvement and Energy Resources Authority and you, as Trustee, to pay the following items from moneys in the Costs of Issuance Fund pursuant to Section 403 of the Indenture:

<u>Payee</u>	<u>Amount</u>	<u>Description</u>
--------------	---------------	--------------------

The amount of this requisition is justly due and owing and has not been the subject of another requisition which was paid and is a proper Issuance Cost incurred in connection with the issuance of the Bonds.

THE RAYTOWN WATER COMPANY

By: _____

Title: Company Representative

FIRST SUPPLEMENTAL INDENTURE OF TRUST

Dated as of September 1, 2008

between the

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

and

**UMB BANK, N.A.,
as Trustee**

Relating to

**\$970,000
Water Facilities Refunding and Improvement Revenue Bonds
(The Raytown Water Company)
Series 2008**

FIRST SUPPLEMENTAL INDENTURE OF TRUST

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Exhibit A - Form of Series 2008 Bonds

Exhibit B - Form of Written Request – Project Fund

FIRST SUPPLEMENTAL INDENTURE OF TRUST

THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST (the "First Supplemental Indenture"), made and entered into as of September 1, 2008, 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 **UMB BANK, N.A.**, a 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, and having its principal corporate trust office located in Kansas City, Missouri, as Trustee (the "Trustee");

RECITALS:

1. The Authority is authorized and empowered, under the provisions of Sections 260.005 to 260.125, inclusive, R.S.Mo., as amended, and Appendix B(1) thereto (the "Act"), to issue bonds and loan the proceeds thereof for any of the purposes of the Act, including the payment of "costs" of "water facilities" as defined in the Act.

2. Pursuant to the Act and a resolution duly adopted by the Authority, the Authority previously issued its \$2,470,000 original principal amount of Water Facilities Refunding Revenue Bonds (The Raytown Water Company) Series 1999A (the "Prior Bonds"), under an Indenture of Trust dated as of July 1, 1999 between the Authority and UMB Bank, N.A. (the "Original Indenture," with the Original Indenture as supplemented by this First Supplemental Indenture being the "Indenture") for the purpose of making a loan to The Raytown Water Company, a Missouri corporation (the "Company") pursuant to a Loan Agreement dated as of July 1, 1999, between the Authority and the Company (the "Original Loan Agreement") to provide funds to refinance the construction, acquisition and installation of transmission mains and an elevated water tank at 9906 East 63rd Street (Rear), Raytown, Missouri.

3. The Company has requested that the Authority issue refunding and improvement revenue bonds to refund the Prior Bonds and pay certain related costs and thereby refinance the project financed with the Prior Bonds and to finance the costs of additional transmission mains, vehicles and equipment for the Company (collectively, the "Project").

4. Pursuant to the Act and a resolution duly adopted by the Authority on August 25, 2008 (the "Resolution"), the Authority is authorized to issue \$970,000 principal amount of Water Facilities Refunding and Improvement Revenue Bonds (The Raytown Water Company) Series 2008 (the "Series 2008 Bonds"), under the Indenture for the purpose of making a loan to the Company under the terms of a First Supplemental Loan Agreement of even date herewith (the "First Supplemental Loan Agreement," with the Original Loan Agreement, as supplemented by the First Supplemental Loan Agreement, being the "Loan Agreement"), between the Authority and the Company, to provide funds, together with other available funds of the Company, to refund the Prior Bonds, to finance and refinance the costs of the Project, to fund a debt service reserve and pay costs related to the issuance of the Series 2008 Bonds. The loan will be evidenced by the Company's Promissory Note, Series 2008 (the "Series 2008 Note") in the aggregate principal amount of \$970,000 executed and delivered by the Company under the Loan Agreement.

5. Provision is made in the Indenture for the issuance of additional parity bonds from time to time ("Additional Bonds," the Series 2008 Bonds and any Additional Bonds collectively the "Bonds") on the terms and conditions provided for in the Indenture.

6. All things necessary to make the Series 2008 Bonds, when authenticated by the Trustee and issued as in the Indenture provided, the valid, legal and binding obligations of the Authority, and to constitute the Indenture a valid, legal and binding pledge and assignment of the property, rights, interests and revenues made for the security of the payment of the principal of, redemption premium, if any, and interest on the Bonds issued under the Indenture, have been done and performed, and the execution and delivery of the Indenture and the execution and issuance of the Series 2008 Bonds, subject to the terms of the Indenture, have in all respects been duly authorized.

NOW, THEREFORE, to declare the terms and conditions upon which the Series 2008 Bonds are to be authenticated, issued and delivered and to secure the payment of all of the Series 2008 Bonds issued and Outstanding under this First Supplemental Indenture from time to time according to their tenor and effect, and in consideration of the premises, the purchase and acceptance of the Series 2008 Bonds by the owners thereof, the Authority covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective owners of the Bonds, that the Series 2008 Bonds are to be issued, authenticated and delivered and the Trust Estate is to be held and applied by the Trustee as provided in the Original Indenture, subject to the further covenants, conditions and trusts hereinafter set forth, as follows:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms. For all purposes of this First Supplemental Indenture, except as otherwise provided or unless the context otherwise requires, the following words and terms used in this First Supplemental Indenture shall have 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. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Original Indenture. 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:

"Bond," "Bonds" or "Series of Bonds" means any bond or bonds authenticated and delivered under and pursuant to the Indenture, including the Series 2008 Bonds and Additional Bonds.

"Bond Purchase Agreement" means the Bond Purchase Agreement among the Authority, the Original Purchaser and the Company with respect to each series of Bonds.

"Closing Date" means the date of delivery of and payment for a particular series of Bonds.

"Debt Service Reserve Requirement" means, as of any computation date, \$97,000, plus, if any Additional Bonds are issued, the least of (1) 10% of the sale proceeds of the Additional Bonds, (2) the Maximum Annual Debt Service becoming due on the Additional Bonds in any one Fiscal Year following the date for which such calculation is made, or (3) 125% of the average annual Debt Service for the Additional Bonds during any Fiscal Year. If, however, the Trustee receives an opinion of Bond Counsel that the Debt Service Reserve Requirement must be reduced in order that the amounts on deposit in the Debt Service Reserve Fund may continue to be invested without yield restriction under the Code, then the Debt Service Reserve Requirement will be reduced in conformity with that opinion. The Debt

Service Reserve Requirement may be satisfied by deposits (i) in cash, (ii) Permitted Investments, or (iii) by an insurance policy, letter of credit or surety bond issued by a Qualified Financial Institution in the amount of the Debt Service Reserve Requirement and guaranteeing payments into the Debt Service Reserve Fund as may be required under this Indenture.

"Event of Default" means (a) with respect to this Indenture, any event or occurrence as defined in Section 701, and (b) with respect to the Loan Agreement, any event or occurrence as defined in Section 8.1 of the Loan Agreement.

"Interest Payment Date" means (a) with respect to the Series 1999 Bonds, March 1 and September 1 of each year, beginning on September 1, 1999; (b) with respect to the Series 2008 Bonds, June 1 and December 1 of each year, beginning on December 1, 2008, and (c) with respect to any series of Additional Bonds, the dates specified in the Supplemental Indenture authorizing the Additional Bonds.

"Original Purchaser" means UMB Scout Brokerage Services, Inc., Kansas City, Missouri, with respect to the Prior Bonds, and UMB Bank, N.A., with respect to the Series 2008 Bonds.

"Prior Bonds" means the Authority's Water Facilities Refunding Revenue Bonds (the Raytown Water Company) Series 1999A being refunded with the proceeds of the Series 2008 Bonds.

"Project" means the transmission mains and an elevated water tank at 9906 East 63rd Street (Rear), Raytown, Missouri, located on the Site, which constitute "water facilities" within the meaning of the Act, and which were paid in whole or in part, or for which the Company is reimbursed in whole or in part, from the proceeds of the sale of the Prior Bonds, and the transmission mains, vehicles and equipment, which constitute "water facilities" within the meaning of the Act, and which are paid in whole or in part, or for which the Company is reimbursed in whole or in part, from the proceeds of the sale of the Series 2008 Bonds.

"Series 2008 Bonds" means the Water Facilities Refunding and Improvement Revenue Bonds (The Raytown Water Company) Series 2008, aggregating the principal amount of \$970,000 issued pursuant to Section 201 of this First Supplemental Indenture.

"Series 2008 Note" means the promissory note which evidences the obligation of the Company to repay the loan to the Company and which is referred to in the First Supplemental Loan Agreement and set out in Exhibit A to the First Supplemental Loan Agreement.

"Tax Compliance Agreement" means the Tax Compliance Agreement among the Authority, the Company and the Trustee, as from time to time amended in accordance with the provisions thereof, related to each particular series of the Bonds.

ARTICLE II

THE SERIES 2008 BONDS

Section 201. Authorization of Series 2008 Bonds.

(a) There shall be issued and secured by this First Supplemental Indenture a series of revenue bonds in the aggregate principal amount of \$970,000 for the purpose of providing funds to make a loan to the Company to refund the Prior Bonds and to finance and refinance the costs of the Project,

consisting of the "Water Facilities Refunding and Improvement Revenue Bonds (The Raytown Water Company) Series 2008." The Series 2008 Bonds are dated their date of delivery, become due on December 1 in the years and in the respective principal amounts (subject to prior redemption as hereinafter provided in Article III), and bear interest at the respective rates per annum, as follows:

SERIES 2008 BONDS

<u>Maturity</u> <u>December 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2014	\$970,000	4.23%

The Series 2008 Bonds will bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their dated date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date.

(b) The Trustee is hereby designated as the Authority's paying agent for the payment of the principal of, redemption premium, if any, and interest on the Series 2008 Bonds (herein referred to as the "Paying Agent").

(c) The Series 2008 Bonds shall be numbered from R-1 consecutively upward in order of issuance and shall be issued in Authorized Denominations.

(d) The Series 2008 Bonds shall be executed substantially in the form and manner set forth in Section 203 and delivered to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Series 2008 Bonds by the Trustee there shall be filed with the Trustee the following:

(1) a copy, certified by the Secretary or Assistant Secretary of the Authority, of the Resolution adopted by the Authority authorizing the issuance of the Series 2008 Bonds and the execution of this First Supplemental Indenture, the First Supplemental Loan Agreement and any other Bond Documents to which it is a party;

(2) a copy, duly certified by the Secretary or an Assistant Secretary of the Company, of the resolutions adopted and approved by the Company authorizing the execution and delivery of the First Supplemental Loan Agreement, the Series 2008 Note and the other Bond Documents to which the Company is a party, and approving this First Supplemental Indenture and the issuance and sale of the Series 2008 Bonds;

(3) an original executed counterpart of this First Supplemental Indenture, the First Supplemental Loan Agreement, the Tax Compliance Agreement and each of the other Bond Documents related to the Series 2008 Bonds;

(4) the original executed and endorsed Series 2008 Note;

(5) a request and authorization to the Trustee on behalf of the Authority, executed by an Authority Representative, to authenticate the Series 2008 Bonds and deliver said Series

2008 Bonds to the purchasers therein identified upon payment to the Trustee, for the account of the Authority, of the purchase price thereof;

(6) opinions of Bond Counsel, dated the Closing Date, in substantially the form specified by the Bond Purchase Agreement;

(7) a supplemental opinion of Bond Counsel to the effect that the Series 2008 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(8) certificates of insurers showing that insurance coverage required by Section 5.2 of the Loan Agreement is in force and effect; and

(9) such other certificates, statements, receipts and documents required by any of the Bond Documents or as the Trustee shall reasonably require for the delivery of the Series 2008 Bonds.

(e) When the documents specified in paragraph (d) have been filed with the Trustee, and when the Series 2008 Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Series 2008 Bonds to or upon the order of the Original Purchaser thereof, but only upon payment to the Trustee of the purchase price of the Series 2008 Bonds. The proceeds of the sale of the Series 2008 Bonds, including accrued interest and premium thereon, if any, shall be deposited and applied as provided in Article IV.

Section 202. Method and Place of Payment of Bonds. The interest payable on each Bond on any Interest Payment Date shall be paid by the Trustee to the Person in whose name such Bond is registered on the Bond Register at the close of business on the Record Date for such interest, by check or draft mailed to such registered owner at his address as it appears on such Bond Register. At the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least \$500,000, interest shall be paid by electronic transfer to a bank (located in the continental United States of America) for the credit to the account number filed with the Trustee no later than 10 days preceding 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.

Section 203. Execution and Authentication of Bonds. The Series 2008 Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Exhibit A, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee. Such executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any authorized officer or employee of the Trustee, but it shall not be necessary that the same officer or employee sign the Certificate of Authentication on all of the Bonds that may be issued hereunder at any one time.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Series 2008 Bonds.

(a) *Mandatory Sinking Fund Redemption.* The Series 2008 Bonds are subject to the mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section on December 1 in the years herein provided at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date. The Loan Payments specified in Section 4.1 of the Loan Agreement which are to be deposited into the Principal Account in the Debt Service Fund shall be sufficient to redeem, and the Authority shall redeem, on December 1 in each of the following years, the following principal amounts of the Series 2008 Bonds:

Series 2008 Term Bonds Maturing December 1, 2014

<u>Year</u>	<u>Principal Amount</u>
2009	\$125,000
2010	135,000
2011	145,000
2012	150,000
2013	155,000
2014	260,000

The Trustee shall, in each year in which the Series 2008 Bonds are to be redeemed pursuant to the terms of this subsection (a), make timely selection of such Series 2008 Bonds or portions thereof to be so redeemed in Authorized Denominations in such equitable manner as the Trustee may determine and shall give notice thereof as provided in Section 304 of the Original Indenture without further instructions from the Authority or the Company. The Trustee may, upon written instructions from the Company, use moneys on hand in the Debt Service Fund to purchase Series 2008 Bonds in the open market, to the extent practical, at a price not in excess of their principal amount, and each Bond so purchased shall be credited at 100% of the principal amount thereof on the obligation of the Authority to redeem Series 2008 Bonds of the same maturity on the next mandatory redemption date applicable to Series 2008 Bonds of such maturity, and the principal amount of Series 2008 Bonds of such maturity to be redeemed by operation of this subsection (a) shall be reduced accordingly. At its option, the Authority or the Company may: (1) deliver to the Trustee for cancellation Series 2008 Bonds in the aggregate principal amount desired; or (2) furnish to the Trustee funds, together with written instructions, for the purpose of purchasing any of said Series 2008 Bonds from any Owner thereof whereupon the Trustee shall expend such funds for such purposes to such extent as may be practical; or (3) receive a credit in respect to the mandatory redemption obligation of the Authority under this subsection (a) for any Series 2008 Bonds which prior to such date have been redeemed (other than through the operation of the requirements of this subsection (a)) and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation under this subsection (a). Each Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Authority to redeem Series 2008 Bonds of the same maturity on such redemption date, and any excess of such amount shall be credited on future mandatory redemption obligations for Series 2008 Bonds of the same maturity in chronological order and the principal amount of Series 2008 Bonds of the same maturity to be

redeemed by operation of the requirements of this subsection (a) shall be accordingly reduced. If the Authority or the Company intends to exercise the option granted by the provisions of clauses (1), (2) or (3) of this subsection, the Authority or the Company, as the case may be, will furnish the Trustee a certificate signed by the Authority Representative or the Company Representative, as the case may be, indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with in respect to such mandatory redemption payment.

(b) *Optional Redemption.* The Series 2008 Bonds are subject to redemption and payment prior to maturity, at the option of the Authority, upon instructions from the Company, in whole on any date or in part at any time at a redemption price equal to 102% of the principal amount thereof, plus accrued interest thereon to the redemption date.

ARTICLE IV

CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 401. Creation of Funds and Accounts. There are hereby created and ordered to be established in the custody of the Trustee the following special trust funds in the name of the Authority to be designated as follows:

- (a) Costs of Issuance Fund.
- (b) Escrow Fund.
- (c) Debt Service Fund.
- (d) Debt Service Reserve Fund.
- (e) Rebate Fund.
- (f) Project Fund.

Section 402. Deposit of Bond Proceeds and Other Moneys.

(a) The Authority, for and on behalf of the Company, will deposit with the Trustee all of the purchase price of the Series 2008 Bonds. The Trustee will deposit and apply the purchase price as follows:

- (1) deposit the amount of \$431,200 from the proceeds of the Series 2008 Bonds to the Escrow Fund;
- (2) deposit \$519,400 from the proceeds of the Series 2008 Bonds to the Project Fund;
- (3) deposit \$13,400, representing the balance of the proceeds of the sale of the Series 2008 Bonds, to the Costs of Issuance Fund.

(b) Concurrently with the issuance and delivery of the Series 2008 Bonds, the Trustee will deposit \$150,000 from moneys held by the Trustee for the Prior Bonds to the Debt Service Reserve Fund in the amount of \$97,000, to the Project Fund in the amount of \$40,559.49, and to the Escrow Fund in the amount of \$12,440.51. Other moneys of the Company in the amount of \$13,602.50 shall be deposited

into the Costs of Issuance Fund. Any other money remaining in the funds and accounts for the Prior Bonds will be deposited into the Project Fund.

Section 403. Escrow Fund. Immediately upon deposit of the proceeds of the Bonds to the Escrow Fund, moneys in the Escrow Fund will be disbursed, without further authorization, in accordance with instructions from the Authority for payment of the Prior Bonds.

Section 404. Debt Service Reserve Fund.

(a) The Trustee will deposit in the Debt Service Reserve Fund the initial deposit required to be made under the provisions of Section 402(a) and 402(b), and any additional payments made by the Company pursuant to Section 4.2(e) of the Loan Agreement.

(b) Except as otherwise provided in this Indenture, moneys in the Debt Service Reserve Fund will be applied solely to the payment of the principal of and redemption premium, if any, and interest on the Bonds if sufficient moneys therefor are not available in the Debt Service Fund. In the event the balance of moneys in the Debt Service Fund is insufficient to pay principal of or interest on the Bonds when due and payable, moneys in the Debt Service Reserve Fund will be transferred into the Debt Service Fund in an amount sufficient to make up such deficiency. The Trustee may use moneys in the Debt Service Reserve Fund for such purpose whether or not the amount in the Debt Service Reserve Fund at that time equals the Debt Service Reserve Requirement. Such moneys shall be used first to make up any deficiency in the payment of interest and then principal. Moneys in the Debt Service Reserve Fund shall also be used to pay the last Bonds becoming due unless such Bonds and all interest thereon be otherwise paid.

(c) The Trustee will determine the Value of cash and Permitted Investments in the Debt Service Reserve Fund on each May 15 and November 15 beginning May 15, 2009, at the time of any withdrawal from the Debt Service Reserve Fund and at such other times as the Trustee deems appropriate. If on any valuation date, the Value of cash and Permitted Investments on deposit in the Debt Service Reserve Fund is less than 95% of the Debt Service Reserve Requirement, or at any time any amount is withdrawn from the Debt Service Reserve Fund for the purposes described above, the Trustee will immediately notify the Company of the deficiency, and instruct the Company to make additional payments pursuant to Section 4.2(e) of the Loan Agreement. If the Owners of not less than a majority in principal amount of Bonds then Outstanding approve another schedule of periodic payments, the amount of the deficiency will be paid by the Company to the Trustee in accordance with that schedule. If at any time of valuation, the Value of cash and Permitted Investments on deposit in the Debt Service Reserve Fund is in excess of the Debt Service Reserve Requirement, the Trustee will transfer the amount of the excess to the Debt Service Fund.

Section 405. Project Fund. Moneys in the Project Fund shall be used to pay Costs of the Project as provided in this Section.

(a) The Trustee shall disburse moneys on deposit in the Project Fund from time to time to pay or as reimbursement for payment made for the costs of the Project (other than Costs of Issuance), in each case within 3 Business Days after receipt by the Trustee of written disbursement requests of the Company signed by the Company Representative and approved by the beneficial owner of the Series 2008 Bonds, in substantially the form of Exhibit B hereto, and subject to the conditions set forth in this Section.

(b) In making payments and determinations pursuant to this Section, the Trustee may rely upon such written requests and accompanying certificates and statements and shall not be required to make any independent investigation in connection therewith. If for any reason the Company should decide prior to the mailing or release of payment by the Trustee of any item not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment. If the Authority so requests, a copy of each written disbursement request submitted to the Trustee for payment under this Section shall be promptly provided by the Trustee to the Authority. The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom, and shall file periodic statements of activity regarding the Project Fund with the Company.

(c) If after payment by the Trustee of all disbursement requests theretofore tendered to the Trustee under the provisions of subsection (a) of this Section and after receipt by the Trustee of the certificate of the Company Representative stating the Project has been completed and after all rebatable earnings have been transferred to the Rebate Fund, there shall remain any moneys in the Project Fund, such moneys shall be deposited and applied in the following order of priority: (1) in the Debt Service Reserve Fund to the extent necessary to attain the amount required to be on deposit therein with respect to the Series 2008 Bonds as of the date of such deposit, and (2) in the Debt Service Fund to pay the next successive principal payment on the Series 2008 Bonds to become due.

(d) If an Event of Default shall have occurred and the Bonds shall have been declared due and payable pursuant to the Indenture, any balance remaining in the Project Fund, other than amounts required to be transferred to the Rebate Fund pursuant to the Original Indenture, shall without further authorization be deposited in the Debt Service Fund by the Trustee with advice to the Company and to the Authority of such action.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 501. Applicability of the Original Indenture and the First Supplemental Indenture. Except as otherwise provided in this First Supplemental Indenture, the provisions of the Original Indenture 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 2008 Bonds, the custody and the distribution of the proceeds and the security, payment, redemption and enforcement of payment thereof. This First Supplemental Indenture shall be construed as having been authorized, executed and delivered under the provisions of Section 901(e) of the Original Indenture.

Section 502. Consent of Trustee to First Supplemental Loan Agreement. The Trustee hereby consents and agrees to the execution and delivery of and the provisions set forth in the First Supplemental Loan Agreement.

Section 503. Severability. If any provision of this First Supplemental Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or

provisions of this First Supplemental Indenture or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this First Supplemental Indenture contained shall not affect the remaining portions of this First Supplemental Indenture, or any part thereof.

Section 504. Execution in Counterparts. This First Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. 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 505. Governing Law. This First Supplemental Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State.

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IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf and its official seal to be hereunto affixed and attested by its duly authorized officers and, to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf and its corporate seal to be hereunto affixed and attested by its duly authorized officers, all as of the date first above written.

**STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY**

By R. P. Dea
Vice Chairman

(SEAL)
ATTEST:

R. C. G. [Signature]
Secretary

UMB BANK, N.A., as Trustee

[SEAL]

ATTEST:

By Brent W. Keep
Title: **Brent W. Keep**

James E. McLeod
Title: **ASSISTANT SECRETARY**

**EXHIBIT A
TO INDENTURE OF TRUST**

FORM OF SERIES 2008 BONDS

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED ONLY IN DENOMINATIONS OF \$100,000 OR INTEGRAL MULTIPLES OF \$5,000 IN EXCESS THEREOF TO "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF RULE 144A PROMULGATED BY THE SECURITIES EXCHANGE COMMISSION AND PURSUANT TO THE OTHER TERMS AND CONDITIONS CONTAINED IN THE INDENTURE.

UNITED STATES OF AMERICA

STATE OF MISSOURI

**Registered
No. R-_____**

**Registered
\$ _____**

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

**WATER FACILITIES REFUNDING AND IMPROVEMENT REVENUE BOND
(THE RAYTOWN WATER COMPANY)
SERIES 2008**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
	December 1, 2014	September 26, 2008	

Registered Owner: _____

Principal Amount: _____ **DOLLARS**

THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY (STATE OF MISSOURI), a body corporate and politic and a governmental instrumentality of the State of Missouri (herein called the "Authority"), for value received, promises to pay, but solely from the sources hereinafter specified to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, except as the provisions hereinafter 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 specified above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 in each year, commencing December 1, 2008, until said Principal Amount is paid.

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 of and redemption premium, if any, on this Bond shall be payable by check or draft to the Registered Owner at the maturity or redemption date hereof upon presentation and surrender of this Bond at the principal corporate trust office of UMB Bank, N.A., in the City of Kansas City, Missouri (the "Trustee"). The interest payable on this Bond on any Interest Payment Date shall be paid by the Trustee to the Registered Owner appearing on the registration books of the Authority (the "Bond Register") maintained by the Trustee, as Bond Registrar, at the close of business on the Record Date for such interest, which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Payment Date and shall be paid by check or draft of the Trustee mailed to such Registered Owner at his address as it appears on such Bond Register or at such other address furnished in writing by such Registered Owner to the Trustee. At the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least \$500,000, interest shall be paid by electronic transfer to the bank for credit to the account number filed with the Trustee no later than the Record Date.

This Bond is one of a series of Bonds of the Authority limited in aggregate original principal amount to \$970,000 and designated as "Water Facilities Refunding and Improvement Revenue Bonds (The Raytown Water Company) Series 2008" (the "Series 2008 Bonds"). The Series 2008 Bonds are issued for the purpose of making a loan to The Raytown Water Company, a Missouri corporation (the "Company"), to provide funds to finance and refinance the costs of certain water facilities of the Company (the "Project"), all by the authority of and in full compliance with the provisions, restrictions and limitations of the laws of the State of Missouri (the "State"), particularly Sections 260.005 to 260.125, inclusive, and Appendix B(1), RSMo (the "Act") and pursuant to proceedings duly had by the Authority. The loan will be made pursuant to the Loan Agreement dated as of July 1, 1999, as amended by the First Supplemental Loan Agreement dated as of September 1, 2008 (the Loan Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, the "Loan Agreement"), between the Authority and the Company, and will be evidenced by a Promissory Note Series 2008, of the Company in the principal amount of \$970,000 (the "Series 2008 Note") delivered under the Loan Agreement.

The Series 2008 Bonds are issued under and are equally and ratably secured and entitled to the protection given by an Indenture of Trust dated as of July 1, 1999, as amended by the First Supplemental Indenture of Trust dated as of September 1, 2008 (the Indenture of Trust, as amended and supplemented from time to time in accordance with the provisions thereof, the "Indenture"), between the Authority and the Trustee, pursuant to which the rights of the Authority under the Loan Agreement and the Series 2008 Note are pledged and assigned by the Authority to the Trustee as security for the Bonds. Subject to the terms and conditions set forth therein, the Indenture permits the Authority to issue Additional Bonds (as defined in the Indenture) secured by the Indenture on a parity with the Series 2008 Bonds (the Series 2008 Bonds together with any Additional Bonds collectively the "Bonds"). The Indenture and the Loan Agreement also permit the Company to issue Additional Obligations (as defined therein) in certain circumstances which will be equally and ratably secured on a parity with the Series 2008 Bonds and the Series 2008 Note. Reference is hereby made to the Indenture for a description of the property pledged and assigned thereunder, 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 Trustee and the Owners of the Bonds, 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.

Pursuant to the provisions of the Loan Agreement, Loan Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, and interest on the Bonds are to be paid by the Company directly to the Trustee for the account of the Authority and deposited in a Debt Service Fund and all Loan Payments under the Loan Agreement have been duly pledged and assigned to the Trustee for that purpose.

The Series 2008 Bonds are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Indenture on December 1 in each of the years 2009 through 2014, inclusive, at 100% of the principal amount thereof plus accrued interest thereon to the redemption date. Bonds to be so redeemed shall be selected by the Trustee in such equitable manner as it may determine.

The Series 2008 Bonds are subject to redemption and payment prior to maturity at the option of the Authority, upon instructions from the Company, in whole or in part at any time, at 102% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Notice of redemption, unless waived, is to be given by the Bond Registrar by mailing an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the Authority shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One Bond certificate with respect to each date on which the Bonds are stated to mature or with respect to each form of Bonds, registered in the nominee name of the Securities Depository, is being issued. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations pursuant to the Indenture being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Authority and the Paying Agent will recognize the Securities Depository nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Authority and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements among the Authority, the Paying Agent and the Securities Depository.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED ONLY IN DENOMINATIONS OF \$100,000 OR INTEGRAL MULTIPLES OF \$5,000 IN EXCESS THEREOF TO "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF RULE 144A PROMULGATED BY THE SECURITIES EXCHANGE COMMISSION AND PURSUANT TO THE OTHER TERMS AND CONDITIONS CONTAINED IN THE INDENTURE. This Bond is transferable, as provided in the Indenture, only upon the Bond Register at the above-mentioned office of the Trustee, as Bond Registrar. The Registered Owner hereof in person or by his duly authorized attorney may transfer this Bond by surrendering it to the Bond Registrar, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new Bond or Bonds of the same series 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, the Trustee and any paying agent may deem and treat the person in whose name this Bond is registered 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.

The Bonds are issuable in the form of fully registered Bonds without coupons in the denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Subject to the conditions and upon the payment of the charges provided in the Indenture, the owner of this Bond may surrender the same (together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney), in exchange for an equal aggregate principal amount of Bonds, in any denomination authorized by the Indenture.

The Owner of this 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. Modifications or alterations of the Bonds or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds and the interest thereon are limited obligations of the Authority payable solely out of Loan Payments and other payments derived by the Authority under the Loan Agreement and are secured by a pledge and assignment of the Loan Payments and the trust estate as provided in the Indenture. The Bonds shall never constitute an indebtedness or liability of the State of Missouri or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State but shall be payable by the Authority solely from the funds provided for in the Loan Agreement and in the Indenture. 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.

The State shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any charge upon its general credit or its taxing power.

The Bonds shall not constitute an indebtedness of the State and the State shall not be liable on the Bonds.

No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds of any series or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer, director, member, employee or agent of the Authority, or any officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Authority or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of any of the Bonds.

This 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.

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 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 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 an Assistant Secretary and its corporate seal to be affixed or imprinted hereon, all as of the Dated Date specified above.

CERTIFICATE OF AUTHENTICATION

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

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

By: _____
Chairman

Date of Authentication: _____

[SEAL]

UMB BANK, N.A., Trustee

ATTEST:

By: _____
Authorized Signature

Secretary

(FORM OF ASSIGNMENT)

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

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

the within 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 as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15).

By _____
Title:

**EXHIBIT B
TO INDENTURE OF TRUST**

WRITTEN REQUEST

No: _____

Date: _____

(§ 405 - PROJECT FUND)

To: UMB Bank, N.A., as Trustee
Kansas City, Missouri, as Trustee

Re: \$970,000 Water Facilities Refunding and Improvement Revenue Bonds (The Raytown Water Company) Series 2008 of the State Environmental Improvement and Energy Resources Authority

Ladies and Gentlemen:

You are hereby requested and directed as Trustee under the First Supplemental Indenture related to the above referenced bonds, to pay from moneys in the Project Fund, pursuant to Section 405 of the First Supplemental Indenture, to the following payees the following amounts in payment or reimbursement for the following costs of the Project:

<u>Payee</u>	<u>Amount</u>	<u>Description of Costs of the Project</u>
--------------	---------------	--

The undersigned Company Representative hereby states and certifies that:

1. Each item listed above is a valid "costs" of "water facilities" as authorized under the Act and is a proper cost of the Project that was incurred in the acquisition, construction, renovation, remodeling, expansion, completion or equipping of portions of the Project in accordance with the construction contracts and plans and specifications therefor.
2. These Project costs have been incurred by the Company under its control and are presently due and payable or have been paid by the Company under its control and are reasonable costs that are payable or reimbursable under the First Supplemental Indenture and each item thereof is a proper charge against the Project Fund.
3. Each item listed above has not previously been paid or reimbursed from moneys in the Project Fund and no part thereof has been included in any other Disbursement Request previously filed with the Trustee under the provisions of the First Supplemental Indenture or reimbursed to the Company from Bond proceeds.

4. There has not been filed with or served upon the Company any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested.

5. All necessary permits and approvals required for the portion of the work on the Project for which this withdrawal is to be made have been issued and are in full force and effect.

6. To the extent this Disbursement Request is for payment to outside contractors or suppliers, lien waivers for Project costs for which payment is hereby requested have been received and are on file with the Company and will be delivered upon request.

THE RAYTOWN WATER COMPANY

By: _____
Title: _____

APPROVED:

DE LAGE LANDEN PUBLIC FINANCE LLC

By: _____
Title: _____

SECOND SUPPLEMENTAL INDENTURE OF TRUST

Dated as of February 1, 2013

between the

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

and

**UMB BANK, N.A.,
as Trustee**

Relating to

**\$1,015,000
Water Facilities Revenue Bonds
(The Raytown Water Company)
Series 2013**

SECOND SUPPLEMENTAL INDENTURE OF TRUST

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SECOND SUPPLEMENTAL INDENTURE OF TRUST

THIS SECOND SUPPLEMENTAL INDENTURE OF TRUST (the "Second Supplemental Indenture"), made and entered into as of February 1, 2013, 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 **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, and having its principal corporate trust office located in Kansas City, Missouri, as Trustee (the "Trustee");

RECITALS:

1. The Authority is authorized and empowered, under the provisions of Sections 260.005 to 260.125, inclusive, R.S.Mo., as amended, and Appendix B(1) thereto (the "Act"), to issue bonds and loan the proceeds thereof for any of the purposes of the Act, including the payment of "costs" of "water facilities" as defined in the Act.

2. Pursuant to the Act and a resolution duly adopted by the Authority, the Authority previously issued its \$2,470,000 original principal amount of Water Facilities Refunding Revenue Bonds (The Raytown Water Company) Series 1999A (the "Prior Bonds"), under an Indenture of Trust dated as of July 1, 1999 between the Authority and UMB Bank, N.A. (the "Original Indenture") for the purpose of making a loan to The Raytown Water Company, a Missouri corporation (the "Company") pursuant to a Loan Agreement dated as of July 1, 1999, between the Authority and the Company (the "Original Loan Agreement") to provide funds to refinance the construction, acquisition and installation of transmission mains and an elevated water tank at 9906 East 63rd Street (Rear), Raytown, Missouri.

3. Pursuant to the Act and a resolution duly adopted by the Authority, the Authority previously issued its \$970,000 principal amount of Water Facilities Refunding and Improvement Revenue Bonds (The Raytown Water Company) Series 2008 (the "Series 2008 Bonds"), under a First Supplemental Trust Indenture dated as of September 1, 2008 (the "First Supplemental Indenture," with the Original Indenture as amended by the First Supplemental Indenture and this Second Supplemental Indenture being the "Indenture") for the purpose of making a loan to the Company under the terms of a First Supplemental Loan Agreement dated as of September 1, 2008 (the "First Supplemental Loan Agreement"), between the Authority and the Company, to provide funds, together with other available funds of the Company, to refund the Prior Bonds, to finance and refinance the costs of the project financed with the Prior Bonds and to finance the costs of additional transmission mains, vehicles and equipment for the Company, to fund a debt service reserve and pay costs related to the issuance of the Series 2008 Bonds.

4. Pursuant to the Act and a resolution duly adopted by the Authority, the Authority desires to issue its \$1,015,000 principal amount of Water Facilities Revenue Bonds (The Raytown Water Company) Series 2013 (the "Series 2013 Bonds"), under this Second Supplemental Indenture (the Original Indenture as amended by the First Supplemental Indenture and this Second Supplemental Indenture being the "Indenture") for the purpose of making a loan to the Company under the terms of a Second Supplemental Loan Agreement dated as of the date hereof (the "Second Supplemental Loan Agreement," with the Original Loan Agreement as amended by the First Supplemental Loan Agreement and the Second Supplemental Loan Agreement being the "Loan Agreement"), between the Authority and the Company, to provide funds, together with other available funds of the Company, to finance and

refinance the costs of certain drinking water facilities, including the costs of replacement and expansion of transmission mains and related facilities along 63rd Street, Raytown Road and Blue Ridge Boulevard in the City of Raytown, Missouri (the "Series 2013 Project"), to fund a debt service reserve and pay costs related to the issuance of the Series 2013 Bonds.

5. Provision is made in the Indenture for the issuance of additional parity bonds from time to time ("Additional Bonds," the Series 2008 Bonds, the Series 2013 Bonds and any Additional Bonds collectively the "Bonds") on the terms and conditions provided for in the Indenture.

6. All things necessary to make the Series 2013 Bonds, when authenticated by the Trustee and issued as in the Indenture provided, the valid, legal and binding obligations of the Authority, and to constitute the Indenture a valid, legal and binding pledge and assignment of the property, rights, interests and revenues made for the security of the payment of the principal of, redemption premium, if any, and interest on the Bonds issued under the Indenture, have been done and performed, and the execution and delivery of the Indenture and the execution and issuance of the Series 2013 Bonds, subject to the terms of the Indenture, have in all respects been duly authorized.

NOW, THEREFORE, to declare the terms and conditions upon which the Series 2013 Bonds are to be authenticated, issued and delivered and to secure the payment of all of the Series 2013 Bonds issued and Outstanding under this Second Supplemental Indenture from time to time according to their tenor and effect, and in consideration of the premises, the purchase and acceptance of the Series 2013 Bonds by the owners thereof, the Authority covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective owners of the Bonds, that the Series 2013 Bonds are to be issued, authenticated and delivered and the Trust Estate is to be held and applied by the Trustee as provided in the Indenture, subject to the further covenants, conditions and trusts hereinafter set forth, as follows:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms. For all purposes of this Second Supplemental Indenture, except as otherwise provided or unless the context otherwise requires, the following words and terms used in this Second Supplemental Indenture shall have the following meanings set forth in this Section. Any words and terms defined herein that are not already defined in the Original Indenture or the First Supplemental Indenture are intended to supplement the definitions contained therein. Any words and terms defined herein that are already defined in the Original Indenture or the First Supplemental Indenture are intended to replace and supersede such definitions already contained therein. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Original Indenture or the First Supplemental Indenture. If any of the following definitions conflict with the definitions already set forth in the Original Indenture or the First Supplemental Indenture, the definitions set forth herein shall take precedence:

"Debt Service Reserve Requirement" means, as of any computation date, \$97,000 with respect to the Series 2008 Bonds, the amount of \$101,500 with respect to the Series 2013 Bonds, plus, if any Additional Bonds are issued, the least of (1) 10% of the sale proceeds of the Additional Bonds, (2) the Maximum Annual Debt Service becoming due on the Additional Bonds in any one Fiscal Year following the date for which such calculation is made, or (3) 125% of the average annual Debt Service for the Additional Bonds during any Fiscal Year. If, however, the Trustee receives an opinion of Bond Counsel that the Debt Service Reserve Requirement must be reduced in order that the amounts on deposit in the

Debt Service Reserve Fund may continue to be invested without yield restriction under the Code, then the Debt Service Reserve Requirement will be reduced in conformity with that opinion. The Debt Service Reserve Requirement may be satisfied by deposits (i) in cash, (ii) Permitted Investments, or (iii) by an insurance policy, letter of credit or surety bond issued by a Qualified Financial Institution in the amount of the Debt Service Reserve Requirement and guaranteeing payments into the Debt Service Reserve Fund as may be required under this Indenture.

"Interest Payment Date" means (a) with respect to the Series 1999 Bonds, March 1 and September 1 of each year, beginning on September 1, 1999; (b) with respect to the Series 2008 Bonds, June 1 and December 1 of each year, beginning on December 1, 2008, (c) with respect to the Series 2013 Bonds, June 1 and December 1 of each year, beginning on June 1, 2013, and (d) with respect to any series of Additional Bonds, the dates specified in the Supplemental Indenture authorizing the Additional Bonds.

"Original Purchaser" means UMB Bank, N.A., with respect to the Series 2008 Bonds and the Series 2013 Bonds.

"Project" means (a) the transmission mains and an elevated water tank at 9906 East 63rd Street (Rear), Raytown, Missouri, located on the Site, which constitute "water facilities" within the meaning of the Act, and which were paid in whole or in part, or for which the Company is reimbursed in whole or in part, from the proceeds of the sale of the Prior Bonds, (b) the transmission mains, vehicles and equipment, which constitute "water facilities" within the meaning of the Act, and which are paid in whole or in part, or for which the Company is reimbursed in whole or in part, from the proceeds of the sale of the Series 2008 Bonds, and (c) the construction and improvement of the drinking water system, including replacement and expansion of transmission mains and related facilities along 63rd Street, Raytown Road and Blue Ridge Boulevard in the City of Raytown, Missouri, which constitute "water facilities" within the meaning of the Act, and which are paid in whole or in part, or for which the Company is reimbursed in whole or in part, from the proceeds of the sale of the Series 2013 Bonds.

"Series 2013 Bonds" means the Water Facilities Revenue Bonds (The Raytown Water Company) Series 2013, aggregating the principal amount of \$1,015,000 issued pursuant to Section 201 of this Second Supplemental Indenture.

"Series 2013 Note" means the promissory note which evidences the obligation of the Company to repay the loan to the Company and which is referred to in the Second Supplemental Loan Agreement and set out in Exhibit A to the Second Supplemental Loan Agreement.

"Series 2013 Project" means the construction and improvement of the company's drinking water system, including replacement and expansion of transmission mains and related facilities along 63rd Street, Raytown Road and Blue Ridge Boulevard in the City of Raytown, Missouri, which constitute "water facilities" within the meaning of the Act, and which are paid in whole or in part, or for which the Company is reimbursed in whole or in part, from the proceeds of the sale of the Series 2013 Bonds.

ARTICLE II

THE SERIES 2013 BONDS

Section 201. Authorization of Series 2013 Bonds.

(a) There shall be issued and secured by this Second Supplemental Indenture a series of revenue bonds in the aggregate principal amount of \$1,015,000 for the purpose of providing funds to make a loan to the Company to finance and refinance the costs of the Series 2013 Project, consisting of the "Water Facilities Revenue Bonds (The Raytown Water Company) Series 2013." The Series 2013 Bonds are dated their date of delivery, become due on December 1 in the years and in the respective principal amounts (subject to prior redemption as hereinafter provided in Article III), and bear interest at the respective rates per annum, as follows:

SERIES 2013 BONDS

Term Bond

<u>Maturity</u> <u>December 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2020	\$1,015,000	3.00%

The Series 2013 Bonds will bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their dated date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date.

(b) The Trustee is hereby designated as the Authority's paying agent for the payment of the principal of, redemption premium, if any, and interest on the Series 2013 Bonds (herein referred to as the "Paying Agent").

(c) The Series 2013 Bonds shall be numbered from R-1 consecutively upward in order of issuance and shall be issued in Authorized Denominations. The Series 2013 Bonds shall not be issued as book-entry only bonds, but shall be delivered by physical delivery.

(d) The Series 2013 Bonds shall be executed substantially in the form and manner set forth in Section 203 and delivered to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Series 2013 Bonds by the Trustee there shall be filed with the Trustee the following:

(1) a copy, certified by the Secretary or Assistant Secretary of the Authority, of the Resolution adopted by the Authority authorizing the issuance of the Series 2013 Bonds and the execution of this Second Supplemental Indenture, the Second Supplemental Loan Agreement and any other Bond Documents to which it is a party;

(2) a copy, duly certified by the Secretary or an Assistant Secretary of the Company, of the resolutions adopted and approved by the Company authorizing the execution and delivery of the Second Supplemental Loan Agreement, the Series 2013 Note and the other Bond

Documents to which the Company is a party, and approving this Second Supplemental Indenture and the issuance and sale of the Series 2013 Bonds;

(3) an original executed counterpart of this Second Supplemental Indenture, the Second Supplemental Loan Agreement, the Tax Compliance Agreement and each of the other Bond Documents related to the Series 2013 Bonds;

(4) the original executed and endorsed Series 2013 Note;

(5) a request and authorization to the Trustee on behalf of the Authority, executed by an Authority Representative, to authenticate the Series 2013 Bonds and deliver said Series 2013 Bonds to the purchasers therein identified upon payment to the Trustee, for the account of the Authority, of the purchase price thereof;

(6) opinions of Bond Counsel, dated the Closing Date, in substantially the form specified by the Bond Purchase Agreement;

(7) a supplemental opinion of Bond Counsel to the effect that the Series 2013 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and

(8) such other certificates, statements, receipts and documents required by any of the Bond Documents or as the Trustee or counsel shall reasonably require for the delivery of the Series 2013 Bonds.

(e) When the documents specified in paragraph (d) have been filed with the Trustee, and when the Series 2013 Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Series 2013 Bonds to or upon the order of the Original Purchaser thereof, but only upon payment to the Trustee of the purchase price of the Series 2013 Bonds. The proceeds of the sale of the Series 2013 Bonds, including accrued interest and premium thereon, if any, shall be deposited and applied as provided in Article IV.

Section 202. Method and Place of Payment of Bonds. The interest payable on each Bond on any Interest Payment Date shall be paid by the Trustee to the Person in whose name such Bond is registered on the Bond Register at the close of business on the Record Date for such interest, by check or draft mailed to such registered owner at his address as it appears on such Bond Register. At the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least \$500,000, interest shall be paid by electronic transfer to a bank (located in the continental United States of America) for the credit to the account name and account number filed with the Trustee no later than 5 days preceding 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.

Section 203. Execution and Authentication of Bonds. The Series 2013 Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Exhibit A, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee. Such executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated

and delivered under this Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any authorized officer or employee of the Trustee, but it shall not be necessary that the same officer or employee sign the Certificate of Authentication on all of the Bonds that may be issued hereunder at any one time.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Series 2013 Bonds.

(a) *Mandatory Sinking Fund Redemption.* The Series 2013 Bonds are subject to the mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section on December 1 in the years herein provided at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date. The Loan Payments specified in Section 4.1 of the Loan Agreement which are to be deposited into the Principal Account in the Debt Service Fund shall be sufficient to redeem, and the Authority shall redeem, on December 1 in each of the following years, the following principal amounts of the Series 2013 Bonds:

Series 2013 Term Bonds Maturing December 1, 2020

<u>Year</u>	<u>Principal Amount</u>
2015	\$160,000
2016	160,000
2017	165,000
2018	170,000
2019	175,000
2020	185,000

The Trustee shall, in each year in which the Series 2013 Bonds are to be redeemed pursuant to the terms of this subsection (a), make timely selection of such Series 2013 Bonds or portions thereof to be so redeemed in Authorized Denominations in such equitable manner as the Trustee may determine and shall give notice thereof as provided in Section 304 of the Original Indenture without further instructions from the Authority or the Company. The Trustee may, upon written instructions from the Company, use moneys on hand in the Debt Service Fund to purchase Series 2013 Bonds in the open market, to the extent practical, at a price not in excess of their principal amount, and each Bond so purchased shall be credited at 100% of the principal amount thereof on the obligation of the Authority to redeem Series 2013 Bonds of the same maturity on the next mandatory redemption date applicable to Series 2013 Bonds of such maturity, and the principal amount of Series 2013 Bonds of such maturity to be redeemed by operation of this subsection (a) shall be reduced accordingly. At its option, the Authority or the Company may: (1) deliver to the Trustee for cancellation Series 2013 Bonds in the aggregate principal amount desired; or (2) furnish to the Trustee funds, together with written instructions, for the purpose of purchasing any of said Series 2013 Bonds from any Owner thereof whereupon the Trustee shall expend such funds for such purposes to such extent as may be practical; or (3) receive a credit in respect to the mandatory redemption obligation of the Authority under this subsection (a) for any Series 2013 Bonds which prior to such date have been redeemed (other than through the operation of the requirements of this subsection (a)) and cancelled by the Trustee and not theretofore applied as a credit against any

redemption obligation under this subsection (a). Each Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Authority to redeem Series 2013 Bonds of the same maturity on such redemption date, and any excess of such amount shall be credited on future mandatory redemption obligations for Series 2013 Bonds of the same maturity in chronological order and the principal amount of Series 2013 Bonds of the same maturity to be redeemed by operation of the requirements of this subsection (a) shall be accordingly reduced. If the Authority or the Company intends to exercise the option granted by the provisions of clauses (1), (2) or (3) of this subsection, the Authority or the Company, as the case may be, will furnish the Trustee a certificate signed by the Authority Representative or the Company Representative, as the case may be, indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with in respect to such mandatory redemption payment.

(b) *Optional Redemption.* The Series 2013 Bonds are subject to redemption and payment prior to maturity, at the option of the Authority, upon instructions from the Company, in whole or in part at any time at a redemption price equal to 102% of the principal amount thereof, plus accrued interest thereon to the redemption date.

ARTICLE IV

CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 401. Creation of Funds and Accounts. There are hereby created and ordered to be established in the custody of the Trustee the following special trust funds in the name of the Authority to be designated as follows:

- (a) Costs of Issuance Fund.
- (b) Debt Service Fund.
- (c) Debt Service Reserve Fund.
- (d) Rebate Fund.
- (e) Project Fund.

Section 402. Deposit of Bond Proceeds and Other Moneys.

(a) The Authority, for and on behalf of the Company, will deposit with the Trustee all of the purchase price of the Series 2013 Bonds. The Trustee will deposit and apply the purchase price as follows:

- (1) deposit the amount of \$101,500.00 from the proceeds of the Series 2013 Bonds to the Debt Service Reserve Fund;
- (2) deposit \$893,200.00 from the proceeds of the Series 2013 Bonds to the Project Fund;
- (3) deposit \$20,300.00, representing the balance of the proceeds of the sale of the Series 2013 Bonds, to the Costs of Issuance Fund.

(b) Other moneys of the Company in the amount of \$23,100.00 shall be deposited into the Costs of Issuance Fund.

Section 403. Reserved.

Section 404. Debt Service Reserve Fund.

(a) The Trustee will deposit in the Debt Service Reserve Fund the initial deposit required to be made under the provisions of **Section 402(a)** and **402(b)**, and any additional payments made by the Company pursuant to **Section 4.2(e)** of the Loan Agreement.

(b) Except as otherwise provided in this Indenture, moneys in the Debt Service Reserve Fund will be applied solely to the payment of the principal of and redemption premium, if any, and interest on the Bonds if sufficient moneys therefor are not available in the Debt Service Fund. In the event the balance of moneys in the Debt Service Fund is insufficient to pay principal of or interest on the Bonds when due and payable, moneys in the Debt Service Reserve Fund will be transferred into the Debt Service Fund in an amount sufficient to make up such deficiency. The Trustee may use moneys in the Debt Service Reserve Fund for such purpose whether or not the amount in the Debt Service Reserve Fund at that time equals the Debt Service Reserve Requirement. Such moneys shall be used first to make up any deficiency in the payment of interest and then principal. Moneys in the Debt Service Reserve Fund shall also be used to pay the last Bonds becoming due unless such Bonds and all interest thereon be otherwise paid.

(c) The Trustee will determine the Value of cash and Permitted Investments in the Debt Service Reserve Fund on each May 15 and November 15 beginning May 15, 2013, at the time of any withdrawal from the Debt Service Reserve Fund and at such other times as the Trustee deems appropriate. If on any valuation date, the Value of cash and Permitted Investments on deposit in the Debt Service Reserve Fund is less than 95% of the Debt Service Reserve Requirement, or at any time any amount is withdrawn from the Debt Service Reserve Fund for the purposes described above, the Trustee will immediately notify the Company of the deficiency, and instruct the Company to make additional payments pursuant to **Section 4.2(e)** of the Loan Agreement. If the Owners of not less than a majority in principal amount of Bonds then Outstanding approve another schedule of periodic payments, the amount of the deficiency will be paid by the Company to the Trustee in accordance with that schedule. If at any time of valuation, the Value of cash and Permitted Investments on deposit in the Debt Service Reserve Fund is in excess of the Debt Service Reserve Requirement, the Trustee will transfer the amount of the excess to the Debt Service Fund.

Section 405. Project Fund. Moneys in the Project Fund shall be used to pay costs of the Series 2013 Project as provided in this Section.

(a) The Trustee shall disburse moneys on deposit in the Project Fund from time to time to pay or as reimbursement for payment made for the costs of the Series 2013 Project (other than Costs of Issuance), in each case within 3 Business Days after receipt by the Trustee of written disbursement requests of the Company signed by the Company Representative and approved by the beneficial owner of the Series 2013 Bonds, in substantially the form of **Exhibit B** hereto, and subject to the conditions set forth in this Section.

(b) In making payments and determinations pursuant to this Section, the Trustee may rely upon such written requests and accompanying certificates and statements and shall not be required to

make any independent investigation in connection therewith. If for any reason the Company should decide prior to the mailing or release of payment by the Trustee of any item not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment. If the Authority so requests, a copy of each written disbursement request submitted to the Trustee for payment under this Section shall be promptly provided by the Trustee to the Authority. The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom, and shall file periodic statements of activity regarding the Project Fund with the Company.

(c) If after payment by the Trustee of all disbursement requests theretofore tendered to the Trustee under the provisions of subsection (a) of this Section and after receipt by the Trustee of the certificate of the Company Representative stating the Project has been completed and after all rebatable earnings have been transferred to the Rebate Fund, there shall remain any moneys in the Project Fund, such moneys shall be deposited and applied in the following order of priority: (1) in the Debt Service Reserve Fund to the extent necessary to attain the amount required to be on deposit therein with respect to the Series 2013 Bonds as of the date of such deposit, and (2) in the Debt Service Fund to pay the next successive principal payment on the Series 2013 Bonds to become due.

(d) If an Event of Default shall have occurred and the Bonds shall have been declared due and payable pursuant to the Indenture, any balance remaining in the Project Fund, other than amounts required to be transferred to the Rebate Fund pursuant to the Original Indenture, shall without further authorization be deposited in the Debt Service Fund by the Trustee with advice to the Company and to the Authority of such action.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 501. Applicability of the Original Indenture, the First Supplemental Indenture and this Second Supplemental Indenture. Except as otherwise provided in this Second Supplemental Indenture, the provisions of the Original Indenture and the First Supplemental Indenture 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 2013 Bonds, the custody and the distribution of the proceeds and the security, payment, redemption and enforcement of payment thereof. This Second Supplemental Indenture shall be construed as having been authorized, executed and delivered under the provisions of **Section 901(e)** of the Original Indenture.

Section 502. Consent of Trustee to Second Supplemental Loan Agreement. The Trustee hereby consents and agrees to the execution and delivery of and the provisions set forth in the Second Supplemental Loan Agreement.

Section 503. Severability. If any provision of this Second Supplemental Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions of this Second Supplemental Indenture or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Second

Supplemental Indenture contained shall not affect the remaining portions of this Second Supplemental Indenture, or any part thereof.

Section 504. Execution in Counterparts. This Second Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. 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 505. Governing Law. This Second Supplemental Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 506. Electronic Transaction. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. In addition, the transaction described herein may be conducted and related documents may be stored by electronic means, copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

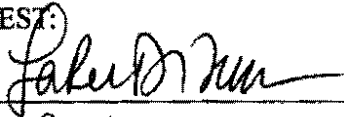
[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf and its official seal to be hereunto affixed and attested by its duly authorized officers and, to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf and its corporate seal to be hereunto affixed and attested by its duly authorized officers, all as of the date Second above written.

**STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY**

By 
Chairman

(SEAL)
ATTEST:


Secretary

UMB BANK, N.A., as Trustee

[SEAL]

ATTEST:

 Quia Shays
Title: Asst. Secretary

By 
Title: Vice President

**EXHIBIT A
TO INDENTURE OF TRUST**

FORM OF SERIES 2013 BONDS

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED ONLY IN DENOMINATIONS OF \$100,000 OR INTEGRAL MULTIPLES OF \$5,000 IN EXCESS THEREOF TO "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF RULE 144A PROMULGATED BY THE SECURITIES EXCHANGE COMMISSION AND PURSUANT TO THE OTHER TERMS AND CONDITIONS CONTAINED IN THE INDENTURE.

UNITED STATES OF AMERICA

STATE OF MISSOURI

Registered
No. R- _____

Registered
\$ _____

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

**WATER FACILITIES REVENUE BOND
(THE RAYTOWN WATER COMPANY)
SERIES 2013**

Interest Rate

Maturity Date

Dated Date

December 1, 2020

February 13, 2013

Registered Owner: _____

Principal Amount: _____ DOLLARS

THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY (STATE OF MISSOURI), a body corporate and politic and a governmental instrumentality of the State of Missouri (herein called the "Authority"), for value received, promises to pay, but solely from the sources hereinafter specified to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, except as the provisions hereinafter 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 specified above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 in each year, commencing June 1, 2013, until said Principal Amount is paid.

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 of and redemption premium, if any, on this Bond shall be payable by check or draft to the Registered Owner at the maturity or redemption date hereof upon presentation and surrender of this Bond at the principal corporate trust office of UMB Bank, N.A., in the City of Kansas City, Missouri (the "Trustee"). The interest payable on this Bond on any Interest Payment Date shall be paid by the Trustee to the Registered Owner appearing on the registration books of the Authority (the "Bond Register") maintained by the Trustee, as Bond Registrar, at the close of business on the Record Date for such interest, which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Payment Date and shall be paid by check or draft of the Trustee mailed to such Registered Owner at his address as it appears on such Bond Register or at such other address furnished in writing by such Registered Owner to the Trustee. At the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least \$500,000, interest shall be paid by electronic transfer to the bank for credit to the account name and account number filed with the Trustee no later five days preceding the Record Date.

This Bond is one of a series of Bonds of the Authority limited in aggregate original principal amount to \$1,015,000 and designated as "Water Facilities Revenue Bonds (The Raytown Water Company) Series 2013" (the "Series 2013 Bonds"). The Series 2013 Bonds are issued for the purpose of making a loan to The Raytown Water Company, a Missouri corporation (the "Company"), to provide funds to finance and refinance the costs of certain water facilities of the Company (the "Project"), all by the authority of and in full compliance with the provisions, restrictions and limitations of the laws of the State of Missouri (the "State"), particularly Sections 260.005 to 260.125, inclusive, and Appendix B(1), RSMo (the "Act") and pursuant to proceedings duly had by the Authority. The loan will be made pursuant to the Loan Agreement dated as of July 1, 1999, as amended by the First Supplemental Loan Agreement dated as of September 1, 2008, and the Second Supplemental Loan Agreement dated as of February 1, 2013 (the Loan Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, the "Loan Agreement"), between the Authority and the Company, and will be evidenced by a Promissory Note Series 2013, of the Company in the principal amount of \$1,015,000 (the "Series 2013 Note") delivered under the Loan Agreement.

The Series 2013 Bonds are issued under and are equally and ratably secured and entitled to the protection given by an Indenture of Trust dated as of July 1, 1999, as amended by the First Supplemental Indenture of Trust dated as of September 1, 2008, and the Second Supplemental Indenture of Trust dated as of February 1, 2013 (the Indenture of Trust, as amended and supplemented from time to time in accordance with the provisions thereof, the "Indenture"), between the Authority and the Trustee, pursuant to which the rights of the Authority under the Loan Agreement and the Series 2013 Note are pledged and assigned by the Authority to the Trustee as security for the Bonds. Subject to the terms and conditions set forth therein, the Indenture permits the Authority to issue Additional Bonds (as defined in the Indenture) secured by the Indenture on a parity with the Series 2013 Bonds (the Series 2013 Bonds together with any Additional Bonds collectively the "Bonds"). The Indenture and the Loan Agreement also permit the Company to issue Additional Obligations (as defined therein) in certain circumstances which will be equally and ratably secured on a parity with the Series 2013 Bonds and the Series 2013 Note. Reference is hereby made to the Indenture for a description of the property pledged and assigned thereunder, 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 Trustee and the Owners of the Bonds, 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.

Pursuant to the provisions of the Loan Agreement, Loan Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, and interest on the Bonds are to be paid by the Company directly to the Trustee for the account of the Authority and deposited in a Debt Service Fund and all Loan Payments under the Loan Agreement have been duly pledged and assigned to the Trustee for that purpose.

The Series 2013 Bonds are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Indenture on December 1 in each of the years 2015 through 2020, inclusive, at 100% of the principal amount thereof plus accrued interest thereon to the redemption date. Bonds to be so redeemed shall be selected by the Trustee in such equitable manner as it may determine.

The Series 2013 Bonds are subject to redemption and payment prior to maturity at the option of the Authority, upon instructions from the Company, in whole or in part at any time, at 102% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Notice of redemption, unless waived, is to be given by the Bond Registrar by mailing an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the Authority shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED ONLY IN DENOMINATIONS OF \$100,000 OR INTEGRAL MULTIPLES OF \$5,000 IN EXCESS THEREOF TO "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF RULE 144A PROMULGATED BY THE SECURITIES EXCHANGE COMMISSION AND PURSUANT TO THE OTHER TERMS AND CONDITIONS CONTAINED IN THE INDENTURE. This Bond is transferable, as provided in the Indenture, only upon the Bond Register at the above-mentioned office of the Trustee, as Bond Registrar. The Registered Owner hereof in person or by his duly authorized attorney may transfer this Bond by surrendering it to the Bond Registrar, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney, and thereupon a new Bond or Bonds of the same series 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, the Trustee and any paying agent may deem and treat the person in whose name this Bond is registered 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.

The Bonds are issuable in the form of fully registered Bonds without coupons in the denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Subject to the conditions and upon the payment of the charges provided in the Indenture, the owner of this Bond may surrender the same (together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney), in exchange for an equal aggregate principal amount of Bonds, in any denomination authorized by the Indenture.

The Owner of this 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. Modifications or alterations of the Bonds or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds and the interest thereon are limited obligations of the Authority payable solely out of Loan Payments and other payments derived by the Authority under the Loan Agreement and are secured by a pledge and assignment of the Loan Payments and the trust estate as provided in the Indenture. The Bonds shall never constitute an indebtedness or liability of the State of Missouri or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State but shall be payable by the Authority solely from the funds provided for in the Loan Agreement and in the Indenture. 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.

The State shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any charge upon its general credit or its taxing power.

The Bonds shall not constitute an indebtedness of the State and the State shall not be liable on the Bonds.

No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds of any series or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer, director, member, employee or agent of the Authority, or any officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Authority or any successor corporation or body politic, as such, either directly or through the Authority or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of any of the Bonds.

This 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.

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 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 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 an Assistant Secretary and its corporate seal to be affixed or imprinted hereon, all as of the Dated Date specified above.

CERTIFICATE OF AUTHENTICATION

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

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

By: _____
Chairman

Date of Authentication: _____

[SEAL]

UMB BANK, N.A., Trustee

ATTEST:

By: _____
Authorized Signature

Secretary

(FORM OF ASSIGNMENT)

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

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

the within 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 as it appears upon the face of the within Bond in
every particular.

Signature Guaranteed By:

NOTICE: Signature(s) must be guaranteed by an eligible
guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR
240.17Ad-15).

By _____
Title: _____

**EXHIBIT B
TO INDENTURE OF TRUST**

WRITTEN REQUEST

No: _____

Date: _____

(§ 405 - PROJECT FUND)

To: UMB Bank, N.A., as Trustee
Kansas City, Missouri, as Trustee

Re: \$1,015,000 Water Facilities Revenue Bonds (The Raytown Water Company) Series 2013 of the
State Environmental Improvement and Energy Resources Authority

Ladies and Gentlemen:

You are hereby requested and directed as Trustee under the Second Supplemental Indenture related to the above referenced bonds, to pay from moneys in the Project Fund, pursuant to **Section 405** of the Second Supplemental Indenture, to the following payees the following amounts in payment or reimbursement for the following costs of the Project:

<u>Payee</u>	<u>Amount</u>	<u>Description of Costs of the Project</u>
--------------	---------------	--

The undersigned Company Representative hereby states and certifies that:

1. Each item listed above is a valid "costs" of "water facilities" as authorized under the Act and is a proper cost of the Project that was incurred in the acquisition, construction, renovation, remodeling, expansion, completion or equipping of portions of the Project in accordance with the construction contracts and plans and specifications therefor.
2. These Project costs have been incurred by the Company under its control and are presently due and payable or have been paid by the Company under its control and are reasonable costs that are payable or reimbursable under the Second Supplemental Indenture and each item thereof is a proper charge against the Project Fund.
3. Each item listed above has not previously been paid or reimbursed from moneys in the Project Fund and no part thereof has been included in any other Disbursement Request previously filed with the Trustee under the provisions of the Second Supplemental Indenture or reimbursed to the Company from Bond proceeds.

4. There has not been filed with or served upon the Company any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested.

5. All necessary permits and approvals required for the portion of the work on the Project for which this withdrawal is to be made have been issued and are in full force and effect.

6. To the extent this Disbursement Request is for payment to outside contractors or suppliers, lien waivers for Project costs for which payment is hereby requested have been received and are on file with the Company and will be delivered upon request.

THE RAYTOWN WATER COMPANY

By: _____
Title: _____

APPROVED:

By: _____
Title: _____