

\$1,015,000
STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY (STATE OF MISSOURI)
WATER FACILITIES REVENUE BONDS
(THE RAYTOWN WATER COMPANY)
SERIES 2013

February 13, 2013

BOND PURCHASE AGREEMENT

State Environmental Improvement and
Energy Resources Authority (State of Missouri)
Jefferson City, Missouri

The Raytown Water Company
Raytown, Missouri

Ladies and Gentlemen:

On the basis of the representations, warranties and covenants and upon the terms and conditions contained in this Bond Purchase Agreement, the undersigned, UMB Bank, N.A. (the "Purchaser"), hereby offers to purchase from the State Environmental Improvement and Energy Resources Authority (State of Missouri) (the "Authority") \$1,015,000 aggregate principal amount of Water Facilities Revenue Bonds (The Raytown Water Company), Series 2013 (the "Series 2013 Bonds"), to be issued by the Authority under and pursuant to 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"), between the Authority and UMB Bank, N.A., as Trustee (the "Trustee"). Capitalized terms used herein have the meanings set forth in the Indenture unless some other meaning is plainly indicated.

This offer is made subject to acceptance of this Bond Purchase Agreement by The Raytown Water Company (the "Company") and the Authority on or before 10:00 a.m., local time, on February 13, 2013.

SECTION 1. REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY

By acceptance hereof, the Authority hereby represents and warrants to the Purchaser and the Company that:

- (a) The Authority is a body corporate and politic and a governmental instrumentality of the State of Missouri duly organized and existing under the Constitution and laws of the State of Missouri, particularly, Sections 260.005 through 260.125, inclusive, of the Revised Statutes of

Missouri, as amended, and Appendix B(1) thereto (the "Act"). The Authority is authorized under the Act to issue and secure the Series 2013 Bonds as herein described. The Authority will loan the proceeds of the Series 2013 Bonds to The Raytown Water Company, a general business corporation, organized under the laws of the State of Missouri for the purpose of engaging in business as a private water company providing service in the City of Raytown, Missouri and adjoining areas, to provide funds pursuant to a 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"), between the Authority and the Company to (1) finance the costs to replace and improvement the water system of the Company, 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"), (2) fund a debt service reserve, and (3) pay the costs of issuance of the Series 2013 Bonds. Under the Loan Agreement, the Company will be obligated to make loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2013 Bonds. Under the Indenture, the Authority will pledge and assign the payments to be received pursuant to the Loan Agreement as security for the payment of the principal of, redemption premium, if any, and interest on the Series 2013 Bonds. The Indenture, the Loan Agreement, the Tax Compliance Agreement and this Bond Purchase Agreement are sometimes collectively referred to as the "Bond Documents."

(b) The Authority has complied with all provisions of the Constitution and the laws of the State, including the Act, and has full power and authority to enter into the transactions contemplated by this Bond Purchase Agreement, the Bond Documents and any and all other agreements relating thereto and to carry out its obligations hereunder and thereunder.

(c) The Authority has duly authorized by all necessary action to be taken by the Authority (1) the issuance and sale of the Series 2013 Bonds upon the terms set forth herein and in the Indenture; (2) the execution and delivery of the Indenture providing for the issuance of and security for the Series 2013 Bonds (including the pledge and assignment by the Authority to the Trustee of the payments to be received pursuant to the Loan Agreement sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2013 Bonds) and appointing the Trustee as trustee, paying agent and bond registrar under the Indenture; (3) the execution, delivery or receipt, as appropriate, of this Bond Purchase Agreement, the Series 2013 Bonds, the Bond Documents to which the Authority is a party and any and all such other agreements and documents as may be required to be executed, delivered or received by the Authority in order to carry out, give effect to and consummate the transactions contemplated hereby; and (4) the carrying out, giving effect to and consummation of the transactions contemplated hereby or by the Bond Documents. Executed counterparts of the Bond Documents to which the Authority is a party will be delivered to the Purchaser by the Authority at the Closing Time.

(d) The Bond Documents to which the Authority is a party, when executed and delivered by the Authority, will be the legal, valid and binding obligations of the Authority enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other law or laws affecting the enforcement of creditors' rights generally or against entities such as the Authority and further subject to the availability of equitable remedies.

(e) The Series 2013 Bonds, when issued, delivered and paid for as provided for herein and in the Bond Documents, will have been duly authorized and issued and will constitute valid and binding obligations of the Authority enforceable in accordance with their terms and

entitled to the benefits and security of the Bond Documents (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other law or laws affecting the enforcement of creditors' rights generally or against entities such as the Authority and further subject to the availability of equitable remedies). The Series 2013 Bonds will not pledge the full faith and credit of the State or any political subdivision thereof, including the Authority, nor shall they be secured by a lien against any of their respective properties, except as provided for in the Bond Documents. The Series 2013 Bonds shall be limited obligations of the Authority payable solely out of moneys to be received by the Authority pursuant to the Loan Agreement (except to the extent paid out of moneys attributable to Bond proceeds or the income from the temporary investment thereof), and the Series 2013 Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory limitation.

(f) The execution and delivery of this Bond Purchase Agreement, the Series 2013 Bonds, the Bond Documents to which the Authority is a party and the other agreements and documents contemplated hereby, and the performance by the Authority of its obligations under the same, do not and will not violate any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease, note or other obligation or instrument to which the Authority is subject or by which it is or may be bound.

(g) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the Authority's knowledge, threatened against or affecting the Authority (or, to the Authority's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the transactions contemplated hereby or by the Bond Documents or the validity or enforceability of the Series 2013 Bonds, any of the Bond Documents, this Bond Purchase Agreement or any agreement or document which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(h) The Authority is not, or with the giving of notice or lapse of time or both would not be, in violation of or in default under any indenture, mortgage, deed of trust, loan agreement, bonds or other agreement or instrument to which the Authority is a party or by which it is or may be bound, except for violations and defaults which individually and in the aggregate are not material to the Authority and will not be material to the holders of the Series 2013 Bonds. As of the Closing Time, no event will have occurred and be continuing which with the lapse of time or the giving of notice, or both, would constitute an Event of Default under the Bond Documents.

Any certificate signed by any of the authorized officials of the Authority and delivered to the Purchaser in connection with the Closing shall be deemed a representation and warranty by the Authority to the Purchaser as to the statements made therein.

SECTION 2. COMPANY'S REPRESENTATIONS, WARRANTIES AND AGREEMENTS

By its acceptance hereof, the Company hereby represents and warrants to the Purchaser and the Authority that:

(a) The Company is a general business corporation, organized under the laws of the State of Missouri for the purpose of engaging in business as a private water company providing service in the City of Raytown, Missouri and adjoining areas and has full power and authority under the laws of the State and its Articles of Incorporation and Bylaws to enter into the transactions contemplated by this Bond Purchase Agreement, the Bond Documents and any and all other agreements relating thereto and to carry out its obligations hereunder and thereunder.

(b) The Company has duly authorized by all necessary action to be taken by the Company (1) the execution, delivery or receipt, as appropriate, of this Bond Purchase Agreement, the Bond Documents to which the Company is a party and any and all such other agreements and documents as may be required to be executed, delivered or received by the Company in order to carry out, give effect to and consummate the transactions contemplated hereby or by the Official Statement; and (2) the carrying out, giving effect to and consummation of the transactions contemplated hereby or by the Official Statement. Executed counterparts of the Bond Documents to which the Company is a party will be delivered to the Purchaser at the Closing Time.

(c) This Bond Purchase Agreement and the Bond Documents to which the Company is a party, when executed and delivered by the Company, will be the legal, valid and binding obligations of the Company enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other law or laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies.

(d) The execution and delivery of this Bond Purchase Agreement, the Bond Documents to which the Company is a party, and the other agreements contemplated hereby, and the performance by the Company of its obligations under the aforementioned, do not and will not violate the Articles of Incorporation or Bylaws of the Company or any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease, note or other obligation or instrument to which the Company is subject or by which it is or may be bound, and no approval or other action by any governmental authority or agency is required in connection therewith.

(e) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the Company's knowledge, threatened against or affecting the Company (or, to the Company's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the transactions contemplated hereby or the validity or enforceability of the Series 2013 Bonds, any of the Bond Documents, this Bond Purchase Agreement or any agreement or documents which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(f) The audited financial statements of the Company for the fiscal years ended December 31, 2011, and any other later available unaudited financial information of the Company reviewed by the Purchaser in connection with the transactions contemplated hereby present fairly and accurately the financial position of the Company as of the dates indicated and the results of its operations for the periods specified, and such financial reports and statements have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects to the periods involved.

(g) The Company has not, since December 31, 2011, incurred any material liabilities and there has been no material adverse change since such date in the financial position of the Company.

(h) The Company is authorized by law to provide and operate water facilities in the State. The Company has all necessary licenses and permits required to carry on and operate its water facilities including the Project and is not in violation of and has not received any notice of an alleged violation of any zoning, land use or similar laws or regulations.

(i) The Company has good and marketable title with all necessary rights to use its water facilities and owns all right, title and interest in and to its personal property, subject only to Permitted Encumbrances (as defined in the Indenture).

(j) No event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute an Event of Default under the Bond Documents.

Any certificate signed by an authorized officer of the Company delivered to the Authority or the Purchaser shall be deemed a representation and warranty by the Company to such parties as to the statements made therein.

SECTION 3. COVENANTS AND AGREEMENTS OF THE AUTHORITY AND THE COMPANY

The Authority covenants and agrees with the Purchaser for the time period specified, and if no period is specified, for so long as any of the Series 2013 Bonds remain outstanding, as follows:

(a) To cooperate with the Purchaser and its counsel in any reasonable endeavor to qualify the Series 2013 Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Purchaser may reasonably request; and the Company shall, if so requested by the Purchaser, with respect to the offer or sale of the Series 2013 Bonds, file written consents to suit and file written consents to service of process in any jurisdiction in which such consent may be required by law or regulation so that the Series 2013 Bonds may be offered or sold; the Authority agrees to cooperate with the Purchaser in any endeavor to qualify the Series 2013 Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Purchaser may request, provided, however, that the Authority shall not be required with respect to the offer or sale of the Series 2013 Bonds to file written consents to suit or written consents to service of process in any jurisdiction. The Purchaser shall pay all expenses and costs (including legal, registration and filing fees) incurred in connection therewith.

(b) The Company will use the proceeds of the Series 2013 Bonds solely for the purposes described in the Bond Documents. The Company will not take or omit to take any action which will in any way result in the proceeds from the sale of the Series 2013 Bonds being applied in a manner inconsistent with the provisions of the Bond Documents or the Act.

(f) The Company will deliver or cause to be delivered all opinions, certificates and other documents, as provided herein, including, but not limited to, an opinion of its counsel dated as of the Closing Date covering, among other things, the due authorization, execution and delivery by the Company of this Bond Purchase Agreement and the Bond Documents to which the Company is a party.

SECTION 4. PURCHASE, SALE AND DELIVERY OF THE SERIES 2013 BONDS

On the basis of the representations, warranties, covenants and agreements contained herein and in the other agreements and documents referred to herein, and subject to the terms and conditions herein set forth, at the Closing Time the Purchaser agrees to purchase from the Authority and the Authority agrees to sell to the Purchaser the Series 2013 Bonds at a purchase price of \$1,015,000.00 representing the par amount of the Series 2013 Bonds, plus accrued interest, if any, from the date of the Series 2013 Bonds to the date of payment and delivery. The Series 2013 Bonds shall be issued under and secured as provided

in the Indenture, and the Series 2013 Bonds shall have the maturities and interest rates and be subject to redemption as set forth in **Schedule 1** attached hereto.

The Purchaser is purchasing the Series 2013 Bonds for its own account as an investment and does not expect to resell the Bonds. The Purchaser agrees, if it decides to sell the Series 2013 Bonds, to offer and sell the Series 2013 Bonds only to persons whom the Purchaser reasonably believes are "qualified institutional buyers" as defined in SEC Rule 144A.

On or prior to the Closing, the Purchaser will execute and deliver to the Authority and the Company a written certification (the "Issue Price Certificate") that as of the date hereof (the "Sale Date") the Purchaser is purchasing the Series 2013 Bonds for its own account as an investment and does not expect to resell the Bonds.

At the request of the Authority or the Company, the Purchaser will provide information, to the extent of the Purchaser's actual knowledge and subject to the Purchaser's privacy policies respecting the confidentiality of customer information, explaining the factual basis for the Purchaser's Issue Price Certificate. This agreement by the Purchaser to provide such information will continue to apply after the closing if (1) the either the Authority or the Company requests the information in connection with an audit or inquiry by the Internal Revenue Service or the Securities and Exchange Commission or (2) the information is required to be retained by the Authority or the Company pursuant to future regulation or similar guidance from the Internal Revenue Service, the Securities and Exchange Commission or other federal or state regulatory authority.

Payment for the Series 2013 Bonds shall be made by electronic transfer in immediately available federal funds payable to the order of the Trustee for the account of the Company, at 10:00 a.m., local time, on February 13, 2013, or such other time or date as shall be mutually agreed upon by the Authority, the Company and the Purchaser. Upon such payment, the Series 2013 Bonds shall be delivered and released upon the instructions of the Purchaser. The date of such delivery and payment is herein called the "Closing Date," and the hour and date of such delivery and payment is herein called the "Closing Time." The Closing shall occur at the offices of Gilmore & Bell, P.C., Kansas City, Missouri, on the Closing Date.

The Authority and the Company acknowledge that (a) the transaction contemplated by this Bond Purchase Agreement is an arm's length, commercial transaction among the Authority, the Company and the Purchaser in which the Purchaser is acting solely as a principal and are not acting as a municipal advisor, financial advisor or fiduciary to the Authority or the Company; (b) the Purchaser has not assumed any advisory or fiduciary responsibility to the Authority or the Company with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser has provided other services or is currently providing other services to the Authority or the Company on other matters); (c) the only obligations the Purchaser has to the Authority or the Company with respect to the transaction contemplated hereby are expressly set forth in this Bond Purchase Agreement; and (d) the Authority and the Company have consulted their own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

SECTION 5. CONDITIONS TO THE PURCHASER'S OBLIGATIONS

The Purchaser's obligations hereunder shall be subject to the due performance by the Company and the Authority of their obligations and agreements to be performed hereunder at or prior to the Closing Time and to the accuracy and completeness of the representations and warranties of the Authority and the Company contained herein, as of the date hereof and as of the closing Time, and are also subject to the following conditions:

(a) The Series 2013 Bonds and the Bond Documents shall have been duly authorized, executed and delivered in the form heretofore approved by the Purchaser with only such changes therein as shall be mutually agreed upon by the Purchaser and the Company.

(b) At the Closing Time, the Purchaser shall receive:

(1) The approving and supplemental opinions in form and substance satisfactory to the Purchaser, dated as of the Closing Date, of Gilmore & Bell, P.C., Bond Counsel, relating to the valid authorization and issuance of the Series 2013 Bonds, the due authorization and adoption of the Indenture by the Authority, the exclusion of interest on the Series 2013 Bonds from gross income for federal income tax purposes and certain other matters.

(2) The opinion, in form and substance satisfactory to the Purchaser and Bond Counsel, dated as of the Closing Date, of Lewis, Rice & Fingersh, Authority's counsel;

(3) The opinion, in form and substance satisfactory to the Purchaser, Bond Counsel and the Authority Counsel, dated as of the Closing Date, of The Blauvelt Law Firm, LLC, Kansas City, Missouri, Company's counsel;

(4) Certified copies of resolutions or ordinances, as appropriate, of the Authority and the Company, respectively, authorizing or approving, as appropriate, the execution and delivery of this Bond Purchase Agreement, the Bond Documents and the Series 2013 Bonds, together with certificates dated the Closing Date to the effect that such resolutions or ordinances have not been modified, amended or repealed.

(5) A certificate of the Company, satisfactory in form and substance to the Purchaser, dated as of the Closing Date, to the effect that (i) since December 31, 2011, there has not been any material adverse change in the business, properties, financial condition or results of operations of the Company, whether or not arising from transactions in the ordinary course of business, from that set forth in the audited financial statements, and except in the ordinary course of business, the Company has not incurred any material liability; (ii) there is no action, suit, proceeding or, to the knowledge of the Company, any inquiry or investigation at law or in equity or before or by any public board of body pending or, to the knowledge of the Company, threatened against or affecting the Company, its officers or its property or, to the best of the knowledge of the Company, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the Company, the transactions contemplated hereby or by the Bond Documents or the validity or enforceability of the Series 2013 Bonds, the Bond Documents or this Bond Purchase Agreement; (iii) the Company has duly authorized, by all necessary action, the execution, delivery and due performance by the Company of the Bond Documents and this Bond Purchase Agreement; and (iv) the representations and warranties of the Company set forth herein were accurate and complete as of the date hereof and are accurate and complete as of the Closing Time.

(6) A completed form 8038.

(7) Such additional certificates, legal and other documents, listed on a closing agenda to be approved by Bond Counsel and counsel to the Authority, as the

Purchaser may reasonably request to evidence performance or compliance with the provisions hereof and the transactions contemplated hereby and by the Indenture, or as Bond Counsel shall require in order to render its opinion, all such certificates and other documents to be satisfactory in form and substance to the Purchaser.

SECTION 6. CONDITIONS TO THE AUTHORITY'S OBLIGATIONS

The obligations of the Authority hereunder are subject to the Purchaser's performance of its obligations hereunder.

SECTION 7. THE PURCHASER'S RIGHT TO CANCEL

The Purchaser shall have the right to cancel its obligations hereunder to purchase the Series 2013 Bonds (which cancellation shall not constitute a default for purposes of **Section 4** hereof) by notifying the Authority and the Company in writing or by telegram of its election to make such cancellation prior to the Closing Time, if at any time prior to the Closing Time:

(a) A committee of the House of Representatives or the Senate of the Congress of the United States shall have pending before it legislation which, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the Company or by any similar body or upon interest received on obligations of the general character of the Series 2013 Bonds, or the Series 2013 Bonds, which, in the Purchaser's opinion, materially adversely affects the market price of the Series 2013 Bonds;

(b) A tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or be recommended to the Congress of the United States for passage by the President of the United States, or be enacted by the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation, upon revenues or other income of the general character to be derived by the Company or by any similar body or upon interest received on obligations of the general character of the Series 2013 Bonds, or the Series 2013 Bonds, which, in the Purchaser's opinion, materially and adversely affects the market price of the Series 2013 Bonds;

(c) Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by the General Assembly of the State of Missouri or by any other governmental body, department or agency of the State of Missouri, or a decision by any court of competent jurisdiction within the State of Missouri shall be rendered which, in the Purchaser's opinion, materially and adversely affects the market price of the Series 2013 Bonds, or litigation challenging the law under which the Series 2013 Bonds are to be issued shall be filed in any court in the State of Missouri;

(d) A stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series 2013 Bonds, or the issuance, offering or sale of

the Series 2013 Bonds, including all underlying obligations, as contemplated hereby, is in violation or would be in violation of any provision of the Securities Act of 1933, as amended (the "1933 Act"), the 1934 Act or the Trust Indenture Act of 1939, as amended;

(e) Legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Series 2013 Bonds, or the Series 2013 Bonds, including all the underlying obligations, are not exempt from registration under or from other requirements of the 1933 Act or the 1934 Act;

(f) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(g) The New York Stock Exchange or any other national securities exchange, or any governmental authority, shall impose, as to the Series 2013 Bonds or obligations of the general character of the Series 2013 Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Purchaser;

(h) Any general banking moratorium shall have been established by federal, New York or Missouri authorities;

(i) A material default has occurred with respect to the obligations of, or proceedings have been instituted under the Federal bankruptcy laws or any similar state laws by or against, any state of the United States or any city located in the United States having a population in excess of one million persons or any entity issuing obligations on behalf of such a city or state which, in the Purchaser's opinion, materially adversely affects the market price of the Series 2013 Bonds;

(j) Any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Company; or

(k) A war involving the United States shall have been declared, or any conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the Purchaser's opinion, materially adversely affects the market price of the Series 2013 Bonds.

The Purchaser acknowledges that no such event exists as of the date hereof that would permit the Purchaser to cancel its obligations pursuant to this Bond Purchase Agreement.

SECTION 8. INDEMNIFICATION AND CONTRIBUTION

(a) The Company agrees, to the extent legally permitted, to indemnify and hold harmless the Purchaser, the Authority, and any member, officer, official or employee of the Purchaser or the Authority within the meaning of Section 15 of the 1933 Act (collectively, the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue statements or misleading statement or allegedly misleading statement of a material fact related to the offering of the Series 2013 Bonds, or caused by any omission or alleged omission of any material fact necessary in order

to make the statements made related to the offering of the Series 2013 Bonds, in the light of the circumstances under which they were made, not misleading.

(b) In case a claim shall be made or any action shall be brought against one or more of the Indemnified Parties for which indemnification may be sought against the Company under paragraph (a) (the "Indemnifying Party"), the Indemnified Parties shall promptly notify the Indemnifying Party in writing, and the Indemnifying Party shall promptly assume the defense thereof, including with the consent of the Indemnified Party, which consent shall not be unreasonably withheld, the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless the employment of such counsel has been specifically authorized, in writing, by the Indemnifying Party or there is a conflict of interest that would prevent counsel for the Indemnifying Party from adequately representing both the Indemnifying Party and the Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the Indemnifying Party or if there be a final judgment for the plaintiff in any such action which the Indemnifying Party is required hereunder to assume the defense of, the Indemnifying Party agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of settlement or judgment.

(c) In the event and to the extent that an Indemnified Party is entitled to indemnification from the Indemnifying Party under the terms of paragraph (a) in respect of any of the losses, claims, damages, liabilities or expenses referred to therein, but such indemnification is unavailable to an Indemnified Party in respect of any such losses, claims, damages, liabilities or expenses referred to in paragraph (a), due to such indemnification being impermissible under applicable law or otherwise, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative benefits received by the Indemnifying Party and the Indemnified Party, respectively, from the offering of the Series 2013 Bonds, the relative fault of the Indemnifying Party and such Indemnified Party, respectively, in connection with the statements or omissions which resulted in such claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact related to information supplied by the Indemnifying Party or the Indemnified Party and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission of the Indemnifying Party or the Indemnified Party. The Company, the Purchaser and the Authority, respectively, agree that it would not be just and equitable if contribution pursuant to this paragraph (c) were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to above in this paragraph (c). The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to above in this paragraph (c) shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with defending any such action or claim. This paragraph (c) shall not apply in the event of losses, claims, damages, liabilities or expenses caused by or attributable to the willful misconduct or gross negligence of an Indemnified Party. Notwithstanding anything to the contrary contained in this paragraph (c), it is understood and agreed that this paragraph (c) is not intended, and shall not be construed, to expand, broaden or increase in any way, whether in terms of scope, amount or otherwise, the liability of the Company in respect of any of the losses, claims, damages, liabilities or expenses referred to in paragraphs (a) above or this paragraph (c) or otherwise, as that liability is set forth in paragraphs (a).

(d) The covenants and agreements of the Company and the Purchaser in this **Section 8** shall survive the delivery of the Series 2013 Bonds.

SECTION 9. PAYMENT OF EXPENSES

Whether or not the Series 2013 Bonds are sold by the Company to the Purchaser (unless such sale be prevented at the Closing Time by the Purchaser's default), the Purchaser shall be under no obligation to pay any expenses incident to the performance of the obligations of the Company hereunder. If the Series 2013 Bonds are sold by the Company to the Purchaser, all expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Series 2013 Bonds (including, without limitation, the fees and disbursements of Bond Counsel, the fees and disbursements of the Purchaser, in connection with the offering and sale of the Series 2013 Bonds and the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Series 2013 Bonds, this Bond Purchase Agreement and all other agreements and documents contemplated hereby) shall be paid by the Company out of the proceeds of the Series 2013 Bonds or from other available funds of the Company. If the Series 2013 Bonds are not sold by the Company to the Purchaser (unless such sale be prevented at the Closing Time by the Purchaser's default), all such expenses and costs shall be paid by the Company.

SECTION 10. NOTICE

Any notice or other communication to be given under this Bond Purchase Agreement may be given by mailing or delivering the same in writing to the applicable person, as follows:

(a) If to the Authority:

Environmental Improvement and Energy Resources Authority
325 Jefferson
P.O. Box 744
Jefferson City, Missouri 65101
Attention: Executive Director
(573) 751-4919

(b) If to the Company:

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

(c) If to the Purchaser:

UMB Bank, N.A.
1010 Grand Boulevard
Second Floor – Investment Banking
Kansas City, Missouri 64106
Attention: Municipal Underwriting Department
(816) 860-7200

SECTION 11. APPLICABLE LAW; NONASSIGNABILITY

This Bond Purchase Agreement shall be governed by the laws of the State of Missouri. This Bond Purchase Agreement shall not be assigned.

SECTION 12. EXECUTION OF COUNTERPARTS

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

SECTION 13. RIGHTS HEREUNDER

This Bond Purchase Agreement is made for the benefit of the Authority, the Company and the Purchaser and no other person including any purchaser of the Series 2013 Bonds shall acquire or have any rights hereunder or by virtue hereof.

The transaction described herein may be conducted and this Bond Purchase Agreement and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

SECTION 14. EFFECTIVE DATE

This Bond Purchase Agreement shall become effective upon acceptance hereof by the Authority and the Company.

Upon your acceptance of the offer, the foregoing agreement will be binding upon you and the Purchaser. Please acknowledge your agreement with the foregoing by executing the enclosed copy of this Bond Purchase Agreement prior to the date and time specified on page 1 hereof and returning it to the undersigned.

Very truly yours,

UMB BANK, N.A.

By: _____

Title: _____

A handwritten signature in black ink, appearing to read "Philip B. Richter", written over a horizontal line.

PHILIP B. RICHTER
SENIOR VICE PRESIDENT

Accepted and agreed to as
of the date first above written.

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

By: 
Title: Chairman

THE RAYTOWN WATER COMPANY

By: _____
Title: President

Accepted and agreed to as
of the date first above written.

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

By: _____
Title: Chairman

THE RAYTOWN WATER COMPANY

By: Neal Clwinger
Title: President

**SCHEDULE 1
TO BOND PURCHASE AGREEMENT
TERMS OF THE SERIES 2013 BONDS**

\$1,015,000

**State Environmental and Energy Resources Authority
(State of Missouri)
Water Facilities Revenue Bonds
(The Raytown Water Company)
Series 2013**

MATURITY SCHEDULE

\$1,015,000 3.00% Term Bonds due December 1, 2020, Price: 100%

(Plus accrued interest, if any)

Optional Redemption. The Series 2013 Bonds may be redeemed 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 of the Series 2013 Bonds called for redemption, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2013 Bonds are subject to mandatory redemption and payment prior to maturity on December 1 in each of the years set forth below, at 100% of the principal amount thereof plus accrued interest to the redemption date, without premium:

Series 2013 Bonds

<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

* Final Maturity