

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-1

Registered
\$1,015,000

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

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

Interest Rate

3.00%

Maturity Date

December 1, 2020

Dated Date

February 13, 2013

Registered Owner: UMB BANK, N.A.

Principal Amount: ONE MILLION FIFTEEN THOUSAND 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 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.

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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.

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SPECIMEN

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: William Andy Dalton

Chairman

Date of Authentication: _____

[SEAL]

UMB BANK, N.A., Trustee

ATTEST:

By: _____

Authorized Signature

Lake D. Hume

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 _____

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of the Bonds:

GILMORE & BELL
A Professional Corporation
2405 Grand Boulevard
Suite 1100
Kansas City, Missouri 64108

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

The Raytown Water Company
Raytown, Missouri

UMB Bank, N.A.
Kansas City, Missouri, as Bond Trustee

UMB Bank, N.A., as original purchaser
Kansas City, Missouri

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

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by State Environmental Improvement and Energy Resources Authority (State of Missouri) (the "Authority") of the above-captioned bonds (the "Bonds"), pursuant to Sections 260.005 to 260.125, inclusive, of the Revised Statutes of Missouri, as amended and Appendix B(1) thereto (the "Act"), and the 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 "Bond Indenture"), between the Authority and UMB Bank, N.A. (the "Bond Trustee"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Bond Indenture.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Authority and the Company contained in the Bond Documents and the certified

proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Reference is made to an opinion of even date herewith of The Blauvelt Law Firm, LLC, counsel to the Company, with respect to, among other matters, (a) the corporate status and due organization of the Company, (b) the good standing and qualification to do business of the Company, (c) the corporate power of the Company to enter into and perform its obligations under the Loan Agreement and the Series 2013 Note, and (d) the due authorization, execution and delivery of the Loan Agreement and the Series 2013 Note by the Company and the binding effect and enforceability thereof against the Company.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and legally binding special obligations of the Authority, payable solely from the loan payments made by the Company under the Loan Agreement and the Series 2013 Note and from other funds held by the Bond Trustee and pledged under the Bond Indenture. The Bonds do not constitute a debt or liability of the State or of any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation and do not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof. 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.

2. The Bond Indenture and the Loan Agreement have been duly authorized, executed and delivered by the Authority and are valid and legally binding agreements of the Authority, enforceable against the Authority. The Series 2013 Note has been duly endorsed by the Authority to the Bond Trustee and all of the Authority's right, title and interest in the Loan Agreement (except certain rights to indemnification, reimbursement and administrative fees) and the Series 2013 Note have been duly assigned by the Authority to the Bond Trustee under the Bond Indenture for the benefit and security of the Owners of the Bonds.

3. The interest on the Bonds is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), except for interest on any Bond for any period during which it is held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Code. Interest on the Bonds is an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations and is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. In addition to the foregoing exception, the opinions set forth in this paragraph are subject to the condition that the Authority and the Company comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Authority and the Company have covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from income taxation by the State of Missouri.

We express no opinion regarding (a) the accuracy, completeness or sufficiency of any offering material relating to the Bonds, (b) the perfection or priority of the lien on the Trust Estate pledged

under the Indenture, or (c) federal or state tax consequences arising with respect to the Bonds, other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Bond Indenture and the Loan Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

GILMORE & BELL, P.C.

SPECIMEN