

APPENDIX 1
MOAM
LOAN
AGREEMENT

GILMORE & BELL, P.C.
DRAFT – AUGUST 26, 2021
FOR DISCUSSION PURPOSES ONLY

LOAN AGREEMENT

dated as of [**DOCUMENT DATE**]

by and between the

MISSOURI DEPARTMENT OF NATURAL RESOURCES

and

MISSOURI-AMERICAN WATER COMPANY

relating to

NOT TO EXCEED \$[**PRINCIPAL AMT**]
MASTER INDENTURE NOTE
(STATE OF MISSOURI – DIRECT LOAN PROGRAM)
SERIES 2021A

OF THE

MISSOURI-AMERICAN WATER COMPANY

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Agreement”), dated as of [**DOCUMENT DATE**], is by and between the MISSOURI DEPARTMENT OF NATURAL RESOURCES, a department of the State of Missouri and its successors and assigns (“DNR”), and MISSOURI-AMERICAN WATER COMPANY, a corporation organized and existing under the laws of the State of Missouri and its successors and assigns (the “Company”). Terms not otherwise defined in this Agreement have the meanings set forth in the below-defined Escrow Agreement.

RECITALS

1. Pursuant to 10 CSR 60-13.020 and 10 CSR 60-13.030 of the Code of State Regulations, DNR, in cooperation with the Safe Drinking Water Commission of the State of Missouri (the “Commission”), has developed and implemented the State of Missouri Direct Loan Program (the “Direct Loan Program”) and has stated its intent to make loans and grants to political subdivisions and other eligible entities of the State of Missouri.

2. The Commission has approved a loan in the maximum principal amount of \$[**PRINCIPAL AMT**] (the “Loan”) to the Company to be made by DNR pursuant to this Agreement.

3. DNR and the Company are entering into this Agreement for the purposes of providing financing improvements to certain drinking water treatment facilities (the “Project” as further described in this Agreement) and setting forth their covenants and agreements respecting the application of the net proceeds of the Loan to finance the Project.

4. The Loan will be evidenced by the Master Indenture Note (State of Missouri – Direct Loan Program) Series 2021A in the aggregate principal amount of not to exceed \$[**PRINCIPAL AMT**] (the “Master Note”) of the Company issued pursuant a Master Trust Indenture dated as of [**DOCUMENT DATE**] (the “Original Indenture”), by and between the Company and U.S. Bank National Association, as trustee (the “Master Note Trustee”), as amended and supplemented by the Supplemental Master Trust Indenture No. 1 dated as of [**DOCUMENT DATE**] (the “First Supplemental Indenture” and, together with the Original Indenture, the “Master Note Indenture”). The Master Note is secured by a Deed of Trust and Mortgage dated as of [**DOCUMENT DATE**], from the Company, as grantor, to the mortgage trustee named therein, and the Master Note Trustee, as beneficiary and as trustee for the holders of the Master Note and the holders of future master indenture notes issued under the Original Indenture.

5. As a condition to the execution and delivery of this Agreement, DNR has required that the Company enter into the Escrow Agreement (defined below) with UMB Bank, N.A., as paying agent and escrow agent (the “Paying Agent”).

AGREEMENT

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. In addition to words and terms defined in the Escrow Agreement, the Recitals and elsewhere in this Agreement, including Article V, capitalized words and terms have the following meanings in this Agreement:

“Actual Reimbursement Amount” means the amount of a Requisition approved for payment in accordance with Section 3.3.

“Additional Payments” means those payments required to be made by the Company pursuant to Section 4.2.

“Administrative Expense Fund” means the fund designated as such and established by Section 4 of the Escrow Agreement. The Administrative Expense Fund does not constitute part of the Direct Loan Program.

“Administrative Fee” means the semiannual administrative fee of DNR equal to 0.25% of the aggregate amount of the Master Note Outstanding as of each Administrative Fee Calculation Date (including the Stated Maturity), payable to the Paying Agent within 30 days after the Company’s receipt of a statement from the Paying Agent for deposit to the Administrative Expense Fund and subsequent transfers to DNR as described in Section 9 of the Escrow Agreement.

“Administrative Fee Calculation Date” means the Business Day preceding each Principal Payment Date.

“Authority” means the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State, and its successors and assigns.

“Authorized Representative” means any person designated in writing by a certificate executed by the Company and filed with the Paying Agent and DNR.

“Authorizing Resolutions” means the resolutions of the Company duly adopted by the Governing Body of the Company pursuant to the Bylaws of the Company authorizing the Loan and the execution and delivery of this Agreement and the other Financing Documents.

“Bond Counsel” means Gilmore & Bell, P.C., or another attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing approved by a written instrument from DNR to the Company and the Paying Agent.

“Closing Date” means the date of initial issuance and delivery of the Master Note to DNR.

“Code” means the Internal Revenue Code of 1986, as amended.

“Completion of Funding” means the date, established by the Company, that no further Requisitions will be submitted by the Company, and therefore no further Purchase Price Installments will be funded by DNR, as evidenced by a written certificate executed by the Authorized Representative and filed with DNR and the Paying Agent.

“Construction Fund” means the Construction Fund established by Section 4 of the Escrow Agreement.

“Consultant” means the Consulting Engineer, a registered municipal advisor, an independent certified public accountant or a firm of independent certified public accountants.

“Consulting Engineer” means each independent engineer or engineering firm with experience in designing and constructing water production and transmission facilities and retained by the Company.

“Costs of Issuance” means, collectively, the Master Trust Bonds Expense and other costs of issuing the Master Note as certified by the Company.

“Debt Service Fund” means the Debt Service Fund established by Section 4 of the Escrow Agreement.

“Disbursement” means each amount advanced from the Construction Fund to the Company by the Paying Agent under this Agreement and Section 7 of the Escrow Agreement to pay Eligible Costs and Costs of Issuance, in an amount equal to the applicable Purchase Price Installment made by DNR pursuant to Section 3.3.

“Eligible Costs” means Project Costs determined by DNR to be eligible under the Regulations.

“EPA” means the Environmental Protection Agency.

“Escrow Agreement” means the Escrow Trust Agreement dated as of [**DOCUMENT DATE**], between the Company and the Paying Agent, as supplemented, modified or amended in accordance with its terms.

“Event of Default” means an “Event of Default” as defined in Article VII.

“Expenses” shall have the meaning set forth in the Master Note Indenture.

“Federal Act” means the Federal Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.*, as amended.

“Federal Securities” means any direct obligation of, or obligation the timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America and backed by its full faith and credit.

“Financing Documents” means all documents executed by the Company in connection with the Loan other than this Agreement, including the Master Note, the Master Note Indenture, the Mortgage and the Escrow Agreement.

“First Supplemental Indenture” means the Supplemental Master Trust Indenture No. 1 dated as of [**DOCUMENT DATE**], between the Company and the Master Note Trustee.

“Fiscal Year” means the fiscal year of the Company, currently January 1 to December 31.

“Funding Sources” means the sources identified by DNR from time to time to fund the Loan, initially as described in Section 2.2.

“Funds Transfer Method” means electronic transfer in immediately available funds, automated clearing house (ACH) funds, or other method approved by DNR at the written request of the Company with written notice to the Paying Agent.

“Governing Body” means the Board of Directors of the Company.

“Guaranties” when used in connection with a particular Person means 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, which indebtedness or other obligation would constitute Indebtedness if such Person was the Company.

“Indebtedness” has the meaning set forth in the Master Note Indenture.

“Ineligible Costs” means Project Costs that are not Eligible Costs.

“Initiation of Operations” means the date on which the operation (within the meaning of the Regulations) of the first operable segment of the Project commenced.

“Interest Account” means the Interest Account in the Repayment Fund established by Section 4 of the Escrow Agreement.

“Interest Payment Date” means each January 1 and July 1, commencing _____, 20____.

“Interest Period” means each six-month period from January 1 through June 30 and July 1 through December 31.

“Investment Securities” means any securities or investments that are legal for the investment of funds of the Company at the time of purchase.

“Loan” means the loan by DNR to the Company, funded in installments from the Funding Sources in accordance with, and subject to the terms and conditions of, this Agreement. The Loan is evidenced by the Master Note.

“Loan Payments” means the payments of principal and interest required to be paid by the Company in repayment of the Loan pursuant to Section 4.1.

“Mandatory Sinking Fund Redemption Schedule” means the mandatory sinking fund schedule attached as Exhibit E to this Agreement and Schedule 2 to the Master Note, as amended and replaced from time to time in accordance with Sections 3.5 and 4.5 of this Agreement.

“Master Note” means the “Master Indenture Note (State of Missouri – Direct Loan Program) Series 2021A” dated the Closing Date, from the Company to DNR, issued pursuant to the Master Note Indenture and in substantially the form set forth as an exhibit to the First Supplemental Indenture.

“Master Note Indenture” means, collectively, the Master Trust Indenture dated as of [**DOCUMENT DATE**], by and between the Company and the Master Note Trustee, as amended and supplemented by the Supplemental Master Trust Indenture No. 1 dated as of [**DOCUMENT DATE**], as further amended, supplemented or restated from time to time.

“Master Note Trustee” means U.S. Bank National Association, Philadelphia, Pennsylvania, as trustee under the Master Note Indenture, and any successor or assigns.

“Master Trust Agreement” means the Amended and Restated Master Trust Agreement dated as of December 1, 2020, between the Authority (as defined in Section 5.1) and the Master Trustee, as amended, supplemented or restated from time to time.

“Master Trust Bonds” means bonds of the Authority at any time outstanding and secured under the Master Trust Agreement.

“Master Trust Bonds Expense” means the amount of \$_____, included in the amount deposited on the Closing Date in the Administrative Expense Fund.

“Master Trustee” means UMB Bank, N.A., St. Louis, Missouri, as master trustee under the applicable Master Trust Agreement, and any successor master trustee pursuant to a Master Trust Agreement.

“Maximum Principal Amount” means \$[**PRINCIPAL AMT**].

“Mortgage” means the Deed of Trust and Mortgage dated as of [**DOCUMENT DATE**], from the Company, as grantor, to the mortgage trustee named therein, and the Master Note Trustee, as beneficiary and as trustee for the holders of the Master Note and the holders of future master indenture notes issued under the Original Indenture, under which the Company grants a mortgage lien and security interest in the Mortgaged Property, as from time to time amended or supplemented in accordance with its terms.

“Mortgaged Property” shall have the meaning set forth in the Master Note Indenture.

“Net Proceeds” when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which the term is used less all expenses (including attorneys’ fees and any expenses of the Owner) incurred in the collection of such gross proceeds.

“Net Income Available for Debt Service” means, as to any period of time, all Revenues minus Expenses of the Company.

“Outstanding” means, as of the date of determination, the Master Note unless discharged and/or defeased in accordance with the terms of this Agreement and the Master Note Indenture.

“Owner” means DNR or any assignee, successor or transferee of DNR under the Direct Loan Program or the SRF Leveraged Program.

“Parity Master Notes” means any master indenture notes issued by the Company pursuant to the Master Note Indenture secured on a parity with the Master Note.

“Paying Agent” means UMB Bank, N.A., the paying agent and escrow agent, and its successors and assigns acting at any time as Paying Agent and Escrow Agent under this Agreement and the Escrow Agreement.

“Permitted Encumbrances” shall have the meaning set forth in the Master Note Indenture.

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

“Prime Rate” means the interest rate per annum determined from time to time by the Paying Agent (or its successors or assigns), as its “base rate” for variable rate commercial loans, such interest rate to change automatically as of the opening of business on the effective date of any change in the Prime Rate.

“Purchase Price Installment” means the amount paid by DNR from time to time in accordance with Section 3.3 and deposited in the Construction Fund or otherwise in accordance with the Escrow Agreement.

“Principal Payment Date” means each January 1 and July 1, commencing _____, 20____, and any date on which the Master Note is optionally redeemed in accordance with Section 4.5.

“Project” means the acquisition, construction, improvement and equipping of drinking water facilities of the Company further described as follows:

Clearwell and High Service Pump Station Replacement. The Project will replace the existing 0.88 million-gallon (“MG”) clearwell and high service pumps with a new below-grade clearwell and high service pumping facility. The new facility will include a partially below-grade storage basin

with 1.0 MG of usable storage, providing for operational redundancy and flexibility. An additional 162,000 gallons of storage will be provided for future filter backwash supply. New high service pumps with a firm capacity of 7.5 million gallons per day (“MGD”) and space for two future backwash pumps with an estimated capacity of 5.0 MGD will be provided. These new pumps will be integral to the new clearwell and discharge to a new finished water pipeline that will be connected to the distribution system. The existing clearwell will be demolished once the new clearwell is placed into service. Electrical improvements include a new reinforced concrete duct bank, a new generator, automatic transfer switch and transformer pad, and new electrical switch gear sized to re-feed the entire site. The Project also includes all changes needed to complete the Project agreed to in writing by the Company and DNR.

“Project Costs” means all costs or expenses which are necessary, incident or directly attributable to the Project, consisting of Eligible Costs and Ineligible Costs, if any.

“Project Schedule” means the schedule for completion of the Project that is estimated by the Company to be the following as of the date of execution of this Agreement:

<u>Event</u>	<u>Projected Date (month/year)</u>
Advertising for bids	June 2019
Bid opening	July 2019
Construction contract executed	September 2019
Initiation of Operations	November 2020
Construction completion	December 2020
Project completion	December 2020

“Property” shall have the meaning set forth in the Master Note Indenture.

“PSC” means the Missouri Public Service Commission.

“Quarterly Payment Date” means each March 15, June 15, September 15 and December 15, commencing _____ 15, 20____.

“Rating Agency” means Moody’s Investors Service, Inc. or S&P Global Ratings, a division of S&P Global Inc., and their respective successors.

“Regulations” means 10 CSR 60-13.020 and 10 CSR 60-13.030 of the Code of State Regulations, as amended.

“Repayment Fund” means the Repayment Fund established by Section 4 of the Escrow Agreement. The Repayment Fund does not constitute part of the Direct Loan Program.

“Requisition” means a Drinking Water Reimbursement Form in substantially the form of Exhibit A, with such changes as are approved by DNR with written notice to the Company and the Paying Agent.

“Revenues” shall have the meaning set forth in the Master Note Indenture.

“Senior Indenture” means the Indenture of Mortgage dated as of May 1, 1968, between the Company and the Senior Trustee, as from time to time amended, supplemented or restated in accordance with its terms.

“Senior Obligations” means, collectively, the Company’s (a) \$12,500,000 aggregate principal amount of General Mortgage Bonds, 7.14% Series due March 1, 2034, all of which are presently outstanding, (b) \$3,000,000 aggregate principal amount of General Mortgage Bonds, 8.58% Series due March 1, 2025, all of which are presently outstanding, (c) \$8,000,000 aggregate principal amount of General Mortgage Bonds, 7.79% Series due June 1, 2027, all of which are presently outstanding and (d) any future general mortgage bonds issued and secured by the Senior Indenture.

“Senior Trustee” means U.S. Bank National Association, or any successor trustee under the Senior Indenture.

“State” means the State of Missouri.

“Stated Maturity” means _____, 20____, the maturity date of the Master Note.

“Subsidy Payments” means funds received by the Company that either (a) must be used or (b) have been used to reduce the interest or principal payments on any Indebtedness. Such Subsidy Payments would include, but are not limited to, the SRF Subsidy and other payments received by the Company through a federal or State program.

“Supplemental Agreement” means any agreement supplementing or amending this Agreement pursuant to Section 8.6.

“System” means the entire drinking water treatment facilities owned and operated by the Company for the acquisition, treatment and distribution of drinking water.

“User Charge Resolution” means, collectively, the Rules and Regulations Governing the Rendering of Water Service effective as of October 15, 2011 and the Rates for Service effective as of May 28, 2018, submitted by the Company and approved by the PSC, as amended, supplemented or replaced from time to time.

Section 1.2. Interpretation.

(a) The words “herein,” “hereof” and “hereunder” and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than to any particular section or subdivision of this Agreement.

(b) References in this Agreement to any particular article, section or subdivision hereof are to the designated article, section or subdivision of this Agreement as originally executed.

(c) The Table of Contents and titles of articles and sections herein are for convenience of reference only and are not a part of this Agreement, and shall not define or limit the provisions of this Agreement.

(d) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(e) Words importing person shall include partnerships, limited liability companies, associations and corporations, including public bodies, as well as natural persons.

(f) Articles, sections, subsections and clauses mentioned by number only are those so numbered that are contained in this Agreement.

(g) Any opinion of counsel required under this Agreement shall be a written opinion of such counsel.

(h) Wherever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

(i) When used in this Agreement, “day” means “calendar day.”

Section 1.3. DNR Actions. All approvals, notices, consents and other actions of DNR under this Agreement (other than the execution of this Agreement and any amendments hereto) will be executed by the Director, Financial Assistance Center, Water Protection Program of DNR or any other person designated from time to time by the Director of DNR by a written instrument filed with the Company and the Paying Agent, who shall have continued authority to grant such approvals and consents, deliver notices and perform other actions of DNR under this Agreement.

ARTICLE II

REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Company.

(a) Organization and Authority.

(i) The Company is a corporation duly incorporated, organized and in good standing under the laws of the State and is duly authorized and qualified and licensed to conduct its operations in the State and in all other jurisdictions wherein failure to be so qualified, authorized and licensed would have a material adverse effect on the conduct of its operations or the ownership of its properties.

(ii) The Company has full legal right and authority and all necessary licenses and permits required as of the date of this Agreement to own, operate and maintain the System, to carry on its activities relating to the System, to undertake and complete the Project, to execute and deliver this Agreement, to issue the Master Note, to pledge the sources for repayment and security for the Loan under this Agreement, the Master Note Indenture, the Mortgage and the Master Note, and to carry out its agreements under this Agreement.

(iii) The proceedings of the Company’s Governing Body approving this Agreement, the Master Note Indenture, the Mortgage and the Master Note and authorizing the Company to undertake and complete the Project have been duly and lawfully passed and do not, and did not, in any manner contravene the Articles of Incorporation or Bylaws of the Company.

(iv) This Agreement, the Master Note, the Mortgage, the Master Note Indenture, the Authorizing Resolutions, and all other resolutions of the Company authorizing the Company to undertake and complete the Project have been duly authorized, executed and delivered by the Company, and constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights and to the exercise of judicial discretion in accordance with general principles of equity.

(b) Full Disclosure. To the best knowledge of the Company, after due investigation, there is no fact that the Company has not disclosed to DNR in writing on the Company’s application for participation in the Direct Loan Program, or otherwise, that materially and adversely affects or that will

materially and adversely affect the properties or activities of the Company or the System, or the ability of the Company to make all Loan Payments and otherwise observe and perform its agreements under this Agreement.

(c) Pending Litigation. To the best knowledge of the Company, after due investigation, there are no proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company, in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Company or the System, or the ability of the Company to make all Loan Payments and otherwise observe and perform its agreements under this Agreement, that have not been disclosed in writing to DNR in the Company's application for participation in the Direct Loan Program or otherwise.

(d) Compliance with Existing Laws and Agreements. The agreements of the Company in this Agreement will not constitute a default under any indenture, mortgage, deed of trust, lease or agreement or other instrument executed by the Company or by which it or any of its property is bound or any applicable law, rule, regulation or judicial proceeding.

(e) No Defaults. No event has occurred and no condition exists that constitutes or, with the giving of notice or the lapse of time, would constitute an Event of Default. To the knowledge of the Company, after due investigation, the Company is not in violation of any agreement that would materially adversely affect the ability of the Company to make all Loan Payments or otherwise observe and perform its agreements under this Agreement.

(f) Governmental Consent. To the best of its knowledge, the Company has made all filings that it is obligated to make with, and has obtained all permits, licenses, franchises, consents, authorizations and approvals required to date from, all federal, state and local regulatory agencies having jurisdiction to the extent, if any, required by applicable laws and regulations to be made or to be obtained in undertaking the Project or this Agreement. To the best of its knowledge, the Company has complied with all applicable provisions of law requiring any notification to any governmental body or officer in connection with this Agreement or with the undertaking, completion or financing of the Project.

(g) Source for Repayment. The Company has a dedicated revenue source for the repayment of the Loan. The dedicated source of revenue includes a system of service rates, fees and charges or other sources of revenue established under the User Charge Resolution.

(h) Performance Under Agreement. The Company covenants and agrees:

(i) to comply with all applicable State and federal laws, rules and regulations in the performance of this Agreement, including federal laws and executive orders referenced in Exhibit B to the extent applicable; and

(ii) to cooperate with DNR in the timely observance and performance of the respective agreements of the Company and DNR under this Agreement.

(i) Control of Project Site. The Company will provide, or has provided, written assurance to DNR, signed by an attorney, that the Company has proper title, easements, and rights-of-way to the property on or through which the Project is to be constructed. This written assurance will be provided prior to construction contract award.

(j) Bid Solicitations. Executive Order 12549 – Debarment and Suspension establishes procedures that require EPA to deny any individual, organization, or unit of government the opportunity to

participate in federally-assisted programs because of misconduct or poor performance. All records from Central Contractor Registry (CCR), Federal Agency Registration (Fedreg), Online Representations and Certifications Application (ORCA) - and the Excluded Parties List System (EPLS), active or expired, were moved to the federal System for Award Management (SAM) e-procurement system. The Company can search these records and filter the results. The following paragraph must be included in the Instructions to Bidders:

The Code of Federal Regulations at Title 2, Part 180, prohibits participation in EPA funded contracts by persons excluded or disqualified from doing business with the federal government. Bidders are responsible for advising the Owner if they are excluded or disqualified, and to check whether subcontractors they intend to use are excluded or disqualified. All tiers of subcontractors have the same responsibility to notify the one for which they are providing services if they are excluded or disqualified, and to check the status of any subcontractors they intend to use. Status can be checked on the System for Award Management (SAM) located on the Internet at <https://www.sam.gov/SAM/>. All subcontracts at any tier should include this language.

The Company acknowledges that doing business with any party appearing in the “List of Parties Excluded from Federal Procurement or Non Procurement Programs” may result in the termination of the Company’s participation in the Direct Loan Program and may also result in suspension or debarment under the Regulations. The Company will obtain the written approval of DNR before advertising for bids.

(k) Buy American Iron and Steel Products. In accordance with Sec. 424 of the Consolidated Appropriations Act, 2016 (P.L. 114-133) and the America’s Water Infrastructure Act of 2018 (AWIA) (collectively, the “AIS Acts”), the Company assures that it, as well as its contractors and subcontractors, will only use iron and steel products in the Project that are produced in the United States in a manner consistent with United States obligations under international agreements. The term “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. The Company understands that this requirement may only be waived by the applicable federal agency in limited situations as set out in the AIS Acts.

(l) Performance and Payment Bonds. The Company will require any Project contractor to post a separate performance bond and a separate payment bond or other security approved by DNR, each in the amount of the bid.

(m) Disadvantaged Business Enterprises (“DBEs”).

(1) The Company will ensure that DBEs have the opportunity to compete as sources for the procurement of supplies, equipment, construction and services related to this Agreement. The Company agrees to include information about these requirements in solicitation documents, including the following:

(A) the prime contractor must pay its subcontractor for satisfactory performance no more than 30 days from the prime contractor’s receipt of payment from the Company;

(B) the Company must be notified in writing by its prime contractor prior to any termination of a DBE subcontractor for convenience by the prime contractor;

(C) if a DBE subcontractor fails to complete work under its subcontract for any reason, the prime contractor must employ the “six good faith efforts” described in subparagraph (2) if soliciting a replacement subcontractor; and

(D) the prime contractor is to employ the “six good faith efforts” even if the prime contractor has achieved its “fair share goals” (the current “fair share goals” are 10% for Minority Business Enterprises (“MBE”) and 5% for Women Business Enterprises (“WBE”)).

(2) The “six good faith efforts” are:

(A) ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this includes placing DBEs on solicitation lists and soliciting them whenever they are potential sources;

(B) make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date;

(C) consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this includes dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process;

(D) encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually;

(E) use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and

(F) require any prime contractor or other recipient, if it is awarding subcontracts, to take the affirmative steps in clause (B) of this subparagraph.

(3) DBE Reporting: MBE/WBE reporting is required where there are funds budgeted for procuring construction, equipment, services and supplies, that exceed the threshold amount of \$250,000, including any amendments and/or modifications. Once the threshold is exceeded, all procurement actions are reportable, not just that portion that exceeds the threshold. The Company shall utilize EPA form 5700-52A to annually report to DNR procurements for the Project. Annual reports are due by October 30th of each year. Final reports are due by October 30th or 90 days after the end of the Project period, whichever comes first.

(n) Prevailing Wage. The Company will require any Project contractor and subcontractor to pay all laborers and mechanics employed by the contractor or subcontractor at rates not less than the greater of (1) those rates prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code (Davis-Bacon Act), as required by the Consolidated Appropriations Act, 2012 (P.L. 112-74) or (2) those rates required pursuant to Chapter 290 of the Revised Statutes of Missouri, as amended. The Company agrees to include information about these requirements in solicitation documents.

(o) Contract Award. The Company, with the prior written concurrence of DNR, will award any construction contract or contracts for the Project to the lowest responsive and responsible bidder.

(p) Completion of Project and Provision of Moneys. The Company agrees:

(i) to exercise its best efforts in accordance with prudent drinking water treatment utility practice to complete the Project in a timely manner in accordance with the Project Schedule; and

(ii) subject to the provisions of this Agreement to provide from its own financial resources all moneys in excess of the amount available under this Agreement and the Grant Agreement required to complete the Project.

(q) Requests for Funding; Use of Proceeds. The Company will request the funding of Purchase Price Installments to pay Eligible Costs in accordance with this Agreement to the extent the sum of Purchase Price Installments and Costs of Issuance has not exceeded the Maximum Principal Amount, in order to provide for the prompt payment of the contractors. The Company will apply the Disbursements to finance a portion of the Project Costs, and, where applicable, to reimburse the Company for a portion of the Project Costs, which portion was paid or incurred in anticipation of reimbursement from moneys held in the Construction Fund and is eligible for reimbursement pursuant to the Regulations. All costs will be Eligible Costs that DNR is authorized to finance pursuant to the Federal Act and the Regulations.

(r) Notice of Completion. The Company will provide written notice of the Initiation of Operations and the completion of construction of the Project to DNR within 45 days after the occurrence of each of these events.

(s) Compliance Certification. This paragraph is applicable if DNR notifies the Company in writing that the actions described in this paragraph are required. On the first anniversary of the Initiation of Operations, the Company will certify to DNR whether the Project meets the Project performance standards. Any statement of noncompliance must be accompanied by a corrective action report containing an analysis of the cause of the Project's failure to meet performance standards, the actions necessary to bring it into compliance and a projected date for positive certification of the Project. Timely corrective action will be implemented by the Company.

(t) Retention of Project Records. The Company will retain all Project records in accordance with Section 5.12 of this Agreement and Chapter 109 of the Revised Statutes of Missouri, as amended.

(u) Operations and Maintenance of System; User Charge Resolution. The Company will, in accordance with prudent drinking water treatment utility practice:

(i) at all times operate the System in an efficient manner;

(ii) maintain the System in good repair, working order and operating condition over the structural and design life of the System;

(iii) implement the User Charge Resolution as approved from time to time by the PSC for the term of the Loan; and

(iv) in accordance with 10 CSR 60-14.020 of the Regulations, provide a certified operator for the life of the System.

(v) Records and Accounts; Audits.

(i) The Company will keep accurate records and accounts for the System (the “System Records”) separate and distinct from its other records and accounts (the “General Accounts”). The System Records and General Accounts will be available for inspection by DNR at any reasonable time.

(ii) The Company will maintain the System Records in accordance with accounting principles generally accepted in the United States of America.

(A) The Company will use the accrual or modified accrual basis of accounting (in order to provide an effective measure of costs and expenditures) for the System Records.

(B) The Company may use an accounting method other than accounting principles generally accepted in the United States of America for its General Accounts.

(iii) Promptly after the end of each Fiscal Year, the Company will cause an audit of the System for the preceding Fiscal Year to be made by a certified public accountant or firm of certified public accountants employed for that purpose and paid from the Revenues pursuant to this Agreement. The annual audit will cover in reasonable detail the operation of the System during the Fiscal Year. So long as the Loan is outstanding, within 180 days after the end of the Company’s Fiscal Year, a copy of the audit will be delivered (via regular mail or electronically) to DNR. If audited financial statements are not available by the time required pursuant to this Section, the Company shall notify DNR in writing of the delay with the expected date of completion.

(iv) If notified by DNR, the Company will comply with OMB’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grants Guidance), governing the audit of state and local governments, as determined by the EPA’s Guidance Letter dated December 24, 2014, if the Company expends during any Fiscal Year an aggregate amount of \$750,000 or more of federal assistance (1) under the Direct Loan Program and (2) from other federal sources.

(A) A copy of the Company’s annual audit, including the written comments and recommendations of the Company’s auditor, will be furnished to DNR within the time period provided in OMB’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grants Guidance).

(B) The amount of federal assistance to the Company under the Direct Loan Program for each Fiscal Year will be identified in each payment review letter transmitted to the Company by DNR.

(v) In accordance with, and subject to the requirements of, Section 29.235 of the Revised Statutes of Missouri, as amended, the Company will (A) make available to the State auditor, or his or her designee, all books, accounts, records, reports, vouchers and other documents relating to the Project and the Loan and (B) permit the examination and inspection of all property, equipment and facilities constituting the Project.

(w) Inspections; Information. The Company will permit the EPA, the Paying Agent, DNR and any party designated by DNR to examine, visit and inspect the Project at any reasonable time and to inspect and make copies of any accounts, books and records, including its records regarding receipts,

disbursements, contracts, investments, its financial condition and other related matters, and will supply such reports and information as the EPA, the Paying Agent and DNR may reasonably require.

(x) Insurance. The Company will carry and maintain the amount of all risk insurance on the properties and operations of the System as required by the Master Note Indenture. If not required by the Master Note Indenture, the Company will carry and maintain the amount of all risk insurance that would be carried by similar municipal operators of drinking water treatment facilities, insofar as the properties are insurable at a commercially reasonable cost.

(y) Notice of Material Adverse Change. The Company will promptly notify DNR of any material and adverse change in the activities, prospects or condition (financial or otherwise) of the System or in the ability of the Company to make the Loan Payments and otherwise observe and perform its agreements under this Agreement.

(z) Completion Required Without Regard to Sufficiency of Loan. Subject to the provisions of this Agreement, the Company agrees to complete the Project whether or not the proceeds from the Loan are sufficient to complete the Project.

(aa) Signage. The Company agrees to comply with the Guidelines for Enhancing Public Awareness of SRF Assistance Agreements, issued by EPA and dated June 3, 2015.

(bb) Employee Pension Benefits Plan. The Company has not heretofore engaged in, and the consummation of the transactions herein provided for, and compliance by the Company with this Agreement and the Financing Documents will not involve, any prohibited transactions within the meaning of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or Section 4975 of the Code. No “employee pension benefit plans,” as defined in ERISA are maintained by the Company.

(cc) Federal Work Authorization Program. Simultaneously with the execution of this Agreement, the Company shall provide DNR with an affidavit and such other documentation meeting the requirements of Section 285.530 of the Revised Statutes of Missouri.

(dd) Anti-Discrimination Against Israel Act. Pursuant to Section 34.600 of the Revised Statutes of Missouri (the “Anti-Boycott Act”), the Company hereby certifies to DNR that the Company (including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the Company) is not currently engaged in and shall not, for the duration of this Agreement, engage in a boycott of goods or services from the State of Israel, companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel, or persons or entities doing business in the State of Israel within the meaning of the Anti-Boycott Act. The foregoing certification shall not be deemed an admission or agreement that the Anti-Boycott Act is applicable to this Agreement but the foregoing certification is provided if the Anti-Boycott Act is applicable. If the Anti-Boycott Act is initially deemed or treated as applicable to this Agreement but it is subsequently determined not to apply to this Agreement for any reason including by reason of applicable federal law including, without limitation, 50 U.S.C. Section 4607, the repeal or amendment of the Anti-Boycott Act or any ruling of a court of competent jurisdiction as to the unenforceability or invalidity of the Anti-Boycott Act, then the foregoing certification shall cease and not exist.

Section 2.2 Representations and Covenants of DNR. DNR represents and covenants as follows:

(a) DNR is a department of the State and a governmental instrumentality duly organized and existing under the laws of the State with lawful power and authority to enter into and by all necessary action has been duly authorized to execute and deliver this Agreement and all ancillary agreements in connection with the Loan acting by and through its duly authorized officers.

(b) DNR is the State's administrative body responsible for the enforcement of the Federal Act and Chapter 640 of the Revised Statutes of Missouri, as amended, and is responsible for the management of the Direct Loan Program. DNR will comply with the terms and conditions of its agreements with EPA applicable to the Direct Loan Program.

(c) DNR commits to fund the Loan from the following sources (provided DNR may modify the sources if DNR has the legal authority to commit the replacement sources to the funding of the Loan):

(i) [**Capitalization Grant Agreement dated September 24, 2019, identification number FS-997629-19-0**]; and

(ii) The Water and Wastewater Loan Revolving Fund.

(d) The execution, delivery and performance of this Agreement by DNR will not result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or agreement or other instrument to which DNR is a party or by which it or any of its property is bound or any applicable law, rule or regulation.

ARTICLE III

EXECUTION OF AGREEMENT; TERMS OF LOAN

Section 3.1 Execution and Delivery of Agreement. Simultaneously with the execution of this Agreement, the Company will deliver the following:

(a) to DNR and the Paying Agent, a certified copy of the Authorizing Resolutions;

(b) to DNR and the Paying Agent, an executed counterpart of this Agreement and the Financing Documents;

(c) to DNR and the Paying Agent, a certificate of the Company executed by the Authorized Representative in form and substance satisfactory to DNR;

(d) to the Master Note Trustee, with a copy to DNR, all documents required to be delivered under the Master Note Indenture in order to issue the Master Note;

(e) to the Paying Agent, the executed Master Note in the maximum principal amount of \$[**PRINCIPAL AMT**], to be held by the Paying Agent in trust on behalf of DNR;

(f) to DNR and the Paying Agent, a signed copy of the opinion of counsel to the Company in form and substance satisfactory to DNR; and

(g) to DNR and the Paying Agent, a signed copy of the opinion of Bond Counsel to the Company in form and substance satisfactory to DNR.

Section 3.2. Maximum Principal Amount of Loan. Subject to the provisions of this Agreement, DNR will make the Loan in installments to the Company in the maximum aggregate principal amount of \$[**PRINCIPAL AMT**] to pay Eligible Costs of the Project and to pay Costs of Issuance. The Maximum Principal Amount may be reduced without revision of any other terms, provisions or conditions of this Agreement to reflect reductions in the estimated or actual total Eligible Costs as impacted by opening of bids for construction, change orders, final actual costs, and prepayments. The Loan is evidenced by the Master Note. The Company acknowledges that all Loan Payments are to be made directly to the Paying Agent.

Section 3.3. Funding of Purchase Price Installments and Disbursements.

(a) DNR will fund Purchase Price Installments and moneys will be disbursed from the Construction Fund to the Company only once each calendar month in accordance with this Section and the Escrow Agreement. DNR will not fund a Purchase Price Installment in the months of June and December after the date that is two Business Days prior to the 15th calendar day of those months, unless (i) the Company has made special arrangements with DNR and the Paying Agent to assure that interest on the Master Note payable on the following Interest Payment Date will be calculated and payment received by the Paying Agent not less than two Business Days prior to the Interest Payment Date, and (ii) DNR and the Paying Agent have agreed to the special arrangements, in their sole discretion.

(b) The Company will deliver, by overnight delivery or regular mail service, a completed Requisition to DNR. The Requisition must be executed by the Authorized Representative, set forth the amounts due and payable to the payees identified in signed invoices or statements attached to the Requisition submitted to DNR, and contain any additional information requested by DNR. The execution and delivery of a Requisition will constitute a representation by the Company that, to the best of its knowledge, the amounts for which a Requisition is submitted are due and payable and constitute Eligible Costs and/or Costs of Issuance. Notwithstanding any provision herein to the contrary, no Requisition is required for the initial Purchase Price Installment related to Costs of Issuance.

(c) DNR will use its best efforts to review a Requisition within ten Business Days after its receipt to determine if any Project Costs are Ineligible Costs. This determination will be conclusive, unless determined otherwise by EPA in its annual oversight reviews. DNR will notify the Paying Agent of DNR's approval of the Requisition in whole or in part by transmitting to the Paying Agent the approved Requisition by facsimile transmission. The approved Requisition will not be accompanied by applicable vouchers and statements. DNR will not approve any Requisition upon an Event of Default by the Company or the issuance of a stop-work order by EPA or DNR.

(d) Upon DNR's approval of a Requisition, DNR will fund a Purchase Price Installment in an amount equal to the Actual Reimbursement Amount by electronic transfer of funds to the Paying Agent for deposit by the Paying Agent in the Construction Fund.

(e) Subject to Section 7 of the Escrow Agreement, the Paying Agent will pay the Actual Reimbursement Amount to the Company within two Business Days after the Paying Agent's receipt of the approved Requisition. Immediately upon receipt of any future Purchase Price Installments pursuant to Section 3.3 of the Loan Agreement, the Paying Agent shall provide written notice to the Master Note Trustee that the Master Note should be endorsed in the amount equal to the applicable Purchase Price Installment to evidence an increase in the aggregate principal amount of the Master Note. The date of the endorsement shall be the date of funding of the Purchase Price Installment by DNR.

Section 3.4 Completion of Project and Initiation of Operations. The completion of the Project shall be evidenced to the Paying Agent and DNR by a certificate signed by the Authorized Representative stating (a) that the Project has been completed in accordance with the plans and specifications therefor, (b) that all Project Costs have been paid, except Project Costs the payment of which is not yet due or is being retained or contested in good faith by the Company, (c) the date of the Initiation of Operations, and (d) that the Project meets National Pollution Discharge Elimination System (“NPDES”) permit limits, if applicable. The Company’s certificate must be accompanied by a certification by the Consulting Engineer that the Project was constructed in accordance with the approved plans and specifications and, if applicable, meets NPDES permit limits. The Company’s certificate may state that it is given without prejudice as to any rights of the Company against third parties that exist as of the date of the certificate or that may subsequently come into being.

Section 3.5 Completion of Funding.

(a) The Completion of Funding will be the date of a certificate signed by the Authorized Representative stating that no further funding of Purchase Price Installments will be requested by the Company and delivered to the Paying Agent and DNR. DNR may direct the Company to sign and deliver a Completion of Funding certificate in appropriate circumstances. Appropriate circumstances include, but are not limited, to the following:

(i) the Company appears to have satisfied or is in a position to satisfy the conditions set forth in Section 3.4 for completion of the Project and/or has filed the certificate described in Section 3.4 but has not filed the Completion of Funding certificate in a timely manner;

(ii) the Company has not submitted a Requisition for a significant period of time or otherwise demonstrated that the Company is proceeding with due diligence to complete the Project; or

(iii) Completion of Funding has not occurred by the third anniversary of the Closing Date, unless the Company, by written request to DNR, requests an extension and establishes to the satisfaction of DNR that Completion of Funding will occur within a reasonable period thereafter.

(b) Within 10 Business Days after the Company has delivered the Completion of Funding certificate, DNR will provide a final debt service schedule and replacement Mandatory Sinking Fund Redemption Schedule to the Paying Agent and the Master Note Trustee.

ARTICLE IV

LOAN PAYMENTS; PREPAYMENT OF LOAN; REDEMPTION OF BOND

Section 4.1 Payments. To provide for the repayment of the Loan, the Company covenants and agrees that it will make the following payments from moneys available to the Company by the Funds Transfer Method, on each Quarterly Payment Date, to the Paying Agent for credit to the Interest Account and the Principal Account:

(a) to the Interest Account, on _____ 15, 20____ and each Quarterly Payment Date thereafter, 1/2 of the amount of interest due on the Master Note on the next Interest Payment Date, with the balance in the Debt Service Fund and the Interest Account on an Interest Payment Date after the payment of the principal of and interest due on the Master Note on the Interest Payment Date to be credited against the next succeeding Quarterly Payment; provided that prior to the Completion of Funding,

(1) the investment earnings on the Construction Fund for the preceding calendar quarter will be credited against the next quarterly payment,

(2) for purposes of the first Quarterly Payment of each Interest Period, the amount of interest due on the next Interest Payment Date will be estimated based upon an expected disbursement schedule for the Interest Period provided by the Company to DNR and the Paying Agent, and

(3) for purposes of the second Quarterly Payment of each Interest Period, the interest due on the next Interest Payment Date will be calculated by the Paying Agent based upon Purchase Price Installments funded at least three Business Days prior to the Quarterly Payment Date and the second Quarterly Payment calculated so that the amount on deposit in the Interest Account after receipt of the second Quarterly Payment will equal interest payable on the Master Note on the Interest Payment Date; and

(b) to the Principal Account, on _____ 15, 20____ and each Quarterly Payment Date thereafter, 1/2 of the principal due on the Master Note on the next succeeding Principal Payment Date, whether at Stated Maturity or upon mandatory sinking fund redemption. If the Initiation of Operations specified in the certificate delivered by the Company under Section 3.4 is earlier than the expected Initiation of Operations, (1) the first quarterly installment of principal of the Master Note will be paid no later than the Quarterly Payment Date which is not more than 12 months after the Initiation of Operations, and (2) on the Quarterly Payment Date which is not more than 20 years after the Initiation of Operations, all remaining unpaid Purchase Price Installments will be paid.

Section 4.2 Additional Payments. The Company agrees to make the following additional payments to the Paying Agent, within 30 days after receipt of a statement from the Paying Agent, (a) the Administrative Fee, and (b) an amount equal to the Paying Agent's fees and expenses as provided in the Escrow Agreement. The Company shall be responsible for all fees and expenses of the Master Note Trustee pursuant to the Master Note Indenture.

Section 4.3 Obligations of Company Unconditional. The Company covenants and agrees that it will pay all Loan Payments and Additional Payments due under this Agreement and perform its obligations, covenants and agreements under this Agreement, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstances whatsoever, whether now existing or hereafter arising, and regardless of whether or not the Project is completed, any change in the tax or other law of the United States of America, the State or any political subdivision of either thereof, or any default of DNR under this Agreement, and regardless of the invalidity of any action of DNR, and regardless of the invalidity of any portion of this Agreement. To the extent permitted by law, the Company waives the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Agreement or which releases or purports to release the Company therefrom. Nothing in this Agreement shall be construed as a waiver by the Company of any rights or claims the Company may have against DNR under this Agreement or otherwise, but any recovery upon such rights or claims shall be had from DNR separately, it being the intent of this Agreement that the Company shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Agreement and the Master Note.

Section 4.4 Loan Prepayment. The Company may prepay the Loan by complying with the redemption provisions for the Master Note as set forth in Section 4.5. The Company will be responsible for the payment of any professional costs, fees and expenses incurred in connection with the prepayment of the Loan.

Section 4.5 Redemption of Master Note.

(a) At the option of the Company, with the prior written consent of the Owner (which may not be unreasonably withheld), the Master Note may be called for redemption and payment prior to the Stated Maturity thereof in whole or in part at any time on or after the 10th anniversary of the Closing Date at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the date of redemption. Notwithstanding the foregoing, the Master Note may be called for redemption and payment prior to the Stated Maturity prior to the 10th anniversary of the Closing Date with the prior written consent of the Owner. If an optional redemption is in part, the principal amount for each Principal Payment Date following the optional redemption will be reduced on a proportionate basis (to the nearest \$0.01). If the Master Note is optionally redeemed prior to the Stated Maturity thereof, the Owner may require the payment by the Company of a sum sufficient to cover any professional costs, fees and expenses (including the fees and expenses of the Paying Agent, the Master Trustee and other consultants (legal, financial or otherwise) of the Owner and the Authority) incurred in connection with the early redemption of the Master Note.

(b) The Master Note is subject to mandatory sinking fund redemption in part, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the Principal Payment Dates and in the principal amounts as set forth in the Mandatory Sinking Fund Redemption Schedule.

(c) If upon the Completion of Funding, the Cumulative Principal Amount Outstanding is less than the Maximum Principal Amount (disregarding any scheduled redemptions above that have occurred prior to the Completion of Funding), the principal amount for each Principal Payment Date following the Completion of Funding will be reduced on a proportionate basis (to the nearest \$0.01).

(d) Upon the partial redemption of the Master Note pursuant to subsection (a) of this Section or if subsection (c) of this Section is applicable, the Owner will provide a replacement Mandatory Sinking Fund Redemption Schedule, reflecting the reductions to the principal amounts, to the Paying Agent, the Master Note Trustee and the Company, which will be binding on the Company absent manifest error and will replace the previous Mandatory Sinking Fund Redemption Schedule without any further action on the part of the Company. The revised Mandatory Sinking Fund Redemption Schedule is subject to such verification requirements as may be reasonably established by the Paying Agent and the Master Note Trustee.

(e) The redemption of the Master Note in part or any reduction in the principal amount following the Completion of Funding will be reflected in the records maintained by the Paying Agent and the Master Note Trustee.

Section 4.6 Notice and Effect of Call for Redemption. So long as the DNR is the sole Owner of the Master Note, the following provisions shall apply:

(a) No notice of the mandatory redemption of Master Note is required to be given. If the Master Note is being optionally redeemed, notice of redemption will be given in the manner described in the Master Note Indenture unless waived by any Owner of Master Note to be redeemed. Notwithstanding any provision of the Master Note Indenture to the contrary, in the event of a partial redemption of the Master Note, in lieu of surrendering the Master Note for a new registered Master Note, the Paying Agent shall provide written notice to the Master Note Trustee that the Master Note should be endorsed to reflect the date and amount of such partial redemption.

(b) If notice of redemption has been given or waived, the Master Note or portions to be redeemed will become due and payable on the redemption date at the redemption price specified

in the notice. From and after the redemption date (unless the Company defaults in the payment of the redemption price), the called portion of the Master Note will cease to bear interest.

Section 4.7 Satisfaction of Obligations; Disposition of Remaining Moneys. If the Company shall provide for the payment of the Loan in full and satisfy all of its obligations under this Agreement, all property, rights and interest assigned by or pledged under this Agreement, the Mortgage and the Master Note Indenture shall revert to the Company, and the right, title and interest of DNR therein shall thereupon cease, terminate and become void; and this Agreement, and the covenants of the Company contained herein, shall be discharged. In that case, on written demand of the Company and at its cost and expense, DNR shall execute and deliver to the Company and the Master Trustee a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement. Upon the payment in full of the Master Note and the payment of the Administrative Fee, the Paying Agent's Fee and expenses and the extraordinary fees and expenses of the Paying Agent, if any, the Paying Agent will disburse the moneys and Investment Securities remaining in the Repayment Fund to the Company.

ARTICLE V

TAX REPRESENTATIONS AND COVENANTS

Section 5.1 Meaning of Words and Terms. Words and phrases used in this Article generally have the meanings assigned in §§ 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the "Code"), in the applicable regulations and rulings issued by the U.S. Treasury Department (the "Treasury Regulations"), and in Article I. In addition to words and terms defined in this Agreement, the following words and terms used in this Article have the following meanings:

"Annual Compliance Checklist" means a questionnaire and/or checklist that is completed each year for the Master Note by the Company, as set forth in the Tax Compliance Procedure, initially in the form set forth in Exhibit C, executed by the Company Bond Compliance Officer.

"Authority" means the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State.

"Authority Bond Compliance Officer" means the Deputy Director of the Authority or any successor officer tasked with post-issuance compliance duties pursuant to the Tax Compliance Procedure.

"Bond Transcript" means the "transcript of proceedings" or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Master Note.

"Bond Year" means each one-year period (or shorter period for the first Bond Year) ending July 1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company Bond Compliance Officer" means the Company's Chief Financial Officer or any successor to the duties of such official.

"Costs of Issuance" means, generally, any cost or expense incurred on account of and in connection with the borrowing including, (i) underwriter's spread (whether realized directly or derived through purchase of the Master Note at a discount below the price at which they are expected to be sold to the public); (ii) counsel fees (including bond counsel, underwriter's counsel, issuer's counsel, disclosure counsel, company counsel in the case of borrowings such as those for exempt facilities, as well as any other specialized counsel fees incurred in connection with the borrowing); (iii) financial advisor fees incurred in connection with the borrowing; (iv) rating agency fees; (v) trustee fees incurred in connection with the

borrowing; (vi) paying agent and certifying and authenticating agent fees related to issuance of the Master Note; (vii) accountant fees (e.g., accountant verifications in the case of advance refundings) related to issuance of the Master Note; (viii) printing costs (for the Master Note and of preliminary and final offering materials); (ix) costs incurred in connection with the required public approval process (e.g., publication costs for public notices generally and costs of the public hearing or voter referendum); and (x) costs of engineering and feasibility studies necessary to the issuance of the Master Note (as opposed to such studies related to completion of the Financed Facility, but not to the financing). However, Costs of Issuance do not include fees and expenses directly related to the cost of credit enhancement for the Master Note to the extent such fees or expenses may be included as a qualified guaranty in the calculation of the Yield on the Master Note.

“Final Written Allocation” means the Final Written Allocation of Master Note proceeds prepared pursuant to Section 5.9.

“Financed Facility” means the portion of the Project consisting of property financed or refinanced with the proceeds of the Master Note as described in this Agreement. If there is more than one “Project” described in the definition of “Project” in Article I, for this Article V “Financed Facility” means the bond-financed portion of each “Project” described in Article I.

“Investment” means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, gross proceeds of the Master Note. This term does not include a tax-exempt bond, except for “specified private activity bonds” as defined in Code § 57(a)(5)(C), but it does include the investment element of most interest rate caps.

“Issue Date” means the date of issuance of the Master Note, which is the first date that the sum of the initial Purchase Price Installment and subsequent Purchase Price Installments exceed the lesser of \$50,000 or 5% of the sale proceeds.

“Measurement Period” means, with respect to each item of property financed as part of the Financed Facility, the period beginning on the later of (a) the Issue Date or (b) the date the property is placed in service and ending on the earlier of (i) the final maturity date of the Master Note or (ii) the expected economic useful life of the property.

“Net Proceeds” means, when used in reference to the Master Note, the sale proceeds of the Master Note (excluding pre-issuance accrued interest), less an allocable share of any proceeds deposited in a reasonably required reserve or replacement fund, plus an allocable share of all Investment earnings on such sale proceeds.

“Non-Qualified User” means a person other than a Qualified User.

“Opinion of Bond Counsel” means the written opinion of a firm of nationally recognized bond counsel acceptable to the Authority to the effect that the proposed action or the failure to act will not adversely affect the exclusion of the interest on Master Trust Bonds from gross income for federal income tax purposes.

“Post-Issuance Tax Requirements” means those requirements related to the use of proceeds of the Master Note, the use of the Financed Facility and the investment of gross proceeds of the Master Note after the Issue Date.

“Qualified User” means a State, territory, a possession of the United States of America, the District of Columbia, or any political subdivision thereof or any instrumentality of such unit. The term “Qualified User” does not include the United States of America or any agency or instrumentality thereof.

“Tax Compliance Procedure” means the Authority’s State Revolving Funds Programs Tax Compliance Procedure dated as of July 25, 2013, attached as Exhibit D, as amended and supplemented from time to time.

“Water Facility” or “Water Facilities” means any facility for the furnishing of water if (i) the water is or will be made available to members of the general public (including electric utility, industrial, agricultural, or commercial users), and (ii) either the facility is operated by a governmental unit or the rates for the furnishing or sale of the water have been established or approved by a state or political subdivision thereof, by an agency or instrumentality of the United States, or by a public service or public utility commission or other similar body of any state or political subdivision thereof. A “Water Facility” includes artesian wells, reservoirs, dams, related equipment and pipelines, and other facilities used to furnish water for domestic, industrial, irrigation, or other purposes.

Section 5.2 General. The Master Note is being issued for the purpose of providing funds to pay the costs of the Financed Facility. The Company acknowledges that the investment and expenditure of proceeds of the Master Note are primarily within its control and that substantially all of the net proceeds of the Master Note will be used to finance property that is owned and controlled by the Company. For these reasons, the Company acknowledges and agrees that, in order to induce DNR to provide favorable financing through the Direct Loan Program by the purchase of the Master Note and the Authority to issue its Master Trust Bonds from time to time, the Company makes the representations and covenants related to the Post-Issuance Tax Requirements as set forth in this Article V for the benefit of DNR and the Authority.

Section 5.3 Authority and Purpose for Master Note; Location of Project.

(a) The Master Note is being issued for the purpose of providing funds to pay a portion of the costs of the Project. The Project consists of capital expenditures more specifically described in the definition of “Project” in Article I.

(b) As of the date of this Agreement, the Project is expected to be located northwest of the intersection of 906 West High Street and Fulkerson Street in Jefferson City, Missouri.

Section 5.4 Proceeds of Master Note; Other Sources.

(a) *Amount of Master Note Proceeds.* The total maximum proceeds to be received by the Company from the sale of the Master Note will be \$[**PRINCIPAL AMT**], funded in installments, as follows: (i) the initial Purchase Price Installment paid to the Paying Agent on the Closing Date in the amount of \$[**TOTAL COI AMT**], and (ii) the balance funded from time to time pursuant to this Agreement and deposited in the Construction Fund in accordance with the Escrow Agreement. The Company expects to request the funding of additional Purchase Price Installments on the dates and in the amounts as set forth in the Company’s due diligence request form or related documents filed with DNR.

(b) *No Other Sources.* No additional amounts are anticipated to be used to pay the costs of the Project other than the proceeds of the Master Note disbursed from time to time pursuant to this Agreement.

Section 5.5 Use of Master Note Proceeds – Facilities for the Furnishing of Water.

(a) *95% Requirement.* At least 95% of the Net Proceeds of the Master Note will be used to finance “eligible costs” of a Water Facility. For this purpose, “eligible costs” means costs which are chargeable to the capital account of the Project, or would be so chargeable, either with a proper election by the Company (e.g., under Code § 266), or but for a proper election by the Company to deduct such amounts. The Company will (A) ensure water furnished from the Project is made available to members of the general

public and (B) operate the Project as a Water Facility in compliance with Code § 142(a)(4), the Treasury Regulations, and this Article V as long as the Master Note remains outstanding. The rates for furnishing of water from the Water Facilities have been established or approved by the State of Missouri Public Service Commission, which is a public utility commission of the State of Missouri. The Company agrees to not deny access to water to residential users or municipal water districts providing water to the general public in the service area without first receiving favorable advice of Bond Counsel.

(b) *Land.* Not more than 25% of the Net Proceeds of the Master Note will be used (directly or indirectly) for the acquisition of land or an interest in land (such as an easement).

(c) *No Acquisition of Existing Property.* No portion of the Net Proceeds of the Master Note will be used for the acquisition of any property or any interest in any property, unless the first use of the property will be pursuant to the acquisition.

(d) *Limit on Maturity of Master Note.* A list of the assets included in the Project and a computation of their “average reasonably expected economic life” is attached as Exhibit F. Based on this computation, the “average maturity” of the Master Note, does not exceed 120% of the average reasonably expected economic life of the Financed Facility.

(e) *Prohibited Facilities.* No portion of the Master Note proceeds will be used to provide any private or commercial golf course, country club, massage parlor, tennis club, skating facility (including roller skating, skateboard and ice skating), racquet sports facility (including any handball or racquetball court), hot tub facility, suntan facility, racetrack, airplane, skybox, or other private luxury box, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, as such terms are used in Code § 147(e).

(f) *Limit on Costs of Issuance.* Not more than 2% of the sale proceeds of the Master Note will be used to pay Costs of Issuance.

(g) *No Federal Guarantees.* The Company will not take any action or permit any action to be taken that would cause the Master Note to be “federally guaranteed” within the meaning of Code § 149(b).

Section 5.6 Sinking Funds. The Company is required under this Agreement to make periodic payments in amounts sufficient to pay the principal of and interest on the Master Note. The Company will deposit these payments with the Paying Agent into the Principal Account and the Interest Account of the Repayment Fund held by the Paying Agent. Except for the Principal Account and the Interest Account and the Debt Service Fund, the Company has not established, and does not expect to establish, any sinking fund or other similar fund expected to be used directly or indirectly to pay principal of or interest on the Master Note. The Repayment Fund and the Debt Service Fund are used primarily to achieve a proper matching of revenues with principal and interest payments on the Master Note within each Bond Year and the Company expects that the Repayment Fund and the Debt Service Fund will each qualify as a “bona fide debt service fund,” as that term is defined in the Treasury Regulations.

Section 5.7 No Replacement Funds. None of the Master Note proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Facility, and that have been or will be used to acquire higher yielding Investments. Except for the Principal Account and the Interest Account of the Repayment Fund and the Debt Service Fund, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest on the Master Note if the Company encounters financial difficulty.

Section 5.8 Allocation of Master Note Proceeds.

(a) *Allocations.* The Corporation will evidence each allocation of the proceeds of the Master Note and other money of the Company for the Project to an expenditure in writing. No allocation will be made more than 18 months following the later of (i) the date of the expenditure or (ii) the date the Project was placed in service.

(b) *Reimbursement of Expenditures – Authority Resolution.* The Company understands that on October 3, 2019, the Authority adopted a resolution declaring the intent of the Authority to issue a tax-exempt bond and make the proceeds of the tax-exempt borrowing available to the Company to finance costs of the Financed Facility, and to reimburse the Company for expenditures made for the Financed Facility prior to the issuance of the tax-exempt borrowing (the “Reimbursement Action”). A copy of the Reimbursement Action is contained in the Bond Transcript. No portion of the net proceeds of the Master Note will be used to reimburse an expenditure paid by the Company more than 60 days prior to the date the Reimbursement Action was passed. No reimbursement allocation will be made more than 18 months following the later of (1) the date of the expenditure or (2) the date the Project was placed in service. In all events, no reimbursement allocation will be made more than 3 years after the original expenditure was paid.

Section 5.9 Final Written Allocation. The Company agrees that its file of all Requisitions and supporting invoices provided to DNR pursuant to Article III will constitute the Company’s Final Written Allocation of the application of proceeds of the Master Note to the Financed Facility. The Company may, with at least 60 days’ prior written notice to, and the written consent of DNR, deliver a revised Final Written Allocation to DNR if the revised Final Written Allocation is accompanied by an Opinion of Bond Counsel. However, no revised Final Written Allocation will be made more than 18 months following the later of (a) the date of the expenditure or (b) the date the Financed Facility was placed in service, unless an Opinion of Bond Counsel is delivered to DNR.

Section 5.10 Hedge Bonds. The Company expects that at least 85% of the net sale proceeds of the Master Note will be used to carry out the governmental purpose of the Master Note within three years after the Issue Date.

Section 5.11 Post-Issuance Compliance with Federal Tax Matters. The Company shall complete the Annual Compliance Checklist and deliver the Annual Compliance Checklist to the Authority Bond Compliance Officer in accordance with the Tax Compliance Procedure. To the extent within its power and control, the Company will take all action requested in writing by the Authority Bond Compliance Officer that is necessary to cause the interest on the Master Trust Bonds to remain excludable from gross income for federal income tax purposes.

Section 5.12 Records.

(a) The Company recognizes that (i) investors purchase the Master Trust Bonds with the expectation that interest on the Master Trust Bonds is and will remain excludable from gross income for federal income tax purposes, (ii) the tax-exempt status of interest on the Master Trust Bonds depends in part on the accuracy of the Company’s representations and the satisfaction of the Company’s agreements contained in this **Article V**, many of which relate to matters that will occur after the Issue Date, and (iii) as part of its ongoing tax-exempt bond audit program the Internal Revenue Service requires that records be created and maintained with respect to the following matters:

(1) documentation evidencing the expenditure of the Master Note in sufficient detail to determine the date of the expenditure, the asset acquired or the purpose of the expenditure, and the expected economic life of the asset together with documentation evidencing that 95% of the

Net Proceeds of the Master Note were used to finance capital expenditures with respect to a Water Facility; and

(2) documentation evidencing that water furnished from the Project is made available to members of the general public and that the Company operates the Project as a Water Facility in compliance with Code § 142(a)(4), the Treasury Regulations thereunder.

(b) The Company has procedures in place or will establish procedures to create and retain these records. Unless otherwise specifically instructed in a written Opinion of Bond Counsel, the Company will retain and maintain these records related to the Post-Issuance Tax Requirements until three years following the final maturity of (i) the Master Note or (ii) any obligation issued to refund the Master Note. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records that indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and records of the Company, and (5) not be subject to any agreement that would limit the ability of the Internal Revenue Service to access and use the electronic storage system on the Company's premises.

ARTICLE V-A

ADDITIONAL COVENANTS OF THE COMPANY

Section 5A.1 Legal Existence, Maintenance of Properties, and Similar Matters. The Company hereby covenants as follows:

(a) *Maintenance of Legal Existence.* Except as otherwise expressly provided herein, the Company shall take all actions necessary to (1) preserve its corporate or other separate legal existence, (2) be and remain qualified to do business and conduct its affairs in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualification, and (3) preserve all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs; provided, however, that the Company shall not be required to preserve any right or license that is no longer in the judgment of its Governing Body, desirable in the conduct of its business and the loss thereof is not disadvantageous in any material respect to DNR, as of the Owner of the Master Note, or the ability of the Company to perform its obligations hereunder or under the Master Note, the Master Note Indenture, the Senior Indenture or any Related Obligation Documents (as defined in the Master Note Indenture).

(b) *Maintenance and Use of Property.* The Company shall cause the Mortgaged Property to be maintained, preserved and kept in good repair, working order and condition and in as safe condition as its operations will permit and make all proper repairs, renewals, replacements and improvements thereof necessary for the efficient, proper and advantageous conduct of its business and operations; provided, however, that nothing herein contained shall be construed (1) to prevent it from discontinuing the operation of any of its Mortgaged Property or from removing or demolishing any building or buildings, if such discontinuance is, in its judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its Governing Body), desirable in the conduct of its business and not disadvantageous in any material respects to DNR, as of the Owner of the Master Note, or (2) to obligate it to retain, preserve, repair, renew or replace any Property, leases, rights, privileges or licenses no longer used or, in the judgment of its Governing Body, useful in the conduct of its business, and the loss of which is not disadvantageous in any material respect to DNR, as of the Owner of the Master Note, or the ability of the Company to perform its obligations hereunder or under the Master Note, the Master Note Indenture,

the Senior Indenture or any Related Obligation Documents. So long as the Company is in full compliance with the terms and provisions of this Agreement, the Master Note, the Master Note Indenture, the Senior Indenture and any Related Obligation Documents, the Company may possess, use and enjoy its Property and appurtenances thereto free of claims of DNR.

(c) *Compliance with Laws and Regulations.* The Company shall comply in all material respects with all valid laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court applicable to any of its affairs, business, operations and Property; provided, however, that nothing contained in this Agreement shall require the Company to comply with, observe and conform to any such law, order, regulation or requirement of any governmental authority so long as (1) the validity thereof is being contested in good faith by appropriate proceedings and the Company shall have set aside on its books adequate reserves with respect to such contest, or (2) such noncompliance shall not materially impair the ability of the Company to meet its obligations hereunder, under the Master Note, the Master Note Indenture, the Senior Indenture or any Related Obligation Documents (as defined in the Master Note Indenture); and provided further that, no such contest or noncompliance shall subject DNR, the Authority or the Paying Agent to the risk of any liability. The Company shall give DNR, the Authority and the Paying Agent prompt written notice of any such contest.

(d) *Payment of Taxes and Other Charges.* The Company shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon the Company or its Property or any part thereof or upon any income therefrom, and also (to the extent that such payment will not be contrary to any applicable laws) all taxes, assessments and other governmental charges lawfully levied, assessed or imposed upon the lien or interest of the Master Note Trustee, DNR, as of the Owner of the Master Note, or of the holders of any Parity Master Notes in the Trust Estate (as defined in the Master Note Indenture), so that (to the extent aforesaid) the lien of the Master Note Indenture shall at all times be wholly preserved at the cost of the Company and without expense to the Master Note Trustee, DNR, as of the Owner of the Master Note, or of the holders of any Parity Master Notes; provided, however, that the Company shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment or governmental charge to the extent that the amount, applicability or validity thereof is being contested in good faith by appropriate proceedings and the Company shall have established and shall maintain adequate reserves on its books for the payment of the same; and provided further that, no such contest or noncompliance shall subject DNR, the Authority or the Paying Agent to the risk of any liability. The Company shall give DNR, the Authority and the Paying Agent prompt written notice of any such contest. Notwithstanding the foregoing, if the Master Note Trustee or the holders of at least 25% in principal amount of all master notes outstanding under the Master Note Indenture notify the Company that by nonpayment of any of the foregoing items the Property of the Company or any substantial part thereof will be subject to imminent loss or forfeiture, then the Company shall promptly pay all such unpaid items and cause them to be satisfied and discharged.

(e) *Payment of Obligations.* The Company shall promptly pay or otherwise satisfy and discharge all of its obligations and Indebtedness and all demands and claims against it as and when the same become due and payable, unless the validity, amount or collectability thereof (excluding the Master Note and any Parity Master Notes issued and Outstanding under the Master Note Indenture) is being contested in good faith or unless the failure to comply or contest would not materially impair its ability to pay its indebtedness when due nor subject a material amount of the Property of the Company to loss or forfeiture.

(f) *Liens and Encumbrances.* The Company shall not create or incur nor permit to be created or incurred or to exist any mortgage, lien, security interest, charge or encumbrance upon the Mortgaged Property except Permitted Encumbrances. The Company shall promptly discharge or terminate all

mortgages, liens, security interests, charges and encumbrances on the Mortgaged Property that are not Permitted Encumbrances. The Company shall at all times comply with all terms, covenants and provisions contained in any Permitted Encumbrances at such time existing upon the Property or any part thereof or securing any of its Indebtedness unless the validity, amount or collectability thereof is being contested in good faith or the failure to comply or contest would not materially impair its ability to pay its Indebtedness when due nor subject any Property of the Company to loss or forfeiture.

(g) *Validity of Documents.* The Company shall not take any action which would result in this Agreement, the Master Note Indenture or the Master Note being declared invalid.

Section 5A.2 Damage or Destruction; Condemnation or Loss of Title. If the System or any portion thereof is damaged or destroyed by fire or other casualty or condemned or taken for any public or quasi-public use or title thereto is found to be deficient, the Net Proceeds of any insurance relating to such damage or taking shall be applied pursuant to the provisions of the Master Note Indenture. Any moneys allocated to DNR, as the Owner of the Master Note, in accordance with the Master Note Indenture will immediately be deposited into the Principal Account of the Repayment Funds and applied to the outstanding principal balance of the Master Note.

Section 5A.3 Merger, Consolidation, Sale, Lease, Conveyance or Other Disposition of Property. The Company will not merge or consolidate with any other Person or sell or convey all or substantially all of its Property to any other Person except as otherwise provided in this Agreement and the Master Note Indenture. Notwithstanding the foregoing, the Company shall not consolidate with or merge into any other Person or convey or transfer its Property substantially as an entirety to any Person without the prior written consent of DNR. Upon any consolidation or merger, the successor Company or other entity formed by such consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement with the same effect as if such successor Company or other entity had been named as the Company herein.

Section 5A.4 Rates for Service. The Company covenants and agrees to comply with the requirements of the PSC in developing and implementing a system of rates and charges for the System. The Company shall use reasonable efforts to request the PSC to set rates, fees and charges for the use and services furnished by or through the System and shall collect such set rates, fees and charges to produce income and revenues sufficient to (a) pay the costs of the operation and maintenance of the System; (b) pay the principal of and interest on the Master Note as and when due; (c) enable the Company to have Net Income Available for Debt Service in an amount required to be paid by the Company in the Fiscal Year on account of both principal of and interest on all Indebtedness at the time outstanding, provided that (i) interest on any Indebtedness will be reduced by Subsidy Payments, if any, and (ii) principal and/or interest on any Indebtedness will be reduced by amounts deposited in trust or escrowed for the payment thereof with the Owner or commercial bank or trust company located in the State of Missouri having full trust powers and acting as trustee or escrow agent and that are reasonably expected to be used for the payment of principal and/or interest on any Indebtedness during the calculation period; and (d) provide reasonable and adequate reserves for the payment of the Master Note and the interest thereon and for the protection and benefit of the System as provided in this Agreement. The Company will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. Each Fiscal Year the Company shall review the rates, fees and charges for the use and services furnished by or through the System and, subject to PSC approval, revise such rates, fees and charges as necessary to ensure that the System generates Net Income Available for Debt Service sufficient to meet the requirements of this Section. Upon written request, the Company shall furnish to supporting financial statements, records and calculations to evidence compliance with this Section.

Section 5A.5 Environmental Matters.

(a) The Company is, in all material respects, in compliance with all federal, state and local environmental laws, ordinances, regulations and rulings (collectively, "Environmental Laws"); the Company has received no notice of any alleged violation of any Environmental Laws; and the Company will continue to comply, in all material respects, with all Environmental Laws which are applicable to the Property of the Company. The Company shall promptly and diligently take or cause to be taken all actions necessary to cure any noncompliance with any Environmental Law and shall be solely responsible for any violation by it, its employees or agents of any Environmental Laws, and the Company further agrees that it will take all necessary action to clean-up, eliminate or contain any environmental contamination including contamination caused by any previous owner or use of the Property and will pay in full all costs and expenses associated with such action. The Company, to the extent allowed by law, shall indemnify DNR against, shall hold DNR harmless from, and shall reimburse DNR for, any and all claims, demands, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and attorneys' fees directly or indirectly incurred by DNR (prior to trial, at trial and on appeal) in any action against or involving DNR, resulting from any violation, actual or alleged, of or any other liability under or in connection with any Environmental Law upon or about the Property of the Company or respecting any products or materials previously or now located upon, delivered to or in transit to or from the Property of the Company, regardless of whether such violation or alleged violation has occurred prior to the date hereof or hereafter occurs and regardless of whether such violation or alleged violation occurs as a result of the negligence or misconduct of the Company or any third party or otherwise, it being the intent of the Company, that DNR shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, hazardous substances by virtue of the interest of DNR in the Property of the Company pursuant to this Agreement or any of the other Financing Documents, or as the result of DNR exercising any of its rights or remedies with respect thereto under this Agreement or under any other instrument including, but not limited to, becoming the owner thereof by foreclosure or conveyance in lieu of foreclosure. The foregoing covenants representations and warranties of the Company contained in this Section shall be deemed continuing covenants, representations and warranties for the benefit of DNR, any successors and assigns of DNR including, but not limited to, any purchaser at a foreclosure sale, any transferee of the title at a foreclosure sale, and any subsequent owner of the Property of the Company, and shall survive the satisfaction or release of this Agreement, the Master Note Indenture or any other instrument, any foreclosure of a mortgage lien under the Mortgage or any other instrument, or any acquisition of title to the Property of the Company or any part thereof by DNR, by deed in lieu of foreclosure or otherwise. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the then-current Prime Rate or, if less, the maximum rate permitted by law, and shall be payable on demand.

(b) Notwithstanding the foregoing, the Company shall not be obligated to indemnify and hold harmless any Person from and against any claims, demands, liabilities and costs, including without limitation attorneys' fees, which arise solely as a result of the gross negligence or willful misconduct of such Person.

Section 5A.6 Indemnity.

(a) The Company will, at its expense, pay and indemnify and save DNR, the Authority and the Paying Agent and their respective current, former and future members, directors, officers, employees and agents harmless from and against all loss, liability, damage or expense (including reasonable attorneys' fees and expenses in connection therewith) arising out of any and all claims, demands, judgments, expenses, penalties, fines, taxes of any character or nature whatsoever regardless of by whom imposed, and losses of every conceivable kind, character and nature whatsoever including the following:

(i) any injury to or death of any person or damage to property in or upon the Project or resulting from or connected with the use, non-use, condition or occupancy of the Project or any part of it;

(ii) the violation of any agreement or condition of this Agreement except by DNR;

(iii) the violation of any contract, agreement or restriction by the Company relating to the Project;

(iv) the violation of any law, ordinance or regulation arising out of the ownership, occupancy or use of the Project or any part of it;

(v) the issuance and sale of the Master Note or the execution, delivery and performance of the documents to which the Company is a party relating to the issuance of the Master Note or the delivery of the Master Note Indenture or the Mortgage;

(vi) any act of the Company or any of its agents, contractors or licensees;

(vii) the Company's contest of a tax, assessment or governmental charge initiated pursuant to Section 5A.1(d);

(viii) any statement or information provided by the Company concerning the Company, its officers and members, the System, the Master Note, the Master Note Indenture, the Mortgage or the Project contained in any official statements, private placement memorandum or other disclosure documents furnished to purchasers of any Master Trust Bonds that is untrue or incorrect in any material respect and any omission from any official statements, private placement memorandum or other disclosure documents of any statement or information which should be contained in it for the purpose for which it is to be used or which is necessary to make the statements in it concerning the Company, its officers and members, the System, the Master Note, the Master Note Indenture, the Mortgage or the Project not misleading in any material respect;

(ix) failure to properly register or otherwise qualify the sale of the Master Note or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Master Note could be sold;

(x) the carrying out by the Company of any of the transactions contemplated by this Agreement and the other Financing Documents; and

(x) any federal or state tax audit relating to the Master Trust Bonds issued by the Authority to refinance or purchase the Loan, or relating to the Project, the Company or the application of the proceeds of the Loan except to the extent caused by the Authority's or DNR's intentional misconduct or gross negligence.

(b) The Company also will, at its expense, pay, and indemnify and save DNR, the Authority and the Paying Agent and their respective members, directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses (including disbursements and court costs, including those for post-judgment and appellate proceedings) and liabilities incurred by them or by the Company in any action or proceeding brought by reason of any such claim, demand, expense, penalty, fine or tax brought or imposed pursuant to subsection (a). In the event that any action or proceeding is brought against DNR, the Authority or the Paying Agent or their respective current, former and future members, directors, officers, employees or agents by reason of any such claim or demand, the Company, upon notice from DNR, the Authority or the Paying Agent, covenants to resist and defend such action or proceeding on

demand of DNR, the Authority or the Paying Agent or their respective current, former and future members, directors, officers, employees or agents. Notwithstanding the foregoing, neither DNR, the Authority nor the Paying Agent nor their respective members, directors, officers, employees and agents shall be indemnified against liability for damage arising out of bodily injury to persons or damage to property caused by their own willful and malicious acts or omissions or willful and malicious acts or omissions of their own members, directors, officers, agents or employees.

Section 5A.7 Mortgage and Security Interest under the Master Note Indenture.

(a) The Company has good and marketable title to the Mortgaged Property, free and clear of all mortgages, liens, security interests, charges and encumbrances except Permitted Encumbrances, and there exists no mortgage, lien, security interest, charge or encumbrance (including, without limitation, any mechanic's lien or judgment lien), except the Senior Indenture, on such Property that has or will have a material adverse effect upon the Company's operations or the performance of the Company's obligations under this Agreement.

(b) To secure the payment of the Loan and the performance of the duties and obligations of the Company under this Agreement, the Company has, pursuant to the Master Note Indenture, issued the Master Note and conveyed to the Master Note Trustee, and its successors and assigns, on behalf of the Owner, a valid lien and security interest in the Trust Estate (as defined in the Master Note Indenture) subject to Permitted Encumbrances including, but not limited to, a valid mortgage lien and security interest in the Mortgaged Property pursuant to the Mortgage. The Company is lawfully possessed of all of the Mortgaged Property and is the owner thereof as aforesaid free and clear of all mortgages, liens, security interests, charges or encumbrances whatever except Permitted Encumbrances and the interest of the Master Note Trustee, on behalf the Owner and the owners of other master indenture notes secured thereby under the Master Note Indenture. The Company has full power and authority to provide the lien and security interest in the Trust Estate to the Master Note Trustee pursuant to the Master Note Indenture and the Mortgage.

(c) The Company shall take all necessary action to maintain and preserve the lien on and security interest in the Mortgaged Property granted by the Mortgage so long as the Master Note is Outstanding. The Company shall cause the Mortgage and any financing statements and continuation statements covering security interests in the Trust Estate (as defined in the Master Note Indenture) to be promptly filed, registered and recorded in such manner and in such places as may be required by law in order to fully perfect and protect such lien and security interest and to preserve and protect the rights of the Owner. The Company covenants to take all actions reasonably necessary to assist DNR, as Owner of the Master Note, to enforce its rights under the Master Note Indenture and the Mortgage.

(d) Except to the extent it is exempt therefrom, the Company shall pay or cause to be paid all filing, registration and recording fees and all expenses incident to the preparation, execution and acknowledgment of such instruments of perfection, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Master Note Indenture, the Mortgage and such other instruments of perfection. The Company hereby makes, constitutes and irrevocably appoints the Master Note Trustee as its attorney-in-fact and in its name, place and stead to execute and file such necessary documents required to comply with this Section.

(e) Notwithstanding the lien and security interest granted pursuant to the Master Note Indenture and the Mortgage, it is understood and agreed that so long as the Company makes when due and payable all Loan Payments and all Additional Payments required by this Agreement and the other Financing Documents the Company shall be entitled to utilize the Mortgaged Property for its proper corporate purposes.

(f) Notwithstanding any provision of the Master Note Indenture or the Mortgage to the contrary, so long as the Master Note is Outstanding, the Company shall not release any of the Mortgaged Property subject to the lien and security interest of the Master Note Indenture or the Mortgage without the prior written consent of DNR.

ARTICLE VI

ASSIGNMENTS

Section 6.1 Assignment by DNR. The Company acknowledges that DNR may assign the Master Note and its right, title and interest in this Agreement, in whole or in part, including the right to receive Master Note Payments from the Company, to the Authority or a bond trustee under the SRF Leveraged Program, to secure Master Trust Bonds or otherwise.

Section 6.2 Assignment by the Company. The Company may sell, lease, mortgage or otherwise dispose of the Project or any material part with an original value greater than \$5,000 if it is replaced by other similar property of at least equal value or, if it ceases to be necessary for the efficient operation of the Project or the System, with the prior written consent of DNR. In the event of sale, lease, mortgage or other disposition of the Project to a municipality, a county, a public sewer district, a public water supply district, a political subdivision of the State, an instrumentality of the State, or a combination of the same, the Company will apply the proceeds to either (i) the redemption of the Master Note in accordance with the provisions governing redemption of the Master Note in advance of maturity, or (ii) replacement of the property sold, leased, mortgaged or disposed of by other property the revenues of which are incorporated into the System. In the event of sale, lease or other disposition of the Project to any other entity, the Company will provide for the full redemption of the Master Note (regardless of the amount of the disposition proceeds). If the Master Note is required to be redeemed as provided above, the proceeds of the sale, lease, mortgage or other disposition will be deposited into a separate escrow account to be established by the Company with the Paying Agent or as otherwise directed in writing by DNR. The Company may cease to operate, abandon or otherwise dispose of any property that has become obsolete, unproductive or otherwise unusable to the advantage of the Company.

ARTICLE VII

EVENTS OF DEFAULTS AND REMEDIES

Section 7.1 Events of Default. Any of the following events will be an “Event of Default” under this Agreement:

(a) failure by the Company to pay, or cause to be paid, any Loan Payment required to be paid when due and continuance of such default for a period of 10 days;

(b) failure by the Company to observe and perform any agreement under this Agreement, the Master Note Indenture or the Master Note, other than as referred to in paragraph (a) above, and the continuation of the failure for a period of 60 days after written notice is given to the Company pursuant to Section 7.2. If the failure stated in the notice is correctable but cannot be corrected within the applicable period and corrective action is instituted and diligently pursued by the Company, DNR may not unreasonably withhold its consent to an extension to the date which is 90 days after the delivery of the original notice;

(c) any representation made by or on behalf of the Company in this Agreement or any other Financing Document, or in any instrument furnished in compliance with or with reference to this Agreement, is false or misleading in any material respect, and the continuation of such breach or default for a period of 60 days after written notice is given to the Company pursuant to Section 7.2. If the failure stated in the notice is correctable but cannot be corrected within the applicable period and corrective action is instituted and diligently pursued by the Company, DNR may not unreasonably withhold its consent to an extension to the date which is 90 days after the delivery of the original notice;

(d) the Company defaults in the payment of the principal of, premium, if any, or interest on any Indebtedness when the same becomes due and payable, and any applicable grace period shall have expired, or an event of default as defined in any mortgage, indenture or other instrument under or pursuant to which there was issued or incurred, or by which there is secured, any such Indebtedness; provided, however, that such default shall not constitute an Event of Default if payment of such Indebtedness has not been accelerated under the terms of payment of such Indebtedness or if within 60 days, or within the time allowed for service of a responsive pleading in any proceeding to enforce payment of the Indebtedness, the Company in good faith commences proceedings to contest the obligation to pay or the existence or payment of such Indebtedness; and provided, further however, a payment default thereunder shall not constitute an Event of Default unless the unpaid principal amount of such Indebtedness, together with the unpaid principal amount of all other Indebtedness so in default, exceeds \$75,000,000;

(e) appointment of a trustee, custodian or receiver for the Company or for the major part of its Property and failure to obtain discharge of such within 90 days after such appointment;

(f) institution of bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors by or against the Company (other than bankruptcy proceedings instituted by the Company against third parties), and, if instituted against the Company, allowance against the Company or the Company consents to such proceedings or fails to obtain dismissal, stay or other nullification within 90 days after such institution;

(g) an event of default as defined under the Master Note Indenture has occurred and such default has not been waived or cured; or

(h) an event of default as defined under the Senior Indenture has occurred and has not been waived or cured within the time frames set forth under the Senior Indenture and the Senior Trustee has initiated proceedings to protect and enforce its rights thereunder.

Section 7.2 Notice of Default. The Company will give DNR, the Paying Agent and the Master Note Trustee prompt telephonic notice of the occurrence of any Event of Default referred to in Section 7.1(d) through (g) or the occurrence of any other event or condition which, with the passage of time or the giving of notice, would constitute an Event of Default. Telephonic notice will be immediately followed by written notice of the Event of Default. Notice of default given to the Company will specify the event or condition, state that the event or condition constitutes an Event of Default if not remedied, and request that the event or condition be remedied. Except as provided in the first sentence of this Section, notice will be given in the manner provided in Section 8.5.

Section 7.3 Remedies on Default.

(a) Upon the occurrence and continuance of any Event of Default under this Agreement, DNR shall have the following rights and remedies, in addition to any other remedies herein or by law provided DNR may, with or without entry, personally or by attorney, in its discretion without notice or demand (i) proceed to protect and enforce its rights by a suit or suits in equity or at law, whether for damages or for the specific performance of any covenant or agreement contained in the Master Note, the Master Note Indenture, the Mortgage or this Agreement, or in aid of the execution of any power herein or therein granted, or for any foreclosure, or for the enforcement of any other appropriate legal or equitable remedy, as DNR shall deem effectual to protect and enforce any of its rights or duties hereunder or thereunder, (ii) take all actions necessary or appropriate to cause the Master Note Trustee to exercise the rights and powers set forth in the Master Note Indenture and the Mortgage or (iii) avail itself of all other rights or remedies available to it.

(b) If DNR exercises any of its rights under this Article, it will give notice of such exercise to the Company and the Master Note Trustee, provided that failure to give such notice by telephone or telegram shall not affect the validity of the exercise of any right or remedy under this Article.

Section 7.4 Attorneys' Fees and Other Expenses.

(a) Upon (i) an Event of Default or (ii) the occurrence and continuance of any event which, with the giving of notice or lapse of time or both, would constitute an Event of Default, the Company, on demand, will pay to DNR and the Paying Agent the reasonable fees and expenses of attorneys and other reasonable costs and expenses (including the reasonably allocated costs of in-house counsel and legal staff) incurred by DNR and the Paying Agent in the collection of Loan Payments and Additional Payments or the enforcement of any agreements of the Company.

(b) Prior to incurring any fees, costs and expenses, DNR and the Paying Agent will provide written notice to the Company that it intends to incur fees, costs and expenses. Failure by DNR and the Paying Agent to give the notice will not affect DNR's or the Paying Agent's right to receive payment for attorney's fees and expenses under this Section 7.4. Upon request by the Company, DNR and the Paying Agent will provide the Company with copies of statements evidencing the fees, costs and expenses for which DNR and the Paying Agent is requesting payment. The statements may be edited to maintain the attorney-client privilege.

Section 7.5 Application of Moneys. Any moneys collected by DNR under Section 7.3 will be applied first, to pay interest on the Master Note then due and payable, second, to pay principal on the Master Note then due and payable, third, to pay the fees, costs and expenses owed by the Company under Section 7.4, and fourth, to pay any other amounts due and payable under this Agreement.

Section 7.6 No Remedy Exclusive; Waiver; Notice. No remedy conferred upon or reserved to DNR or the Paying Agent is intended to be exclusive and every remedy is cumulative and in addition to every other remedy given under this Agreement or existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default will impair any right, remedy or power or will be construed as a waiver. Any right, remedy or power may be exercised from time to time and as often as may be deemed expedient. DNR and the Paying Agent are not required to give notice to the Company in advance of the exercise of any right, remedy or power reserved to them in this Article, except as expressly provided in this Article.

Section 7.7 Retention of Rights. Notwithstanding any assignment or transfer of this Agreement, or anything else to the contrary in this Agreement, DNR will have the right upon the occurrence of an Event of Default to take any action, including bringing an action against the Company at law or in

equity, as DNR may, in its discretion, deem necessary to enforce the obligations of the Company to DNR pursuant to this Agreement.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Continuing Disclosure.

(a) For purposes of this Section 8.1, the following terms have the following meanings, in addition to capitalized terms defined elsewhere in this Agreement:

“Beneficial Owner” means any registered owner of Master Trust Bonds and any other person who, directly or indirectly, has the investment power with respect to any Master Trust Bonds.

“Dissemination Agent” means the Master Trustee.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures, which can be accessed at www.emma.msrb.org.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided, however, the term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Material Participant” means, subject to Section 8.1(d), the Company if it has been provided written notice by the Authority or the Master Trustee that it has outstanding bonds purchased with proceeds of Master Trust Bonds and/or assigned by DNR to secure Master Trust Bonds outstanding in the aggregate principal amount equal to 10% or more of the aggregate principal amount of all Master Trust Bonds outstanding as of December 1 of each year or to be outstanding upon the issuance of a series of Master Trust Bonds.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

(b) If the Company is notified by the Authority or the Master Trustee that the Company is a Material Participant, the Company will comply with the provisions of this Section 8.1.

(i) The Material Participant will furnish to the Master Trustee (or provide written confirmation to the Master Trustee that such information has been filed with the MSRB, through EMMA):

(A) within 30 days after notification that it is a Material Participant, a copy of its most recent financial statements prepared in accordance with accounting principles generally accepted in the United States of America and audited by its independent auditors, and the operating data of the Material Participant, through the previous fiscal year, in substantially the scope and form contained in an appendix to the official statement with respect to a series of Master Trust Bonds; and

(B) within 270 days after the close of the fiscal year of the Material Participant following notification that it is a Material Participant and each subsequent fiscal year, a copy of the financial statements of the Material Participant prepared in accordance with accounting principles generally accepted in the United States of America and audited by its independent auditors (or if not available as of that date, the unaudited financial statements of the Material Participant and, as soon thereafter as available, the audited financial statements of the Material Participant), and the operating data of the Material Participant, updated for the fiscal year then ended, in substantially the scope and form contained in an appendix to the official statement with respect to a series of Master Trust Bonds.

(ii) Any of the financial information or operating data required by this paragraph (b) may be incorporated by reference from other documents, including official statements of the Material Participant's debt issues that have been filed with the MSRB, through EMMA, or the Securities and Exchange Commission, and in the case of a final official statement, that is available from the MSRB. The Material Participant will clearly identify in each annual report submitted to the Master Trustee each document incorporated by reference and the source from which it is available.

(c) No later than 10 Business Days after the occurrence of any of the following events, the Material Participant will disseminate to the Master Trustee and the Authority notice of the occurrence of any of the following events with respect to the Bonds or the System ("Material Events") (or provide written confirmation to the Master Trustee and the Authority that such information has been filed with the MSRB, through EMMA):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Master Note, or other material events affecting the tax status of the Master Note or Master Trust Bonds, proceeds of which have been allocated to the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Master Note, if material;
- (11) rating changes;

- (12) bankruptcy, insolvency, receivership or similar event of the Material Participant;
- (13) the consummation of a merger, consolidation, or acquisition involving the System or the sale of all or substantially all of the assets of the System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional paying agent or the change of name of the paying agent, if material;
- (15) incurrence of a Financial Obligation of the Material Participant, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Material Participant, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Material Participant, any of which reflect financial difficulties.

(d) The Material Participant's obligations under paragraphs (b) and (c) of this Agreement, will terminate (i) upon the Material Participant's receipt of a notification from the Authority or the Master Trustee that the Material Participant is no longer a Material Participant or (ii) automatically upon payment in full of all obligations of the Company purchased with proceeds of Master Trust Bonds and/or assigned by DNR to secure Master Trust Bonds.

(e) The sole remedies for a failure to comply with the provisions of this Section 8.1 are specific enforcement or action in mandamus in a court of equity by any Beneficial Owner. Failure of the Company to comply with the provisions of this Section 8.1 will not be an Event of Default under this Agreement.

(f) Nothing in this Section prevents the Material Participant from disseminating any additional information, or including any other information in any report or notice made under this Section, in addition to that required by this Section. If the Material Participant chooses to include any information in any report or notice made under this Section in addition to that which is specifically required by this Section, the Material Participant will have no obligation to update the additional information or include it in any future report or notice.

(g) The Company agrees to cooperate and covenants take all reasonable actions necessary to assist the Authority and DNR, their financial advisors, underwriters and counsel in the preparation of official statements, private placement memorandum or other disclosure documents and all other documents necessary to market and sell Master Trust Bonds.

Section 8.2 Effect of Breach. Failure on the part of DNR in any instance or under any circumstances to observe or fully perform any obligation assumed by or imposed upon it by this Agreement or by law will not make DNR liable in damages to the Company or relieve the Company from making any payment to DNR or fully performing any other agreement under this Agreement. The Company may have and pursue any other remedies provided by law for compelling performance by DNR of any agreement of DNR.

Section 8.3 Termination of Agreement. This Agreement will terminate upon the payment in full of the Master Note and the transfer of balances as set forth in Section 4.2.

Section 8.4 Notices. All notices, filings and other communications will be given by first class mail, postage pre-paid, or sent by telegram, teletype or telex or other similar communication or delivered by a reputable private courier or overnight delivery service, addressed as follows; provided, however, that notice to the Paying Agent shall be effective only upon receipt:

Company:

Missouri-American Water Company
727 Craig Road
St. Louis, Missouri 63141
Attention: _____

DNR:

General

Missouri Department of Natural Resources
Water Protection Program
P.O. Box 176 (Zip Code 65102)
1101 Riverside Drive
Jefferson City, Missouri 65101
Attention: Director, Financial Assistance Center

For Requisitions:

Missouri Department of Natural Resources
Water Protection Program
P.O. Box 176 (Zip Code 65102)
1101 Riverside Drive
Jefferson City, Missouri 65101
Attention: Financial Assistance Center

Paying Agent:

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

Master Note Trustee:

U.S. Bank National Association
2 Liberty Place
50 South 16th Street, Suite 2000
Mail Station: EX-PA-WBSP
Philadelphia, Pennsylvania 19102
Attention: Corporate Trust Services

Each party may change its address by giving written notice of the new address to the other parties.

Section 8.5 Exculpatory Provision. In exercising powers under this Agreement, the Paying Agent, the Company and DNR and their members, directors, officers, employees and agents will not be liable to any other party to this Agreement (a) for any actions taken or omitted by it or its members, officers, directors, employees or agents in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them, or (b) for any claims based on this Agreement against any member, director, officer, employee or agent of the Paying Agent, the Company or DNR in his or her individual capacity.

Section 8.6 Amendment. This Agreement may be amended or supplemented by a written instrument executed by the parties, subject to the requirements of the Federal Act and regulatory authority of EPA that The Water and Wastewater Loan Fund be operated in a manner that preserves The Water and Wastewater Loan Fund in perpetuity for its designated purposes and to provide necessary and ongoing assistance to communities to attain and maintain compliance with the Federal Act.

Section 8.7 Electronic Transactions. The transactions described in this Agreement may be conducted and related documents may be sent, received or 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 8.8 Severability of Invalid Provisions. If any agreement provided in this Agreement is contrary to law, that agreement will be severable from the remaining agreements and will not affect the validity of the other provisions of this Agreement.

Section 8.9 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which will be regarded for all purposes as one original and constitute one and the same instrument.

Section 8.10 Applicable Law. This Agreement will be governed exclusively by the laws of the State.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their duly authorized officers or signatories and dated as of the day and year first above written.

MISSOURI DEPARTMENT
OF NATURAL RESOURCES

By: _____
Authorized Officer

MISSOURI-AMERICAN WATER COMPANY

President of the Board of Directors

ATTEST:

Secretary of the Board of Directors

Taxpayer Identification No.: 44-0578406

EXHIBIT A

FORM OF REQUISITION

REIMBURSEMENT FORM SRF DIRECT LOAN				
1. TYPE OF REQUEST: ____ PARTIAL ____ FINAL		3. PAYMENT REQUEST NUMBER: _____ PAGE 1 OF ____		
2. PROJECT NUMBER: DW291375-01		4. PERIOD COVERED BY THIS REPORT: FROM: _____ TO: _____		
5. RECIPIENT ORGANIZATION: MISSOURI AMERICAN WATER COMPANY 727 CRAIG RD ST LOUIS, MO 63141		6. LOAN TRUSTEE: UMB BANK, NA DW291375-01 IN TRUST FOR MISSOURI AMERICAN WATER COMPANY 2 S. BROADWAY, SUITE 600 ST. LOUIS, MO 63102		
7. ELIGIBLE PROJECT COSTS INCURRED (EXCLUDING RETAINAGE) Recipient Project Name and Number Show construction, engineering, administrative costs, etc.		Current Period	Cumulative	
		Office Use Only		
A.				
B.				
C.				
D.				
E.				
F.				
G.				
H.				
I.				
J.				
K.				
L.				
Z. Total from continuation sheet (lines 7.M. - 7.Y.)				
AA. Eligible costs incurred to date				
FOR OFFICE USE ONLY	BB. TOTAL APPROVED ELIGIBLE COSTS TO DATE:		BB.	
	CC. LESS AMOUNT PREVIOUSLY APPROVED:		CC.	
	DD. AMOUNT PAYABLE TO RECIPIENT (ACTUAL REIMBURSEMENT AMOUNT):		DD.	
8. CERTIFICATION: By signing this reimbursement form, I certify that to the best of my knowledge and belief: 1) Billed costs or disbursements are in accordance with the terms of the project; 2) Payment due represents the amount due which has not been previously requested; 3) An inspection has been performed; and 4) All work is in accordance with the terms of the funding agreement.	RECIPIENT:	SIGNATURE OF AUTHORIZED REPRESENTATIVE:		
	DNR REVIEWER: Office Use Only	DATE SIGNED:		PHONE NUMBER:
		TYPED OR PRINTED NAME:		
		SIGNATURE OF REVIEW OFFICIAL:		
		DATE SIGNED:		
		TYPED OR PRINTED NAME AND TITLE:		
DNR-WPP-FAC, SRF				

**MISSOURI DEPARTMENT OF NATURAL RESOURCES, WATER PROTECTION PROGRAM, FAC
REIMBURSEMENT FORM
SRF DIRECT LOAN
CONTINUATION PAGE**

PAGE _____ OF _____

2. PROJECT NUMBER: DW291375-01		4. PERIOD COVERED BY THIS REPORT: FROM: _____ TO: _____	
5. RECIPIENT ORGANIZATION: MISSOURI AMERICAN WATER COMPANY 727 CRAIG RD ST LOUIS, MO 63141		6. LOAN TRUSTEE: UMB BANK, NA IN TRUST FOR MISSOURI AMERICAN WAT DW291375-01 2 S. BROADWAY, SUITE 600 ST. LOUIS, MO 63102	
7. ELIGIBLE PROJECT COSTS INCURRED (EXCLUDING RETAINAGE) Recipient Project Number and Name Show construction, engineering, administrative costs, etc.	Current Period	Cumulative	Office Use Only
	M.		
N.			
O.			
P.			
Q.			
R.			
S.			
T.			
U.			
V.			
W.			
X.			
Y.			

DNR-WPP-FAC, SRF

EXHIBIT B

FEDERAL REQUIREMENTS¹

Federal Requirements

- Federal Funding and Accountability and Transparency Act (FFATA): Federal Law - Federal Funding Accountability and Transparency Act enacted 2010.
- Davis-Bacon Act: Act of 1931 applied in 1987-1994, made permanent by the Water Resources Reform and Development Act (WRRDA) of 2014.
- American Iron & Steel.
- Architectural and Engineering Procurement.
- Cost & Effectiveness, Water Resources Reform and Development Act (WRRDA) of 2014: Applies to Clean Water SRF projects only.
- U.S. Environmental Protection Agency Guidance for Enhancing Public Awareness of State Revolving Fund Assistance Agreements (15-02) in 2015.
- Water Systems Assessment, Safe Drinking Water Act Amendments in 2017 Water Infrastructure Improvements for the Nation Act (WIIN): Applies to Drinking Water SRF only.
- Single Audit Act of 1984; Federal Regulation: Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments, State or local government (loan recipients) that expend more than \$750,000 of federal funds in a year must complete an organization-wide audit within nine months of the end of the fiscal year.
- Disadvantaged Business Enterprise (DBE), Carried over from the Construction Grants Program U.S. Environmental Protection Agency (40 Congressional Federal Registry Parts 30, 31, 33, 35 and 40).
- National Environmental Policy Act (NEPA) of 1970.
- National Defense Authorization Act, Section 889, Pub. L. 115-232 implemented by 2 CFR 200.216: Prohibits use of federal funds for certain telecommunications and video surveillance services or equipment.

“Super” Cross-Cutters

- Civil Rights Act of 1964, Title VI: Pub. L. 88-352: Prohibits racial discrimination.
- Federal Water Pollution Control Act, 1972 Amendments, Section 13: Pub. L. 92-500: Prohibits discrimination on the basis of sex, racial, or other discrimination in implementing the law.
- Rehabilitation Act of 1973, Section 504: Pub. L. 93-112: Prohibits discrimination against a qualified individual with a physical or mental disability who is otherwise qualified and can perform essential job functions.
- Age Discrimination Act of 1975: Prohibits discrimination based on age.

Environmental Cross Cutters

- Clean Water Act, Titles III, IV and V: Pub. L. 92-500, as amended: Regulates discharges of pollutants into the waters of the United States
- Safe Drinking Water Act: Pub L. 93-523, as amended: Protects public drinking water supplies
- Endangered Species Act: Pub. L. 93-205, as amended: Protects and recovers imperiled species and the ecosystems upon which they depend.
- Fish and Wildlife Coordination Act: Pub. L. 85-624, as amended: Protects fish and wildlife when federal actions result in the control or modification of a natural stream or body of water.
- Magnuson-Stevens Act – Essential Fish Habitat: Pub. L. 94-265: Fosters long-term biological and economic sustainability of our nation's marine fisheries out to 200 nautical miles from shore.

¹ As of November 2020

- Coastal Zone Management Act: Pub. L. 92-583, as amended: Preserve, protect, develop, and where possible, to restore or enhance the resources of the nation's coastal zone.
- Coastal Barrier Resources Act: Pub. L. 97-348: Protects coastal areas that serve as barriers against wind and tidal forces caused by coastal storms, and serve as habitat for aquatic species.
- Wild and Scenic Rivers Act: Pub. L. 90-54: Preserves certain rivers with outstanding natural, cultural, and recreational values in a free-flowing condition.
- Protection of Wetlands Executive Order: Executive Order 11990 as amended by Executive Order 12608: Avoids the long and short-term adverse impacts associated with the destruction or modification of wetlands and to avoid direct or indirect support of new construction in wetlands wherever there is a practicable alternative.
- Clean Air Act: Pub. L. 95-95, as amended: Controls air pollution.
- Migratory Bird Act: 16 U.S. Code § 703: Protects migratory birds
- Floodplain Management, Executive Order 11988, Improve the nation's resilience to flooding and prepare the nation for the impacts of climate change.
- Farmland Protection Policy Act: Pub. L. 97-98: Federal programs are administered to be compatible with programs and policies to protect to protect
- National Historic Preservation Act: Pub. L. 89-655, as amended: Supports historic preservation activities and programs, and includes Section 106, which requires State Tribal and Local Historic Preservation programs be provided the opportunity to comment on undertakings that have an effect on a historic property.
- Archeological and Historic Preservation Act, Pub. L. 93-291, as amended: Provides for the preservation of historical and archeological data (including relics and specimens) which might otherwise be irreparably lost or destroyed as the result of alteration of terrain caused as a result of a federal construction project.
- Environmental Justice Executive Order: Executive Order 12898: Focuses federal attention on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities.

Economic and Other Cross Cutters

- Demonstration Cities and Metropolitan Development Act: Pub. L. 89 -754, as amended and Executive Order 12372: Promotes planning that provide decent housing, a suitable living environment, and expand economic opportunities for low and moderate income persons.
- Procurement Prohibition under Clean Air Act and Clean Water Act: Prohibition of Clean Water Act or Clean Air Act with respect to federal contracts, grants, or loans under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, and Executive Order 11738: Federal procurement or procurement with federal grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act.
- Uniform relocation and Real Property Acquisition Policies Act: Pub. L. 91-646, as amended, and 42 U.S.C. § 4601 et seq.: Ensures fair treatment of those displaced by federally funded programs, federally assisted programs or state and local agencies receiving federal funds.
- Drug-Free Workplace Act: Pub. L. 100-690: As a recipient organization, the Department must make an ongoing, good faith effort to maintain a drug-free workplace and identify all known workplaces under its federal awards and maintain records pursuant to Title 2 CFR Part 1536 Subpart B.
- Debarment and Suspension Executive Order 12549: A person who is debarred or suspended is excluded from activities involving federal financial assistance.
- Preservation of Open Competition / Neutrality to Labor Relations on Federal Funded Projects: Executive Order 13202 and 13208: Promotes open competition on Federal and federally funded or assisted construction projects.

- New Restrictions on Lobbying, Section 319 of Pub. L. 101-121: Recipients of federal grants, cooperative agreements, contracts, and loans are prohibited from using federal funds for lobbying.

EXHIBIT C

INITIAL FORM OF ANNUAL COMPLIANCE CHECKLIST

Name of bond (“Bond”):	Master Indenture Note (State of Missouri – Direct Loan Program) Series 2021A
Name of Corporate Entity:	Missouri-American Water Company
Issue Date:	_____
Name of Company Bond	_____
Compliance Officer:	_____
Email address:	_____
Telephone number:	_____
Period covered by request (“Annual Period”):	_____

The Project financed with the proceeds of the above-referenced bond will be/has been refinanced with a tax-exempt private activity bond issued by the Environmental Improvement and Energy Resources Authority of the State of Missouri (the “Authority”). There are a number of covenants in the financing documents that must be complied with and there are a number of legal and document provisions restricting how the Project can be used. The Authority requires the Company’s cooperation to accurately monitor continuing compliance with federal tax laws. Please return your completed questionnaire to the Authority as follows:

Environmental Improvement and Energy Resources Authority
P.O. Box 744
Jefferson City, Missouri 65102
Attention: Executive Director

The questionnaire must be received by January 1 of each year.

Project Description:

“Project” means the acquisition, construction, improvement and equipping of drinking water facilities of the Company further described as follows:

Clearwell and High Service Pump Station Replacement. The Project will replace the existing 0.88 million-gallon (“MG”) clearwell and high service pumps with a new below-grade clearwell and high service pumping facility. The new facility will include a partially below-grade storage basin with 1.0 MG of usable storage, providing for operational redundancy and flexibility. An additional 162,000 gallons of storage will be provided for future filter backwash supply. New high service pumps with a firm capacity of 7.5 million gallons per day (“MGD”) and space for two future backwash pumps with an estimated capacity of 5.0 MGD will be provided. These new pumps will be integral to the new clearwell and discharge to a new finished water pipeline that will be connected to the distribution system. The existing clearwell will be demolished once the new clearwell is placed into service. Electrical improvements include a new reinforced concrete duct bank, a new generator, automatic transfer switch and transformer pad, and new electrical switch gear sized to re-feed the entire site. The Project also includes all changes needed to complete the Project agreed to in writing by the Company and DNR.

Item	Question	Response
1 Water Facility	Was the Project operated as a "Water Facility" (as defined in the Loan Agreement) during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	During the Annual Period, did the Water Facility furnish at least 25% of the water output to members of the general public?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	During the Annual Period, was the Project operated by the Company?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	During the annual period, were the rates charged for the furnishing or sale of water established or approved by a state or political subdivision thereof, by an agency or instrumentality of the United States, or by a public service or public utility commission or other similar body of any state or political subdivision?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>If answer above was "No" to any question, contact Bond Counsel and include description of resolution in the records maintained for the Bond.</i>	

2 Ownership	Was the entire Project owned by the Company during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>If "No": Was the Project (or any portion) sold or otherwise disposed of solely because it was determined that the property was inadequate, obsolete or worn out? (If "Yes" with respect to all such property, go to Item 2.)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>If "No": What is the legal name of the New Owner?</i>	
	What is the date the New Owner acquired the Project or portion of the Project?	

3 Use of Proceeds	Have copies of all contracts entered into for the construction, renovation or purchase of the Project been retained?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Has documentation of the expenditure of Bond proceeds and other funds, if any, for the Project been retained? (i.e., invoices, bills, draw requests, requisitions, etc.)	<input type="checkbox"/> Yes <input type="checkbox"/> No

Signature, Name and Title of Person Completing Questionnaire:

Printed Name: _____
Title: _____
Date Completed: _____

EXHIBIT D

AUTHORITY'S TAX COMPLIANCE PROCEDURE

**STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY**

**STATE REVOLVING FUNDS PROGRAMS
TAX COMPLIANCE PROCEDURE**

Dated as of July 25, 2013

July 25, 2013

**STATE REVOLVING FUNDS PROGRAMS
TAX COMPLIANCE PROCEDURE**

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STATE REVOLVING FUNDS PROGRAMS
TAX COMPLIANCE PROCEDURE

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized words and terms used in this Compliance Procedure have the following meanings:

“**Authority Annual Compliance Checklist**” means a questionnaire and/or checklist described in **Section 6.2** and in the form attached as **Exhibit B**, or any replacement form as requested by Bond Counsel and approved by the Bond Compliance Officer, to be completed each year by the Bond Compliance Officer.

“**Authority**” means the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri.

“**Bond Compliance Officer**” means the Authority’s Deputy Director or, if the position of Deputy Director is vacant, the person filling the responsibilities of the Deputy Director for the Authority.

“**Bond Counsel**” means a law firm selected by the Authority to provide a legal opinion regarding the tax status of interest on the Tax-Exempt Bonds as of the issue date or the law firm selected to advise the Authority on matters referenced in this Compliance Procedure.

“**Bond Restricted Funds**” means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the Tax-Exempt Bonds.

“**Bond Transcript**” means the “transcript of proceedings” or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Tax-Exempt Bonds.

“**Clean Water Commission**” means the Clean Water Commission of the State of Missouri.

“**Clean Water Loan**” means a loan made to Clean Water Participants pursuant to the Clean Water SRF Direct Loan Program or the Clean Water SRF Leveraged Loan Program.

“**Clean Water Participant**” means a Missouri governmental entity that participates in the Clean Water SRF Direct Loan Program or the Clean Water SRF Leveraged Loan Program.

“**Clean Water SRF Direct Loan Program**” means DNR’s State of Missouri Direct Loan Program created in cooperation with the Clean Water Commission to provide financial assistance to Clean Water Participants to finance publicly owned wastewater treatment and sanitary sewerage facilities.

“**Clean Water SRF Leveraged Loan Program**” means the Missouri Leveraged State Clean Water Revolving Fund Program created by cooperative agreement among the Authority, DNR and the Clean Water Commission to provide financial assistance to Clean Water Participants to finance publicly owned wastewater treatment and sanitary sewerage facilities.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Compliance Procedure**” means this State Revolving Funds Programs Tax Compliance Procedure.

“**Cost**” or “**Costs**” means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Financed Facility or costs of issuing Tax-Exempt Bonds for a Financed Facility.

“**DNR**” means the Missouri Department of Natural Resources, a department of the State of Missouri.

“**Drinking Water Commission**” means the Safe Drinking Water Commission of the State of Missouri.

“**Drinking Water Loan**” means a loan made to a Drinking Water Participant pursuant to the Drinking Water SRF Direct Loan Program or the Drinking Water SRF Leveraged Loan Program.

“**Drinking Water Participant**” means s Missouri governmental entity or nonprofit corporation that participates in the Drinking Water SRF Direct Loan Program or the Drinking Water SRF Leveraged Loan Program.

“**Drinking Water SRF Direct Loan Program**” means DNR’s State of Missouri Direct Loan Program created in cooperation with the Drinking Water Commission to provide financial assistance to Drinking Water Participants to finance publicly and privately owned drinking water treatment facilities.

“**Drinking Water SRF Leveraged Loan Program**” means the Missouri Leveraged State Drinking Water Revolving Fund Program created by cooperative agreement among the Authority, DNR and the Safe Drinking Water Commission to provide financial assistance to Drinking Water Participants to finance publicly and privately owned drinking water treatment facilities.

“**Final Written Allocation**” means the Final Written Allocation of Tax-Exempt Bond proceeds pursuant to **Section 7.4** or of Participant Loan proceeds pursuant to **Section 5.3**.

“**Financed Facility**” means that part of a Project Facility treated as financed with proceeds of a Participant Loan as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Trustee, the Authority or the Participant, as the case may be, and the Tax Compliance Agreement for the Tax-Exempt Bonds.

“**Intent Resolution**” means a resolution of the Authority or the Participant stating (1) the intent of the Authority or the Participant to finance all or a portion of the Project Facility, (2) the expected maximum size of the financing, and (3) the intent of the Authority or Participant to reimburse Costs of the Project Facility paid by the Authority or the Participant from proceeds of a Tax-Exempt Bond.

“**IRS**” means the Internal Revenue Service.

“**Participant**” means a Clean Water Participant or a Drinking Water Participant.

“**Participant Annual Compliance Checklist**” means a questionnaire and/or checklist described in **Section 5.4** and in the form attached as **Exhibit C**, or any replacement form as requested by Bond Counsel and approved by the Bond Compliance Officer, which is completed each year by a Participant.

“Participant Bond Compliance Officer” means the individual officer or employee of the Participant named as the primary individual responsible for post-issuance tax compliance by the Participant in connection with its Participant Loan.

“Participant Closing Certificate” means the closing certificate executed by the Participant in connection with the closing of the Participant Loan.

“Participant Loan” means a Clean Water Loan or a Drinking Water Loan.

“Placed In Service” means the date when the Project Facility is substantially complete and in operation at substantially its design level, as determined by the Participant Bond Compliance Officer or, in the absence of appropriate action by the Participant Bond Compliance Officer, by [DNR][the Bond Compliance Officer in consultation with DNR].

“Project Facility” means all tangible or intangible property financed in whole or in part with proceeds of a Participant Loan that are (1) functionally related or integrated in use, (2) located on the same physical site or proximate sites, and (3) expected to be Placed In Service within a one-year period of each other.

“Rebate Analyst” means the rebate analyst for the Tax-Exempt Bonds selected pursuant to the Tax Compliance Agreement.

“Regulations” means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to tax-exempt obligations.

“Requisition” means a Clean Water Reimbursement Form or Drinking Water Reimbursement Form, submitted by a Participant and approved by DNR for each disbursement of Participant Loan proceeds.

“State Revolving Funds Programs” means, collectively, the Clean Water SRF Direct Loan Program, the Clean Water SRF Leveraged Loan Program, the Drinking Water SRF Direct Loan Program and the Drinking Water SRF Leveraged Loan Program.

“Tax Compliance Agreement” means a Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Authority or the Participant (including Article V or similar article of a Purchase Agreement between the Participant and DNR or Exhibit to a Participant Closing Certificate), setting out representations and covenants for satisfying the post-issuance tax compliance requirements for the Tax-Exempt Bonds.

“Tax-Exempt Bonds” means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Authority, the proceeds of which are to be loaned or otherwise made available to DNR to finance Participant Loans, and the interest on which is excludable from gross income for federal income tax purposes. A list of all Tax-Exempt Bonds outstanding and subject to this Compliance Procedure as of July 1, 2013, is attached as Exhibit A.

“Tax-Exempt Bond File” means documents and records which may consist of paper and electronic medium, maintained for the Tax-Exempt Bonds. Each Tax-Exempt Bond File will include the following information if applicable:

- (a) Intent Resolution. (Duplicate Copy Maintained by Bond Compliance Officer)
- (b) Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)

- (c) For each Participant Loan, a Final Written Allocation and/or all available accounting records related to the Financed Facility showing expenditures allocated to the proceeds of the Participant Loan and expenditures (if any) allocated to other sources of funds.
- (d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculations.
- (e) Forms 8038-T together with proof of filing and payment of rebate. (Duplicate Copy Maintained by Bond Compliance Officer)
- (f) Investment agreement bid documents (unless included in the Bond Transcript) including:
 - (1) bid solicitation, bid responses, certificate of broker;
 - (2) written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
 - (3) copies of the investment agreement and any amendments.
- (g) Any item required to be maintained by the terms of the Tax Compliance Agreement and Participant's Tax Compliance Agreement involving the use of the Financed Facility or expenditures related to tax compliance for the Tax-Exempt Bonds.
- (h) Any opinion of Bond Counsel regarding the Tax-Exempt Bonds not included in the Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (j) Any correspondence with the IRS relating to the Tax-Exempt Bonds including all correspondence relating to an audit by the IRS of the Tax-Exempt Bonds or any proceedings under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP). (Duplicate Copy Maintained by Bond Compliance Officer)
- (k) All completed Authority Annual Compliance Checklists and Participant Annual Compliance Checklists and any other questionnaires or correspondence substantiating compliance with the post-issuance tax requirements.
- (l) For refunding bond issues, the Tax-Exempt Bond File for the refunded Tax-Exempt Bonds.

“Trustee” means the corporate trustee named in a trust indenture or other similar document included in the Bond Transcript for the Tax-Exempt Bonds or the “Paying Agent” within the meaning of the documents executed by a Participant, DNR and the Paying Agent in connection with a Participant Loan made under the Clean Water SRF Direct Loan Program or the Drinking Water SRF Direct Loan Program.

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) Authority's Use of Tax-Exempt Bonds. The Authority issues Tax-Exempt Bonds and funds Participant Loans or makes the proceeds available to DNR to fund, or reimburse DNR for funding of, certain Participant Loans, the proceeds of which finance Costs of a Project Facility. The Authority understands that in exchange for the right to issue Tax-Exempt Bonds at favorable interest rates and terms, the Code and Regulations impose ongoing requirements related to the proceeds of the Tax-Exempt Bonds and the Financed Facility financed by the Tax-Exempt Bonds. These requirements focus on the investment,

use and expenditure of proceeds of the Tax-Exempt Bonds and related funds as well as restrictions on the use of the Project Facility.

(b) IRS Recommends Separate Written Procedures. The Authority recognizes that the IRS has stated that all issuers of Tax-Exempt Bonds should have separate written procedures regarding ongoing compliance with the federal tax requirements for Tax-Exempt Bonds.

(c) Authority Commitment. The Authority is committed to full compliance with the federal tax law requirements for all of its outstanding and future issues of Tax-Exempt Bonds. This Compliance Procedure is adopted by the Authority to comply with IRS directives and to improve federal tax law compliance and documentation. Because each Participant is primarily responsible for the expenditure and investment of proceeds of its Participant Loan and the use of its Project Facility, this Compliance Procedure provides that each Participant will assume substantially all obligations related to post-issuance compliance for its Participant Loan. The Authority will assume responsibility for annually monitoring each Participant's compliance with the post-issuance tax requirements through use of the Participant Annual Compliance Checklists. The Authority will assume responsibility for ensuring compliance with the remaining post-issuance tax requirements for all Tax-Exempt Bonds primarily consisting of compliance with the arbitrage and rebate requirements.

Section 2.2. Scope of Compliance Procedure; Conflicts. This Compliance Procedure applies to all Participant Loans, both currently outstanding and issued in the future, and all Tax-Exempt Bonds, both currently outstanding and issued in the future. If the provisions of this Compliance Procedure conflict with a Tax Compliance Agreement or any specific written instructions of Bond Counsel, the terms of the Tax Compliance Agreement or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Exempt Bonds will be incorporated in the Tax Compliance Agreement for the future issue. Any requirements imposed on the Authority or a Participant in the Tax Compliance Agreement will be noted by the Bond Compliance Officer and incorporated into the Authority Annual Compliance Checklist and/or the Participant Annual Compliance Checklist.

Section 2.3. Amendments and Publication of Compliance Procedure. This Compliance Procedure may be amended from time-to-time by the Authority. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Authority.

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with the Participants through each Participant Bond Compliance Officer, DNR and the Trustee to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Participants, DNR, Bond Counsel, legal counsel to the Authority, accountants, tax return preparers and other outside experts to the extent necessary to carry out the purposes of this Compliance Procedure. The Bond Compliance Officer will report to the Authority as necessary, and at least annually, regarding implementation of this Compliance Procedure and any recommended changes or amendments to this Compliance Procedure.

Section 3.2. Training.

(a) Training Programs. When appropriate, the Bond Compliance Officer and/or other employees of the Authority under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding Tax-Exempt Bonds that are relevant to the Authority.

(b) Change in Bond Compliance Officer. Any time an individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the Authority will ensure the incoming individual acting as Bond Compliance Officer is trained on how to implement the policies and procedures included in this Compliance Procedure to ensure the Authority's continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Exempt Bonds.

ARTICLE IV

COMPLIANCE PROCEDURE FOR PARTICIPANT LOANS CURRENTLY OUTSTANDING

Section 4.1. Participant Loans Covered by Article IV Procedures. This Article IV applies to all Participant Loans issued prior to the date of this Compliance Procedure that are currently outstanding.

Section 4.2. Participant Contact. As soon as reasonably practical the Bond Compliance Officer will send to each Participant a copy of the Participant's Tax Compliance Agreement along with a letter reminding the Participant that pursuant to the Participant's Tax Compliance Agreement the Participant is responsible for post-issuance tax compliance related to record keeping, use of Participant Loan proceeds, and use of the Financed Facility.

Section 4.3. Annual Certification From Each Participant. As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will request each Participant to confirm annually in writing its compliance with the terms of the Participant's Closing Certificate for the Participant Loan through use of a Participant Annual Compliance Checklist. The Bond Compliance Officer will use reasonable efforts to obtain a completed Participant Annual Compliance Checklist from each Participant and will retain the completed Participant Annual Compliance Checklist in the Tax-Exempt Bond File for the longer of the term of the Participant Loan or the Tax-Exempt Bond allocable to financing the Participant Loan (if any) plus three years.

Section 4.4. Correcting Prior Deficiencies in Compliance. If a Participant informs the Bond Compliance Officer of a deficiency in compliance with Participant's Tax Compliance Agreement for an outstanding Participant Loan allocable to an outstanding Tax-Exempt Bond listed on **Exhibit A**, the Bond Compliance Officer will consult with Bond Counsel and, as necessary or appropriate, follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Authority to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Director of the Authority and obtaining the approval of the Director and/or the Authority, as deemed appropriate.

ARTICLE V

COMPLIANCE PROCEDURE FOR NEW PARTICIPANT LOANS

Section 5.1. Application. This Article V applies to Participant Loans made on or after the date of this Compliance Procedure.

Section 5.2. Prior to Issuance of Participant Loan.

(a) Intent Resolution. Prior to or as a part of the Participant Loan authorization process, the Participant may adopt an Intent Resolution. The Authority expects that Participants will usually adopt an Intent Resolution as part of their election call proceedings.

(b) Participant's Tax Compliance Agreement. For each Participant Loan, a Participant's Tax Compliance Agreement, including covenants related to the Participant's compliance with the post-issuance tax requirements, will be signed by the Participant Bond Compliance Officer or other duly authorized officer of the Participant. The Participant's Tax Compliance Agreement will (1) describe the Project Facility and the anticipated Financed Facility, (2) for new money financings, require the Participant to complete a Final Written Allocation, and (3) contain a form of the Participant Annual Compliance Checklist for the Participant Loan. The Participant Bond Compliance Officer is expected to confer with the Bond Compliance Officer and Bond Counsel or local bond counsel to the Participant regarding the meaning and scope of each representation and covenant contained in the Participant's Tax Compliance Agreement.

(c) Participant Loans; Preliminary Cost Allocations. The Participant Bond Compliance Officer in consultation with DNR, will prepare a preliminary cost allocation plan for the Project Facility to be funded from proceeds of a Participant Loan. The preliminary cost allocation plan will identify the assets and expected costs for the Project Facility, and when necessary, will break-out the portions of Costs that are expected to be financed with proceeds of the Participant Loan and the portions, if any, expected to be financed from other sources.

Section 5.3. Final Written Allocation of Participant Loan Proceeds. The Participant's Tax Compliance Agreement will include the Participant's agreement that its file of all Requisitions and supporting invoices provided to DNR with respect to the use of Participant Loan proceeds constitutes the Participant's Final Written Allocation of the application of proceeds of the Participant Loan to the Financed Facility. In addition, the Bond Compliance Officer may access DNR's compilation of Requisitions and supporting invoices to document the Participant's Final Written Allocation absent receipt of documentation from the Participant. The Participant may, with at least 60 days' prior written notice to, and the written consent of DNR, deliver a revised written reimbursement allocation to DNR if the revised allocation is accompanied by an Opinion of Bond Counsel. However, no revised reimbursement allocation will be made more than 18 months following the later of (A) the date of the expenditure or (B) the date the Financed Facility was Placed In Service, unless an Opinion of Bond Counsel is delivered to DNR and the Authority. For Participant Loans issued only to refund a prior Participant Loan, the Participant Bond Compliance Officer will work with the Bond Compliance Officer or Bond Counsel to prepare and/or document the Final Written Allocation for the Financed Facility financed by the refunded Participant Loan and include it as an attachment to the Participant's Tax Compliance Agreement or in the Tax-Exempt Bond File.

Section 5.4. Participant Annual Compliance Checklists; Reviews.

(a) Participant Annual Compliance Checklists. The Participant Bond Compliance Officer will be responsible for assembling and maintaining the information necessary to accurately complete the Participant Annual Compliance Checklist. Each Participant Bond Compliance Officer will be required to

provide a completed Participant Annual Compliance Checklist, together with any supporting documentation, to the Director, Financial Assistance Center of DNR (and subsequently forwarded by the Director to the Bond Compliance Officer) or directly to the Authority.

(b) Review of Participant Annual Compliance Checklist. Each Participant Annual Compliance Checklist will be reviewed by legal counsel to the Participant or the Participant's local bond counsel for sufficiency and compliance with the Participant's Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Participant Bond Compliance Officer will execute the Participant's Annual Compliance Checklist.

ARTICLE VI

COMPLIANCE PROCEDURE FOR TAX-EXEMPT BONDS CURRENTLY OUTSTANDING

Section 6.1. Tax-Exempt Bonds Covered by Article VI Procedures. This Article VI applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Exempt Bonds are listed on Exhibit A.

Section 6.2. Tax-Exempt Bond File; Annual Compliance Checklists. As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Exempt Bond File as is available for the Tax-Exempt Bonds listed on Exhibit A. As soon as practical, the Bond Compliance Officer will complete an Authority Annual Compliance Checklist for each outstanding Tax-Exempt Bond issue. The Bond Compliance Officer will use reasonable efforts to obtain a completed Participant Annual Compliance Checklist from each Participant. The Bond Compliance Officer will retain the completed Participant Annual Compliance Checklist and Authority Annual Compliance Checklist in the Tax-Exempt Bond File for the longer of the term of the Participant Loan or the Tax-Exempt Bond allocable to financing the Participant Loan (if any) plus three years.

Section 6.3. Correcting Prior Deficiencies in Compliance. In the event of a deficiency in compliance with the Tax Compliance Agreement for an outstanding Tax-Exempt Bond listed on Exhibit A, the Bond Compliance Officer will consult with Bond Counsel and, as necessary, follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Authority to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Authority and obtaining its approval.

ARTICLE VII

COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BONDS

Section 7.1. Application. This Article VII applies to Tax-Exempt Bonds issued on or after the date of this Compliance Procedure.

Section 7.2. Prior to Issuance of Tax-Exempt Bonds.

(a) Intent Resolution. The Authority will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of the authorizing resolution, the Authority may adopt an Intent Resolution.

(b) Directions to Bond Counsel. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Exempt Bonds so that they conform to the requirements

of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Authority's costs and expenses incurred to implement this Compliance Procedure. To the extent the Authority relies on or acts at the direction of the Participant, the Tax Compliance Agreement will contain appropriate provision for Authority indemnification by the Participant.

(c) Tax Compliance Agreement. For each Tax-Exempt Bond, the Authority will enter into a Tax Compliance Agreement including covenants related to compliance with the post-issuance tax requirements that will be signed by the Bond Compliance Officer or other duly authorized officer of the Authority. The Tax Compliance Agreement will (1) identify the Participant Loans being financed with proceeds of the Tax-Exempt Bond, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings, assure each Participant is required to complete a Final Written Allocation, and (4) contain a form of the Authority Annual Compliance Checklist. The Bond Compliance Officer will review the Authority's Tax Compliance Agreement and, if deemed appropriate, confer with Bond Counsel and the Authority's counsel regarding the meaning and scope of each representation and covenant contained in the Authority's Tax Compliance Agreement.

(d) Preliminary Cost Allocations. For each Tax-Exempt Bond issuance, the Bond Compliance Officer will assure a preliminary cost allocation plan is prepared. The preliminary cost allocation plan will identify the Participant Loans or portions thereof to be financed with proceeds of the Tax-Exempt Bonds and the portions of the Participant Loans, if any, expected to be financed from other sources together with the proceeds expected to be used to finance costs of issuing or credit enhancement for the Tax-Exempt Bonds, including funding any reserve funds.

(e) Tax Review with Bond Counsel. Prior to the sale of Tax-Exempt Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Compliance Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Compliance Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement, or must be supplemented to account for special issues or requirements for the Tax-Exempt Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Compliance Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form of Authority Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Exempt Bonds.

Section 7.3. Accounting and Recordkeeping. The Bond Compliance Officer will assure the accounting for the investment and allocation of proceeds of the Tax-Exempt Bonds is accomplished. The Bond Compliance Officer may use accounts established pursuant to a trust indenture for the Tax-Exempt Bonds to assist in accounting for the investment and expenditure of Tax-Exempt Bonds. For Tax-Exempt Bonds that are issued to refund prior Tax-Exempt Bonds, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced Tax-Exempt Bonds. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File.

Section 7.4. Final Allocation of Bond Proceeds.

(a) Preparation of Final Written Allocation; Timing. The Bond Compliance Officer will assure a written allocation of Tax-Exempt Bond proceeds to Participant Loans and other expenditures is prepared. This process will be memorialized in the Final Written Allocation. For a new money financing, the Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Participant Loan proceeds from any segregated Tax-Exempt Bond funded account, (2) the date the Project Facilities

have been substantially completed or (3) four and one-half years following the issue date of the Tax-Exempt Bonds. For Tax-Exempt Bonds issued only to refund a prior issue of Tax-Exempt Bonds, the Participant Bond Compliance Officer will work with the Participants and Bond Counsel to prepare and/or document the Final Written Allocation for the Financed Facility financed by the refunded Tax-Exempt Bonds and include it in the Tax Compliance Agreement.

(b) Contents and Procedure. The Bond Compliance Officer will consult the Tax Compliance Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Exempt Bond proceeds and other money to Participant Loans and other expenditures. If no special allocation is required or recommended, the Bond Compliance Officer will allocate proceeds of the Tax-Exempt Bonds in accordance with the Authority's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to fund Participant Loans, (2) the percentage of each Participant Loan financed with proceeds of the Tax-Exempt Bonds and (3) any special procedures to be followed in completing the Authority Annual Compliance Checklist.

(c) Finalize Authority Annual Compliance Checklist. As part of the preparation of the Final Written Allocation, the Bond Compliance Officer will update the draft Authority Annual Compliance Checklist contained in the relevant Tax Compliance Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Exempt Bonds in the Authority Annual Compliance Checklist.

(d) Review of Final Written Allocation and Authority Annual Compliance Checklist. Each Final Written Allocation and Authority Annual Compliance Checklist will be reviewed by legal counsel to the Authority or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

ARTICLE VIII

ONGOING MONITORING PROCEDURES

Section 8.1. Annual Compliance Checklists. Participant Annual Compliance Checklists and the Authority Annual Compliance Checklist are to be completed annually. Each Participant Annual Compliance Checklist and Authority Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Participant's Tax Compliance Agreement, the Authority's Tax Compliance Agreement and this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Financed Facility) that are required to be incorporated in the Tax-Exempt Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Compliance Agreement to legal counsel to the Authority and Bond Counsel and, if recommended by counsel, will follow the procedure set out in Section 6.3 to remediate the non-compliance.

Section 8.2. Arbitrage and Rebate Compliance. The Bond Compliance Officer will monitor the investment of Bond Restricted Funds and cause the Trustee to provide investment records to the Rebate Analyst on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

ADOPTED BY THE AUTHORITY
July 25, 2013

**EXHIBIT A TO
STATE REVOLVING FUNDS PROGRAMS TAX COMPLIANCE PROCEDURE**

**LIST OF TAX-EXEMPT BONDS
COVERED BY THIS COMPLIANCE PROCEDURE¹**

Series	Dated Issued	Final Maturity Date	Original Principal Amount	Description
2011A	11/30/2011	1/1/2025	106,830,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)
2013A	11/26/2013	1/1/2027	101,535,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)
2015A	2/5/2015	1/1/2036	29,935,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2015B	12/22/2015	7/1/2030	136,105,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)
2018A	10/18/2018	7/1/2038	31,610,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2020A	3/18/2020	1/1/2024	74,110,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)
2020B	12/3/2020	7/1/2030	100,760,000	Taxable Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)

¹ As of [**CLOSING DATE**]

EXHIBIT B TO
STATE REVOLVING FUNDS PROGRAMS TAX COMPLIANCE PROCEDURE

SAMPLE ANNUAL COMPLIANCE CHECKLIST
(AUTHORITY)

Name of tax-exempt bonds ("Bonds"):	_____
Issue Date of Bonds:	_____
Name of Bond Compliance Officer:	_____
Period covered by request ("Annual Period"):	_____

Item	Question	Response
1 Receipt of Participant Annual Compliance Checklists	Has the Bond Compliance Officer received a completed Participant Annual Compliance Checklist from each Participant for the above referenced Tax-Exempt Bond issue for the Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If the Bond Compliance Officer has not received a completed Participant Annual Compliance Checklist from a Participant, contact the applicable Participant and obtain a completed Participant Annual Compliance Checklist, review the Participant Annual Compliance Checklist for any responses which may raise a question regarding compliance with the Post-Issuance Tax Requirements and include a copy of the completed Participant Annual Compliance Checklist in the Tax-Exempt Bond File.</p> <p>If a response from any Participant raises a question regarding compliance with the Post-Issuance Tax Requirements, contact the Authority's legal counsel or Bond Counsel and include description of resolution in the Tax-Exempt Bond File.</p>	
2 Participant Final Written Allocation	For each Participant Project that has been Placed In Service, has a Final Written Allocation been completed for the Participant Project?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If "Yes", include a copy of the final Participant Requisition in the Tax-Exempt Bond File.</p> <p>If "No", contact DNR and the applicable Participant Bond Compliance Officer to prepare a Final Written Allocation for the Participant's Project and include a copy of the final Participant Requisition in the Tax-Exempt Bond File.</p>	
3 Arbitrage & Rebate	Have all rebate and yield reduction calculations mandated in the Tax Compliance Agreement been prepared for the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

Bond Compliance Officer: _____
Date Completed: _____

EXHIBIT C TO
STATE REVOLVING FUNDS PROGRAMS TAX COMPLIANCE PROCEDURE

SAMPLE ANNUAL COMPLIANCE CHECKLIST
(PARTICIPANT)

Name of Participant:	
Name of bonds ("Bonds") financing the Financed Assets:	
Financed Assets: [NOTE: insert Project as defined in Purchase Agreement unless modified during construction]	
Issue Date of Bonds:	
Placed in service date of the Financed Assets:	
Name of Participant Bond Compliance Officer:	
Period covered by request ("Annual Period"):	

Item	Question	Response
1 Ownership	Were all of the Financed Assets owned by the Participant during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "No," was an Opinion of Bond Counsel obtained prior to the transfer? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2 Leases and Other Rights to Possession	During the Annual Period, were any of the Financed Assets or any part of a Financed Asset leased at any time pursuant to a lease or similar agreement for more than 50 days (e.g., has the Participant entered into an agreement permitting a cell phone tower on a Bond-financed facility)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the lease or other arrangement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item	Question	Response
3 Management or Service Agreements	During the Annual Period, has the Participant entered into an agreement with another entity to manage the operation of the Financed Assets? (for example, does a private entity operate the System on behalf of the Participant)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into a management agreement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
4 Other Use	Was any agreement entered into with an individual or entity that grants special legal rights to the Financed Asset (e.g., has the Participant entered into a take or pay contract or similar agreement related to output from the Financed Assets)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the agreement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Participant Bond Compliance Officer: _____

Date: _____

EXHIBIT E

MISSOURI-AMERICAN WATER COMPANY
MASTER INDENTURE NOTE
(STATE OF MISSOURI – DIRECT LOAN PROGRAM)
SERIES 2021A

MANDATORY SINKING FUND REDEMPTION SCHEDULE

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
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†Maturity

EXHIBIT F

SCHEDULE OF EXPECTED ECONOMIC LIFE

[**TO BE PREPARED BY PROGRAM BOND COUNSEL**]