

**GUIDELINES FOR PROGRAM FOR THE ISSUANCE OF  
GENERAL OBLIGATION BONDS BY MISSOURI SCHOOL DISTRICTS**

**I. BACKGROUND AND GOALS**

The Missouri Legislature adopted Sections 360.106 and 360.111 to 360.118 of the Revised Statutes of Missouri (the “Law”) directing the Health and Educational Facilities Authority of the State of Missouri (the “Authority”) to assist Missouri school districts in the issuance of general obligation bonds. The Law charges the Authority, among other things, with developing Guidelines for, and the administration of, voluntary methods of enhancing the issuance of general obligation bonds by Missouri school districts (the “Program”). The Program is designed to provide credit enhancement and to help Missouri school districts in need of educational facilities achieve a low borrowing cost and other favorable borrowing terms.

Pursuant to the Program general obligation bonds are issued on a conventional basis by individual school districts with the Authority serving as an administrator for access to the benefits of the Program (the “Program Bonds”). Participation by school districts in the Program is voluntary but there is an incentive added by the Legislature to encourage such involvement. In an effort to improve the credit quality of all school districts in Missouri, the Law provides for credit enhancement by virtue of the direct deposit by the State of Missouri to a bank serving as trustee (the “Direct Deposit Trustee”) of a portion of state aid payments that would otherwise be paid directly to the involved school district. The direct deposit is equal to debt service on the Program Bonds issued by the school district. This procedure results in a credit rating on the Program Bonds based to a large extent on the credit quality of the State. Given the State's high credit rating, this makes all participating school districts very highly rated bond issuers. The present applicable credit rating for Program Bonds is “AA+” by Standard & Poor’s (the “applicable rating agency”). Other credit rating agencies may provide ratings of the Program Bonds but the Authority is not coordinating the Program with them and the use of their rating is not a cost covered by the Program as discussed below.

**II. PROGRAM CONSIDERATIONS**

**A) Basic Program Requirements.**

1. Application Form. Any school district interested in becoming involved in the Program must complete the form of Application attached hereto as Exhibit A (the “Application”) and submit the same to the Authority and to the applicable rating agency. The Program is not open for involvement by junior college districts or entities other than Missouri school districts.

2. General Obligation Bonds. The Program Bonds issued by the school districts pursuant to the Program must all be general obligation bonds of the school districts. Such general obligation bonds must comply with all requirements of Missouri law applicable to such obligations including registration with the State Auditor if appropriate. Obligations of school districts other than general obligation bonds such as revenue bonds, leasehold bonds, certificates of participation and tax or revenue anticipation notes are not eligible for inclusion in the Program though such obligations can be refunded by the general obligation bonds. Individual charter schools are unable to issue general obligation bonds and therefore are ineligible for the Program.

3. New Money or Refunding Bonds. Program Bonds of a school district may either be “new money” or “refunding” bonds. It is anticipated that a refunding of existing bonds of a school district will have significant net present value savings. There can be reasons other than present value savings for a refunding but, except as described below, it is anticipated that there will at least be net present value savings of 1½% of the par amount of the refunded bonds. The All Inclusive Cost (AIC) method should be utilized for the purpose of determining the discount rate to use to calculate net present value savings. AIC as used herein means as follows: that semiannual discount rate which equates future payments relating to the Program Bonds including principal, interest, and associated costs of issuance expenses, to the net issue proceeds; accrued interest is included. The term “True Interest Cost” as used on Schedule D to the Application means that semiannual discount rate which equates the principal and interest payments on the Program Bonds to the purchase price paid by the bond purchaser to the issuer; it does not reflect costs of issuance or accrued interest.

School districts involved with refunding of existing bonds may participate in the Program even without a net present value savings of 1½% of the par amount of the refunded bonds as long as Bond Counsel for the Program Bonds provides a satisfactory legal opinion addressed to the Authority that this is permitted pursuant to applicable law.

A school district may refund multiple bond issues in one issuance of Program Bonds. When a school district is refunding multiple bond issues at once in which the aggregate savings do not meet the 1½% net present value savings rule, such issue is still eligible to participate in the Program as long as Bond Counsel for the Program Bonds provides a satisfactory legal opinion addressed to the Authority that such bond issues are permitted in such case pursuant to applicable law.

School districts shall not have more than one series or issuance of Program Bonds issued within sixty (60) days of a prior issuance of Program Bonds unless expressly approved by the Authority.

4. Intercept-Direct Deposit Arrangements. The Program provides for credit enhancement by an assured source of payment on the Program Bonds (i.e. state aid payments). The bond documents will provide for school districts to agree to the direct deposit of a portion of monthly state aid payments (i.e. first dollar of state aid payments) to the Direct Deposit Trustee who will in turn remit to each appropriate paying agent the required principal and interest payments at the required times. This procedure results in credit quality that is to a large extent tied to the State's ability to pay and in a high investment grade rating for bonds of school districts in the Program. Each school district will be required to enter into a Direct Deposit Agreement, in substantially the form of that attached hereto as Exhibit B (the “Direct Deposit Agreement”), at the time of issuance of its Program Bonds as a precondition to involvement in the Program. If the Program Bonds which are the subject of a Direct Deposit Agreement refund all or part of bonds already in the Program, there should also be executed a Termination of Direct Deposit Agreement if the prior Program Bonds are being completely refunded or an Amendment of the Direct Deposit Agreement for the prior Program Bonds being refunded changing the amount owing and the amount of state aid withheld. The Termination of Direct Deposit Agreement must be in substantially the form of that attached hereto as Exhibit D. If an Amendment, such Amendment shall expressly provide that the new Schedules A and B to the Amendment replace Schedules A and B to the original Direct Deposit Agreement.

5. Payment of Costs Of Issuance. There have not been any appropriations by the Missouri General Assembly for grants to pay costs of issuance of Program Bonds for many years. If such appropriations ever occur in the future, the Authority will develop supplemental Guidelines to address the payment of such amounts.

6. Coordinate Closing With Direct Deposit Arrangements. All Program Bonds shall be closed on a date necessary to accommodate direct deposit arrangements with the payment schedule on the Program Bonds consistent with the timing demands of the Program and satisfactory to the applicable rating agency.

The Direct Deposit Agreement shall not provide for the direct deposit of state aid payments: (a) in the month of issuance of the bonds; or (b) if the bond issue is closed later than the 25<sup>th</sup> day of a month, in the month following the issuance of the Program Bonds (e.g. if a bond issuance is closed on a March 26 there shall be no state aid payments withheld prior to May of that year).

No debt service payments on Program Bonds will be payable in the months of June, July and August of any year. This requirement may be waived, on a case by case basis, by the applicable rating agency.

Notwithstanding the foregoing, the actual number, timing and amount of monthly payments shall be as initially approved or subsequently amended with the consent of the applicable rating agency, the School District and the Authority.

7. Coordinate With State Departments. The Authority shall work with the Missouri Department of Elementary and Secondary Education (“DESE”), the Office of Administration and the Treasurer’s Office to coordinate the Program and the direct deposit of state aid payments. The Authority will use its best efforts to coordinate with the aforesaid entities and the applicable rating agency so that a school district will be advised of its eligibility for involvement in the Program within thirty days of receipt of its Application.

8. Executive Director to Act for Authority. All actions to be taken by the Authority and all communications with the Authority, with respect to the Program including execution of Direct Deposit Agreements and Amendments thereto and Terminations thereof, shall be through the Executive Director or the Assistant Director of the Authority at the Authority's office in Chesterfield, Missouri.

9. Direct Deposit Trustee. The Authority will select a Direct Deposit Trustee for the Program. It will be an institution authorized to serve in such role under applicable law, have relevant experience and be of sufficient asset size to be financially responsible for the role in the financing. The institution could (but is not required to) also serve as paying agent as to Program Bonds. The charges of such trustee can be paid out of amounts annually appropriated by the State for Program expenses.

10. Authority Charges. As permitted by the Law, the Authority will charge an annual or other periodic fee as an administrative cost for work by it on the Program and may employ attorneys and advisors as to the Program. The charges and costs of the Authority and its attorneys and advisors can be paid out of amounts annually appropriated by the State for Program expenses. The Authority will not charge an issuing school district a fee or any other amounts for its assistance relative to the issuance of any Program Bonds.

11. Obligations Binding On School Districts. Section 360.106(12) of the Law requires the Authority to review the cost effectiveness of the Program and provide an annual report to the General Assembly on the Program, the Authority's findings, and a recommendation of whether the Program should be repealed, strengthened or otherwise amended. It is anticipated that any Program Bonds issued pursuant to the Program will not, as a general matter, be negatively impacted by subsequent legislative structural changes to the Program (e.g. as opposed to changes in the amount of state aid) because the parties will be bound to make payments on the Program Bonds and as to the pledge of state aid by the Law and documentation in effect at the time of issuance of their bonds.

B) Program Credit Considerations.

1. Program Credit Rating - Rating Agencies. The Authority has and plans to continue to work with the applicable rating agency to achieve a “Program” credit rating for the bonds of school districts in the Program which meet the minimum credit criteria. The cost of one “Program” credit rating for Program Bonds from the applicable rating agency will be treated as part of the administrative costs of operating this

Program. School districts, or their underwriter, bond purchaser or financial advisor, involved in the Program will be required to directly provide (a) the Application and other information to the applicable rating agency at the time of submission of the Application; (b) information needed to actually obtain the credit rating; and (c) on an annual basis, an annual audit, budget and other information reasonably requested. Program Bonds may be issued under terms varying with these Guidelines with approval of the applicable rating agency and the Authority. Issuance by the applicable rating agency of its rating shall be deemed approval of the variance. A school district may participate in the Program but decline the rating if it so chooses.

2. Coverage Requirements. To achieve a satisfactory “Program” credit rating, school districts will need to have a minimum level of “coverage” of state aid payments relative to that district's debt service in the Program. The coverage required is that in the fiscal year of issuance, as well as in the two fiscal years prior to the year of issuance, of the school district's bonds, the state aid payments to the involved school district must be at least 1.5 times the maximum annual debt service on the school district's Program Bonds which are the subject of the “Program” rating. The coverage calculation does not include debt service on school district obligations which are not the subject of the direct deposit procedure set forth herein. The requirements of this Section may be waived, on a case by case basis, by the applicable rating agency.

Any bonds which receive a “Program” credit rating shall include a reference to “Missouri Direct Deposit Program” in the name of the Program Bonds and in any Official Statement used with respect to the Program Bonds.

The state aid payments will be pledged by the school district to cover its debt service on its Program Bonds. Any pledge by school districts in the Program of their state aid to subsequent non-Program debt or other obligations will not have a prior or parity lien to that of Program debt and the non-Program debt or other obligations shall not be described as Direct Deposit Program Bonds.

3. Subsequent Issues Not To Cause a Reduction of Credit Rating On Prior Program Issues. No bond issue shall be permitted to participate in the Program if such bond issue shall cause a reduction in credit rating on prior bonds of the school district which received a “Program” credit rating. In such circumstances, new bonds may be permitted to participate in the Program (though not qualifying for a “Program” credit rating because not meeting the coverage requirement) if the direct deposit pledge of state aid for such new bonds is “subordinated” in the Direct Deposit Agreement for the new bonds to the direct deposit pledge for the prior bonds which have a “Program” credit rating. Bonds in this category that are to be “subordinated” shall be so noted in the Application for participation in the Program.

4. Monthly Payments From State. Payments from the State to the Direct Deposit Trustee for payment to the appropriate paying agent of the “first dollar” of state aid payments owed to the school district, shall be in increments of annual debt service necessary to assure a satisfactory “match” with the debt service schedule on the Program Bonds. The appropriate deposit formula will be established at the closing of the Program Bonds. There will be no debt service payments on the Program Bonds prior to six months from the date of issuance, except when agreeable to the Authority and the applicable rating agency as evidenced by execution of a Direct Deposit Agreement or an Amendment thereto.

If, for whatever reason, any state aid payment is not made or is not made in full, it shall be made up out of the next payment of state aid with respect to the School District (e.g. if any school district's payments to the Direct Deposit Trustee are not on schedule, the next successive monthly payment would be that month's payment plus the prior months' shortfall).

The actual number, timing and amount of monthly payments shall be as initially approved or subsequently amended with the consent of the applicable rating agency, the School District and the Authority as evidenced by execution of a Direct Deposit Agreement or an Amendment thereto.

5. Contact Rating Agencies. The Authority will, within a reasonable period of time, contact the applicable rating agency which has provided a “Program” credit rating with information regarding any changes in Missouri law affecting state aid, the Law or the school funding formula. The Authority will also annually provide the applicable rating agency with a copy of its report to the General Assembly required pursuant to Section 360.106(12) of the Law at the time it provides a copy to the General Assembly. The Authority will also provide any other information reasonably requested by the applicable rating agency. Any school district receiving a “Program” credit rating will provide information to the applicable rating agency as to material changes in its state aid and any other information reasonably requested by the applicable rating agency. The Authority will use its best efforts to cause DESE to notify the applicable rating agency as soon as available each year of state aid payments and debt service payments for all districts in the Program for the year completed and budgeted numbers for the upcoming year.

6. Investments. In connection with the issuance of any Program Bonds, any state aid payments made to the Direct Deposit Trustee shall be invested by the Direct Deposit Trustee as directed by the Authority or shall be invested as otherwise provided pursuant to the applicable Direct Deposit Agreement or, if not so directed, as provided by the Direct Deposit Trustee in its discretion until transfer to the individual paying agent/bond trustee. Such transfer shall be at least one day prior to when debt service payments are due on the Program Bonds. Investments may be made through the Direct Deposit Trustee in order to maximize investment return, assure security and resolve any applicable rating agency concerns. Investments by the Direct Deposit Trustee must be consistent with applicable state law. Earnings on the investments will be paid by the Direct Deposit Trustee to the applicable school district at least once each year.

The actual proceeds of any Program Bonds will not be held by the Direct Deposit Trustee but will be held as directed by the school district in such transaction.

7. Authority Not Required To Select Service Providers. In connection with Program Bonds, the Authority is not involved in the selection of service providers such as Bond Counsel, Underwriters/Disclosure Counsel, Underwriters, Printers or Paying Agent/Bond Trustee.

8. Competitive Sale of Program Bonds. The Authority would require that the successful bidder in any competitive sale of Program Bonds would certify the amount of its underwriter's discount (as well as any original issue discount or other amounts received).

9. Independent Paying Agent. The paying agent with respect to Program Bonds must be a bank or trust company selected by the school district and cannot simply be the school district itself.

10. Operations Procedures Memorandum. Attached hereto as Exhibit C and incorporated by reference herein is an Operations Procedures Memorandum reflecting certain procedures to be followed in connection with the issuance of Program Bonds.

### III. QUALIFIED SCHOOL CONSTRUCTION BONDS / QUALIFIED ZONE ACADEMY BONDS

Notwithstanding anything herein to the contrary, in the case of Program Bonds which are “qualified school construction bonds” as defined in section 54F of the Internal Revenue Code of 1986, as amended (“Code”) or “qualified zone academy bonds” as defined in Section 54E of the Code, the following rules

should be applicable: (a) any mandatory sinking fund deposits on the Program Bonds may be paid out of state aid payments and be treated as debt service payments and as principal reductions on the Program Bonds for purposes of the “coverage” pursuant to Sections II(B)(2) hereof; (b) the involved school district may elect that the mandatory sinking fund deposits be held, rather than with the Direct Deposit Trustee, with or as agreed to or directed by a trust department or trust company of the individual paying agent/bond trustee; (c) the investment of mandatory sinking fund deposits of state aid payments shall be as directed by the involved school district in legal investments and any investment earnings shall be released or credited to the school district on an annual basis (as selected by the involved school district); and (d) the involved school district shall pay the charges of the Direct Deposit Trustee and of the individual paying agent/bond trustee in connection with such Program Bonds including, but not limited to, any costs arising out of the deposits, investments or yield calculations with respect thereto.

Conforming and appropriate changes to the Direct Deposit Agreement shall be made to reflect the provisions of this section in the event that the involved Program Bonds are “qualified school construction bonds” or “qualified zone academy bonds”.

#### IV. CERTAIN CONSIDERATIONS ONLY AS TO AUTHORITY POOL FINANCINGS

If the Authority is requested to issue bonds using the proceeds of the sale of the issuance to purchase the general obligation bonds of school district for a “pooled” Authority bond issue, the Authority shall develop Guidelines for such an issuance at that time.

#### V. CONCLUSION

The Law requires that the Authority review the cost effectiveness of the Program and report to the Missouri General Assembly on the Program with recommendations as to the legislation by August 15 of each year.

The Authority reserves the right to revise these Guidelines as needed in the sole discretion of the Authority to effectuate the purposes and goals of the Law.

**Approved by the Authority May 1, 2019 and Effective July 1, 2019**

EXHIBIT A TO GUIDELINES

[MASTER FORM – Effective July 1, 2019]

APPLICATION FOR INVOLVEMENT IN THE AUTHORITY  
PROGRAM REGARDING THE ISSUANCE OF SCHOOL DISTRICT BONDS

The Health and Educational Facilities Authority of the State of Missouri (the “Authority”) is the Administrator of a Direct Deposit Program (the “Program”) with respect to the issuance of general obligation bonds of Missouri School Districts. The Program involves the direct deposit of certain state aid payments made by the State of Missouri to an Authority designated trustee for payment of bond indebtedness in connection with the bonds pursuant to a Direct Deposit Agreement among the parties. The Authority has prepared certain Guidelines with respect to the Program. By execution and submission of this Application the undersigned School District agrees to abide by the terms of such Guidelines and such policies of the Authority as shall be in effect from time to time. Four copies of this Application are to be provided to the Authority by the applicant. One copy of this Application is to be provided directly to the applicable rating agency by the undersigned School District or its underwriter/bond purchaser/financial advisor. Note that the Direct Deposit Agreement must be signed by all parties thereto by the date of issuance of the bonds for the School District to participate in the Program.

1. Legal Name of School District: \_\_\_\_\_  
DESE’s School District Directory Name of School District (if different): \_\_\_\_\_  
DESE’s County District Code for the District: \_\_\_\_\_  
School District Enrollment: \_\_\_\_\_
2. School District Address: \_\_\_\_\_  
\_\_\_\_\_
3. School District Contact Person: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_
4. Bond Issue Amount (estimated): \_\_\_\_\_
5. New Money Issue? Refunding? Both? \_\_\_\_\_

If refunding, provide as to bonds to be refunded the original date of issuance and original principal amount.

Original Issuance Date(s): \_\_\_\_\_

Original Principal Amount(s): \_\_\_\_\_

If a new money issue on what date were the bonds approved by the voters? \_\_\_\_\_

Estimated Principal Amount for Financing:

New Money: \$ \_\_\_\_\_

Refunding: \$ \_\_\_\_\_

6. Has the School District determined whether to issue on a competitive or negotiated underwriting basis and, if so, in which manner? \_\_\_\_\_

7. Date Bonds to be closed (estimated): \_\_\_\_\_

8. Estimated Costs of Issuance for bond issue and breakdown by item (if any and if known).

Underwriter's Discount	_____
Bond Counsel Fees	_____
Bond Printing	_____
Printing Official Statements	_____
Rating Agency	_____
Paying Agent/Registrar/Escrow Agent	_____
Disclosure/Underwriter's Counsel	_____
Financial Advisor	_____
School District Counsel	_____
State Auditor's Fee	_____
Verification Report (Refunding)	_____
Total	_____

9. Has the School District selected or does it have a preferred underwriter, bond purchaser or financial advisor for its bonds and, if so, whom:

Company: \_\_\_\_\_

Name and Phone No. of Individual at Company: \_\_\_\_\_

10. Has the School District selected or does it have a preferred law firm to serve as Bond Counsel and, if so, which firm? \_\_\_\_\_

Name and Phone No. of individual at firm: \_\_\_\_\_

11. Copies of each of the following supplemental information as to the School District are to be provided directly to the applicable rating agency by the School District or its underwriter, bond purchaser or financial advisor along with this Application:

a) Copies of financial statements for the three most recent fiscal years.

b) Description of all state aid payments by category received from the State of Missouri for the last three years, the applicable lowest amount that the School District can receive pursuant to state law (e.g. 1992-1993 level) and any available projections of future state aid payments.

c) Describe any other existing debt of the School District.

d) Describe any material litigation or investigations, current or threatened, involving the School District.

e) Provide assessed valuation and tax levies for three most recent years.

12. Please check here if you are not seeking a Program rating from Standard & Poor's because the bond issue cannot meet the coverage test of 1.5 times the maximum annual debt service on all school district bonds in the Program and the pledge of state aid will be subordinate to that for bonds previously in the Program.

Not seeking a Program rating: \_\_\_\_\_.



The undersigned certifies on behalf of the School District described herein that to the best of my knowledge the information contained in this Application and the accompanying supplemental materials is true and correct.

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By (Print Name)

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Signature

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Title

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Date

EXHIBIT B TO GUIDELINES

[MASTER FORM – Effective July 1, 2019]

***[NOTE: The Authority shall not be expected to execute this Agreement until it has in its possession a fully completed Agreement with all schedules attached and other information in its possession for five business days.]***

***[NOTE: This Agreement must be executed by all parties hereto by the date of issuance of the bonds as a precondition to participation in the Program.]***

[NOTE: If the bonds which are the subject of this Agreement refund all or any part of bonds already in the Program, a Termination or Amendment of the prior Direct Deposit Agreement changing the amount of state aid withheld pursuant to Schedule B thereof must be executed contemporaneously herewith. If an Amendment, such Amendment shall expressly provide that the new Schedules A and B to the Amendment replace Schedules A and B to the original Agreement.]

DIRECT DEPOSIT AGREEMENT

THIS DIRECT DEPOSIT AGREEMENT executed as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and among the OFFICE OF THE TREASURER OF THE STATE OF MISSOURI (the “Treasurer”), the DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION OF THE STATE OF MISSOURI (“DESE”), the HEALTH AND EDUCATIONAL FACILITIES AUTHORITY OF THE STATE OF MISSOURI (the “Authority”), BOKF, N.A. (the “Direct Deposit Trustee”) and [Insert: (a) legal name of District; (b) DESE’s School District Directory Name for the District (if different); and (c) DESE’s County District Code for the District] \_\_\_\_\_, MISSOURI (the “School District”),

WITNESSETH

WHEREAS, pursuant to Chapter 360, R.S.Mo., and specifically Sections 360.106 and 360.111 R.S.Mo. (the “Act”), the Authority has developed a Program, and Guidelines effective July 1, 2019 (the “Guidelines”) with respect thereto, involving the direct deposit of state aid payments and distributions pursuant to Sections 163.011 to 163.195, R.S.Mo. (“State Aid”), by the Treasurer to cover the debt service on general obligation bonds issued by Missouri school districts and the payment of certain costs of issuance with respect to such bonds (the “Program”); and

WHEREAS, contemporaneously herewith the School District is issuing \$\_\_\_\_\_ General Obligation \_\_\_\_\_ Bonds Series 20\_\_ (Missouri Direct Deposit Program) (the “Bonds”) and it desires to participate in the Program with respect thereto;

[If a refunding, add the following paragraph.]

WHEREAS, proceeds of the Bonds will be used to refund a prior financing (the “Prior Bonds”) of the School District, which Prior Bonds are / are not in the Program;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties hereto hereby agree as follows:

Section 1. School District Representations and Warranties. The School District hereby represents and warrants that (a) it has received and reviewed a copy of the Act and the Guidelines and (b) that contemporaneously herewith it has issued the Bonds with principal and interest payments in such

amounts and on such dates and with such other terms described on Schedule A hereto by "bond year" (not fiscal year).

Section 2. Direct Deposit of State Aid. The School District hereby elects to participate in the Program and to abide by the Act and the Guidelines and hereby irrevocably directs DESE to cause the Treasurer to transfer to the Direct Deposit Trustee, out of the first dollars of State Aid payments otherwise determined by DESE to be payable to the School District, the amounts of State Aid listed on Schedule B hereto in the months listed on Schedule B hereto. The School District represents that the payments of State Aid listed on Schedule B hereto will be adequate to pay the principal and interest payments on the Bonds when due. The amounts listed on Schedule B shall provide for payment of one-\_\_\_\_ (1/\_\_) of the debt service to be paid on \_\_\_\_\_, 20\_\_ in each of the \_\_\_\_ preceding months (i.e. payments in \_\_\_\_\_, 20\_\_ through \_\_\_\_\_, 20\_\_) and one-\_\_\_\_ (1/\_\_) of annual debt service in the next bond year to be paid in each of the next \_\_\_\_\_ (\_\_) months (i.e. payments in \_\_\_\_\_, 20\_\_ through \_\_\_\_\_, 20\_\_) and each succeeding similar months (i.e. \_\_\_\_\_ through \_\_\_\_\_) for each bond year after the Bonds are issued. If, for whatever reason, any monthly payment is not made or is not made in full it shall be made up out of the next payment of State Aid with respect to the School District. If, for whatever reason, a payment or payments of State Aid money is not made pursuant hereto, the School District remains fully liable to make its payments on the Bonds.

Any amounts held by the Direct Deposit Trustee in excess of the amounts required to be held by the Direct Deposit Trustee hereunder at any given time may be returned by the Direct Deposit Trustee to the School District without further authorization by any party hereto. Further, to the extent not needed to cover a shortfall in amounts to be held by the Direct Deposit Trustee hereunder, any interest earned on the amounts held by the Direct Deposit Trustee until payment to the paying agent/bond trustee shall be paid by the Direct Deposit Trustee to the School District at least once each year.

The parties hereto understand and agree that the amount of the School District's State Aid for future years has not been determined and the execution hereof by the parties hereto is not a representation or agreement on the part of any party that the amount of such State Aid will equal that listed on Schedule B or be in any other amount.

The Direct Deposit Trustee is hereby directed to make payments to the paying agent/bond trustee for the Bonds listed on Schedule A in immediately available funds no later than the day prior to the dates set for payment of principal or interest on the Bonds, provided, however, that such payments shall be limited to State Aid payments actually deposited by the Treasurer with the Direct Deposit Trustee with respect to the School District for the Bonds. The Direct Deposit Trustee shall not be obligated to advance funds from any other source or from funds deposited with respect to any other school district. The Direct Deposit Trustee shall not be obligated to advance its own funds in connection with any bond payments of the Bonds.

If on the day prior to the dates set for payment of principal or interest the amount deposited by the Treasurer with respect to the School District is less than the amounts listed on Schedule B, the Direct Deposit Trustee shall notify the School District, the paying agent/bond trustee and the Treasurer of such deficiency by electronic communication, telephone or facsimile.

The School District hereby agrees that the foregoing State Aid payments directed to be paid to the Direct Deposit Trustee are hereby irrevocably pledged to payment of the Bonds whether in the hands of the Treasurer, the Direct Deposit Trustee or the paying agent/bond trustee for the Bonds listed on Schedule A hereto.

The foregoing irrevocable direction and pledge by the School District shall remain in place until the Bonds are paid in full.

**[Use the following Section 2 in lieu of the above if the Bonds are “qualified school construction bonds / qualified zone academy bonds:”]**

Section 2. Direct Deposit of State Aid. The School District hereby elects to participate in the Program and to abide by the Act and the Guidelines and hereby irrevocably directs DESE to cause the Treasurer to transfer to the Direct Deposit Trustee, out of the first dollars of State Aid payments otherwise determined by DESE to be payable to the School District, the amounts of State Aid listed on Schedule B hereto in the months listed on Schedule B hereto. The School District represents that the Bonds constitute [“qualified school construction bonds” as defined in section 54F of the Internal Revenue Code of 1986, as amended / “qualified zone academy bonds” as defined in Section 54E of the Internal Revenue Code of 1986, as amended (the “Code”)]. The School District further represents that the payments of State Aid listed on Schedule B hereto will be adequate to pay the Bonds when due. [The amount listed on Schedule B shall provide for payment of (i) \_\_\_\_\_ of the interest to be paid on the Bonds on \_\_\_\_\_, to be paid in each of the months of \_\_\_\_\_ through \_\_\_\_\_, (ii) \_\_\_\_\_ of the interest to be paid on the Bonds in each succeeding bond year to be paid in each month of the \_\_\_\_\_ month periods of \_\_\_\_\_ through \_\_\_\_\_ for each succeeding year that the Bonds are outstanding and (iii) \_\_\_\_\_ of the annual amounts to be accumulated for the payment of principal of the Bonds on \_\_\_\_\_ in each month of the \_\_\_\_\_ month period of \_\_\_\_\_ through \_\_\_\_\_ in each of the years \_\_\_\_\_ through \_\_\_\_\_.] If, for whatever reason, any monthly payment is not made or is not made in full it shall be made up out of the next payment of State Aid with respect to the School District. If, for whatever reason, a payment or payments of State Aid money is not made pursuant hereto, the School District remains fully liable to make its payments on the Bonds.

The Direct Deposit Trustee shall transfer the State Aid payments received pursuant to this Section 2 to the paying agent/bond trustee for such Bonds listed on Schedule A hereto in immediately available funds no later than the day prior to the dates set forth for payment of principal or interest on the Bonds; [Notwithstanding the foregoing, as to payments received pursuant to clause (iii) of Section 2 in the years 20\_\_ through 20\_\_ the payments received shall be transferred to the paying agent once per year no later than \_\_\_\_\_ and the paying agent shall transfer such funds to \_\_\_\_\_ within five days of receipt thereof.] provided, however, as a condition to such transfer, such paying agent/bond trustee must have executed and provided to the Direct Deposit Trustee an Addendum to Direct Deposit Agreement in the form attached hereto as Schedule E agreeing to the terms hereof and agreeing to invest the payments received by it pursuant to the investment instructions of the School District. Such payments shall be limited to State Aid payments actually deposited by the Treasurer with the Direct Deposit Trustee with respect to the School District for the Bonds. The Direct Deposit Trustee shall not be obligated to advance funds from any other source or from funds deposited with respect to any other school district. The Direct Deposit Trustee shall not be obligated to advance its own funds in connection with any bond payments of the Bonds.

The parties hereto understand and agree that the amount of the School District’s State Aid for future years has not been determined and the execution hereof by the parties hereto is not a representation or agreement on the part of any party that the amount of such State Aid will equal that listed on Schedule B or be in any other amount.

If on the day prior to the dates set for transfer of the State Aid payments, the amount deposited by the Treasurer with respect to the School District is less than the amounts listed on Schedule B, the Direct Deposit Trustee shall notify the School District, the paying agent and the Treasurer of such deficiency by electronic communication, telephone or facsimile.

The School District hereby agrees that the foregoing State Aid payments directed to be paid to the Direct Deposit Trustee are hereby irrevocably pledged to payment of the Bonds whether in the hands of the Treasurer, the Direct Deposit Trustee or the paying agent for the Bonds listed on **Schedule A** hereto. The

foregoing irrevocable direction and pledge by the District shall remain in place until the Bonds are paid in full.

**[Add the following Section if the pledge of State Aid is to be subordinate to the pledge for prior Program Bonds.]**

Section \_\_. Subordination of Pledge of State Aid. Notwithstanding any provision in this Agreement or the Bonds to the contrary, the foregoing pledge of State Aid payments shall be subordinate in all respects to the pledge of State Aid payments with respect to, and the payment of principal of and interest on, the following series of bonds of the District, to wit: General Obligation Bonds, Series \_\_\_\_\_, dated \_\_\_\_\_, originally issued in the principal amount of \$ \_\_\_\_\_ (the "Prior Bonds"). In connection therewith, and not in limitation thereof, no payments shall be made on the Bonds out of State Aid payments in any Bond Year until all payments owed on the Prior Bonds have been made.

Section 3. Duties of the Direct Deposit Trustee. The duties of the Direct Deposit Trustee shall be limited to those specifically provided in this Agreement and are ministerial in nature and not discretionary. The Direct Deposit Trustee may rely and act upon signatures and documents which is reasonably believes to be genuine and shall not be liable on account of the identity, authority or rights of persons executing, delivering or purporting to execute or deliver any document, instruction or other item. The Direct Deposit Trustee shall not be liable for any mistake of fact or error in judgment, or for any act or failure to act taken in good faith and believed by it to be authorized or within the rights and powers conferred by this Agreement, unless there be shown gross negligence or willful misconduct.

Section 4. Waiver. Pursuant to the Act, the School District hereby waives all powers, rights and privileges conferred upon it to institute any action authorized by any act of the Congress of the United States relating to bankruptcy on the part of the School District.

Section 5. Costs of Issuance. The School District hereby represents and warrants that (a) attached hereto as Schedule C is a list of costs of issuance in connection with the issuance of the Bonds known on the date hereof, (b) it will provide a list of any additional costs within thirty (30) days hereof and (c) submitted herewith is a copy of the closing legal opinion with respect to the Bonds.

Section 6. Trustee Successors and Assigns; Charges. The obligations and the rights of the Direct Deposit Trustee shall accrue to its successors and assigns appointed by the Authority. It is contemplated that the Authority will pay the charges of the Direct Deposit Trustee for services pursuant hereto out of funds that the Authority receives each year from the State of Missouri for the Program but, to the extent not so paid such charges shall be the obligation of the School District and may be charged annually against the investment earnings on amounts held by the Direct Deposit Trustee attributable to the School District.

[If a refunding, add the following paragraph.]

Section 7. Refunding. The School District represents that the refunding by the School District pursuant to the Bonds shall result in a net present value savings of at least one and one-half percent of the par amount of the refunded bonds.

Section 8. Financial Certificate. The School District represents that attached hereto as Schedule D is the Certificate of the underwriter, financial advisor or bond purchaser with respect to the Bonds.

Section 9. Severability. In the event that any provision of this Agreement shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions of this Agreement.

Section 10. Counterparts; Electronic Transactions. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of the original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above stated.

DEPARTMENT OF ELEMENTARY AND  
SECONDARY EDUCATION OF THE  
STATE OF MISSOURI

By \_\_\_\_\_

HEALTH AND EDUCATIONAL  
FACILITIES AUTHORITY OF THE  
STATE OF MISSOURI

By \_\_\_\_\_

BOKF, N.A.

By \_\_\_\_\_

[SCHOOL DISTRICT] \_\_\_\_\_

By \_\_\_\_\_

OFFICE OF THE TREASURER OF THE  
STATE OF MISSOURI

By \_\_\_\_\_

Add:

Schedule A – Details of Bonds (Dates and amounts of principal and interest payments on the Bonds by “bond year” (not fiscal year); Total Interest Cost; name of paying agent and its ABA number and account number)

Schedule B – Details of State Aid to be deposited (List of amount of state aid to be paid to the Direct Deposit Trustee, and the month in which it is to be paid for the complete term of the Bonds). Amounts to be withheld each month should not be listed in cents but should be rounded up to the next higher dollar.

Schedule C – Costs of Issuance

Schedule D – Underwriter’s/Financial Advisor’s/Bond Purchaser’s Certificate (form of Schedule D is attached). If a refunding, the calculation in reasonable detail of the net present value savings must be provided as Attachment 2 to Schedule D.

Schedule E – Addendum to Direct Deposit Agreement

SCHEDULE D TO DIRECT DEPOSIT AGREEMENT

UNDERWRITER'S / FINANCIAL ADVISOR'S / PURCHASER'S CERTIFICATE  
MISSOURI SCHOOL DISTRICT DIRECT DEPOSIT PROGRAM

The undersigned entity which has served as underwriter, financial advisor or purchaser with respect to the bond issue described below (the "Bonds") represents, warrants and agrees as follows:

1. It has received and reviewed a copy of the Guidelines effective July 1, 2019 of the Authority with respect to the Missouri School District Direct Deposit Program.
2. It has reviewed a fully executed copy of the Direct Deposit Agreement (with Schedules attached) entered into with respect to the Bonds and believes the representations, warranties and other information contained therein to be true and correct.
3. It believes that the costs of issuance described in the Direct Deposit Agreement are appropriate and reasonable in connection with the issuance of the Bonds.
4. The underwriter's discount or any amounts paid to the underwriter or bond purchaser did not "buy down" the interest rate on the Bonds.
5. Set forth below is the date of pricing of the Bonds.
6. [If a refunding bond issue – add following:] There is a net present value savings of \_\_\_%, which is at least 1½ % of the par amount of the refunded bonds pursuant to the All Inclusive Cost method as described in Section II(A)(3) of the Guidelines. Attached hereto as Attachment \_\_\_ to Schedule D is the calculation of said net present value savings (which actual percentage must appear on the Attachment).

Name of Bonds: \_\_\_\_\_  
\_\_\_\_\_

True Interest Cost \_\_\_\_\_%. Attached hereto as Attachment \_\_\_ to Schedule D is a calculation of TIC as defined in Section II (A) (3) of the Guidelines.

Date of Pricing of Bonds: \_\_\_\_\_, 20\_\_

Underlying credit rating of School District: [If none, state: None.] \_\_\_\_\_

Name of Underwriter/F. A./ Bond Purchaser: \_\_\_\_\_

Attached hereto as Attachment \_\_\_ to Schedule D is a copy of the cover page(s) from the Official Statement (including inside cover if appropriate) with respect to the Bonds which disclose(s) the pricing, yield, premium, amortization and any other related data on the Bonds.

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Dated: \_\_\_\_\_



SCHEDULE E TO DIRECT DEPOSIT AGREEMENT

ADDENDUM TO DIRECT DEPOSIT AGREEMENT

THIS ADDENDUM TO DIRECT DEPOSIT AGREEMENT is executed on behalf of the undersigned (“Bank”) with respect to the [Qualified School Construction Bonds or the Qualified Zone Academy Bonds] described below (the “Bonds”).

1. The Bank acknowledges that it has received a copy of the Direct Deposit Agreement dated as of the date hereof among the School District described below, the Department of Elementary and Secondary Education of the State of Missouri, the Health and Educational Facilities Authority of the State of Missouri, BOKF, N.A., and the Office of the Treasurer of the State of Missouri.

2. The Bank agrees to accept the payments transferred to it by the Direct Deposit Trustee pursuant to the terms of the above-described Direct Deposit Agreement and [said payments shall be held on deposit with and invested by the Bank / transfer the payments received by it in the years \_\_\_\_\_ in \_\_\_\_\_ of Section 2 thereof to \_\_\_\_\_ for investment in accordance with a written direction given by the School District.]

3. The Bank agrees that said payments shall be invested in investments that are permitted for Missouri school districts under Section 165.051 of the Missouri Revised Statutes and that are either obligations of the United States government or an instrumentality thereof or have a long-term rating in one of the two highest categories (without regard to any plus or minus designations) by a nationally recognized credit rating agency pursuant to written instructions received from the School District.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Bonds: \_\_\_\_\_

School District: \_\_\_\_\_

## EXHIBIT C TO GUIDELINES

Effective July 1, 2019

### Operations Procedures Memorandum - Missouri School District Direct Deposit Program

1. Bond Documentation. Enclosed are sample provisions for the Official Statement and Bond Resolution. The exact provisions are not required and, obviously, the Authority is not responsible for disclosure. It is required that the Program Bonds reference the “Missouri Direct Deposit Program” in the name of the Program Bonds and in any Official Statement used in connection with the sale of the Program Bonds.
  
2. Credit Rating Agency - When a credit rating is sought for the Program Bonds, the underwriter/bond purchaser/financial advisor for the bond issue (rather than the Authority) is responsible for determining that the bond issue is in compliance with the Authority's Program Guidelines and, after the underwriter/bond purchaser/financial advisor has sent the Application to the applicable rating agency, underwriter/bond purchaser/financial advisor is responsible for interacting with the applicable rating agency for obtaining variances from the Guidelines from the applicable rating agency and receiving reasonable assurance that the anticipated rating for the Program Bonds will be obtained.

A copy of credit rating letters should be provided by the underwriter/ purchaser/financial advisor to the Authority.

3. Direct Deposit Agreement. - Bond Counsel is to prepare the Direct Deposit Agreement and distribute it in draft form (with Schedules attached) to the Authority, the Authority's General Counsel, the Direct Deposit Trustee, the School District, the applicable rating agency, the Treasurer's Office and DESE immediately after completion of pricing of the bonds. The Schedules to the Agreement should include debt service schedule, monthly state aid amounts, breakdown of costs of issuance and underwriter's certificate and be otherwise consistent with the Guidelines.

After receiving comments on the draft, Bond Counsel is to prepare the Direct Deposit Agreement and any applicable Termination of Direct Deposit Agreement or Amendment to Direct Deposit Agreement in final form (with Schedules attached) and submit execution copies to the signatories. Bond Counsel is responsible for seeing that the Direct Deposit Agreement and any applicable Termination of Direct Deposit Agreement or Amendment to Direct Deposit Agreement, is fully executed and completed at closing. The Authority requests that it not be requested to execute the Direct Deposit Agreement and any applicable Termination of Direct Deposit Agreement or Amendment to Direct Deposit Agreement until it has in its possession a fully completed Direct Deposit Agreement and any applicable Termination of Direct Deposit Agreement or Amendment to Direct Deposit Agreement with all schedules and other information in its possession for five business days. The Treasurer's Office will execute the Direct Deposit Agreement and any applicable Termination of Direct Deposit Agreement or Amendment to Direct Deposit Agreement after it has received copies of all the other signatures. If Bond Counsel desires that any documents or pages be sent for “overnight delivery” by any other party, Bond Counsel should supply its billing account number so that it can be charged.

4. Agreement At Closing. Bond Counsel is responsible for the Direct Deposit Agreement and any applicable Termination of Direct Deposit Agreement or Amendment to Direct Deposit Agreement being executed and available no later than the date of issuance of the Bonds. Following full execution, Bond Counsel should see that all signatories and the applicable rating agency received an original executed copy of the Agreements.

5. Bond Counsel Opinion. Bond Counsel should provide a copy of its opinion with respect to the Program Bonds to the Authority and DESE on the date of closing of the bond issue.

OFFICIAL STATEMENT DESCRIPTION OF DIRECT DEPOSIT PROGRAM

**Security for the Bonds - Direct Deposit of State Aid Payments.**

Pursuant to Section 360.111 et seq of the Revised Statutes of Missouri and related statutes (the “Deposit Law”), the State of Missouri (the “State”) and the School District may agree to transfer to a Missouri bank, as direct deposit trustee (the “Deposit Trustee”), a portion of the School District's State aid payments and distributions normally used for operational purposes (“State Aid”) in order to provide for payment of debt service on the Bonds. On the date of issuance of the Bonds, the School District will enter into a Direct Deposit Agreement (the “Deposit Agreement”) with the Office of the Treasurer of the State of Missouri (“Treasurer's Office”), the Department of Elementary and Secondary Education of the State of Missouri (“DESE”), the Health and Educational Facilities Authority of the State of Missouri (the “Authority”) and the Deposit Trustee. Under the Deposit Agreement, the School District will pledge its State Aid to the payment of the Bonds. The Deposit Agreement will provide that during each of the \_\_\_\_\_ [specify fraction of debt service paid and during which months] \_\_\_\_\_ of debt service on the bonds during that bond year will be deposited with the Deposit Trustee. Amounts of State Aid to the School District in excess of the one-tenth (1/10<sup>th</sup>) monthly deposit will not be deposited with the Deposit Trustee but will be transferred directly to the School District as has historically been the case with all State Aid.

Each month, pursuant to the terms of the Deposit Agreement, DESE will advise the Treasurer's Office of the amount of the School District's State Aid to be deposited with the Deposit Trustee for the purpose of paying the Bonds, as specified in the Deposit Agreement. If there is a shortfall in a monthly payment, it is to be made up in the succeeding monthly payment of State Aid. Following receipt of the deposits, the Deposit Trustee will invest the amounts for the benefit of the School District in permitted investments described under the caption \_\_\_\_\_. The Deposit Trustee will transfer to the Paying Agent the amount necessary for payment of debt service on the Bonds not later than one business day prior to each payment date with respect to the Bonds. **[If the Bonds are “qualified school construction bonds” or “qualified zone academy bonds” and State Aid payments will be invested by the District's paying agent or as otherwise directed pursuant to the Deposit Agreement (referred to in the following sentences as the “Fiscal Agent”), use the following sentences, in lieu of the prior two sentences:** Immediately following such deposit, the Deposit Trustee will transfer the entire amount of such deposit to the Fiscal Agent. The Fiscal Agent will deposit all amounts received from the Deposit Trustee into a fund to be held in escrow in the Fiscal Agent's corporate trust department under the Fiscal Agent Agreement and invest such amounts, pursuant to instructions from the District (which may include investment with another institution), in investments that are permitted for Missouri school districts under Missouri law and that are either obligations of the United States government or an instrumentality thereof or have a long-term rating in one of the two highest categories (without regard to any plus or minus designations) by a nationally recognized credit rating agency, until needed to pay the principal of the Bonds. The Fiscal Agent will make available to the Paying Agent the amount necessary for payment of principal of the Bonds not later than the business day prior to the payment date for the Bonds.] The School District remains obligated to provide funds to the Paying Agent for debt service on the Bonds if the amounts of State Aid transferred are not sufficient to pay the Bonds when due.

Nothing in the Deposit Law or the Deposit Agreement relieves the School District of its obligation to make payments of principal and interest on the Bonds, or to impose any debt service levy sufficient to retire the Bonds. Moneys of the School District which would otherwise be used to pay the Bonds on each

payment date may be transferred to the School District's operational funds to replace State Aid funds used to pay the Bonds. The State has not committed pursuant to the Deposit Law, the Deposit Agreement or otherwise to maintain any particular level of State Aid on behalf of the School District, and the State is not obligated in any manner, contractually or morally, to make payments of debt service on the Bonds, other than its obligation to make transfers to the Deposit Trustee as described above. No assurance can be made that the amount of annual State Aid to the School District will not in the future drop below that of the annual debt service requirements on the Bonds.

[If the pledge of State Aid is “subordinate” to its pledge for prior Program Bonds that should be described in the Official Statement and the new bonds should not be referred to in the Official Statement or elsewhere as being in the Missouri Direct Deposit Program.]

Program Rating.

It is anticipated that Standard & Poor's Ratings Services will assign the Bonds the rating set forth on the Cover Page hereof conditioned upon the execution and delivery of the Direct Deposit Agreement described under the captioned “Security for the Bonds - Direct Deposit of State Aid Payments” hereof.

Possible Insert for School District Bond Resolution

Direct Deposit of State Aid Arrangement.

Direct Deposit Agreement. Pursuant to Chapter 360 of the RSMo (the “Deposit Law”), the District is hereby authorized to enter into the Direct Deposit Agreement (the “Deposit Agreement”) among the District, the Health and Educational Facilities Authority of the State of Missouri, the Department of Elementary and Secondary Education of the state of Missouri (“DESE”), the Treasurer of the State of Missouri (“State Treasurer”) and the bank serving as Direct Deposit Trustee (the “Direct Deposit Trustee”) pursuant to the Deposit Agreement, in substantially the form attached to this Resolution as Exhibit A. Under the terms of the Deposit Agreement a certain portion of the District's state aid payments and distributions from the State of Missouri will be paid directly to the Direct Deposit Trustee to satisfy payments of principal and interest on the Bonds.

Pledge of State Aid. The District hereby agrees that the state aid payments and distributions to be made by the State to the District pursuant to Sections 163.011 to 163.195, RSMo, are hereby pledged to payment of the Bonds and may be transferred pursuant to the Deposit Agreement to satisfy payments of principal and interest on the Bonds. To the extent any portion of such state aid payments and distributions to the District are not needed to make a required payment to the Direct Deposit Trustee under the Deposit Agreement such amounts shall continue to be transferred to the District.

District to withdraw from other Funds. Nothing herein or in the Deposit Agreement shall be construed to relieve the District of its obligation to levy a debt service levy sufficient to retire the Bonds. The District is authorized to withdraw amounts from any of its Funds established pursuant to Section 165.011, RSMo, to the extent such amounts could have been used to make the payments made on its behalf by the State Treasurer to the Direct Deposit Trustee pursuant to the Deposit Agreement.

Waiver of Bankruptcy Rights. The District hereby waives all powers rights and privileges conferred upon it to institute any action authorized by any act of the Congress of the United States relating to bankruptcy on the part of the District.

EXHIBIT D TO GUIDELINES

TERMINATION OF DIRECT DEPOSIT AGREEMENT

THIS TERMINATION OF DIRECT DEPOSIT AGREEMENT executed as of this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, by and among the OFFICE OF THE TREASURER OF THE STATE OF MISSOURI (the "Treasurer"), the DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION OF THE STATE OF MISSOURI ("DESE"), the HEALTH AND EDUCATIONAL FACILITIES AUTHORITY OF THE STATE OF MISSOURI (the "Authority"), BOKF, N.A. (the "Direct Deposit Trustee") and [Insert: (a) legal name of District; (b) DESE's School District Directory Name for the District (if different); and (c) DESE's County District Code for the District] \_\_\_\_\_, MISSOURI (the "School District"),

WITNESSETH

WHEREAS, pursuant to Chapter 360, R.S.Mo., and specifically Sections 360.106 and 360.111 R.S.Mo. (the "Act"), the Authority has developed a Program, and Guidelines effective July 1, 2019 (the "Guidelines") with respect thereto, involving the direct deposit of state aid payments and distributions pursuant to Sections 163.011 to 163.195, R.S.Mo. and the distributions from the fair share fund pursuant to Section 149.015, R.S.Mo., (collectively, "State Aid"), by the Treasurer to cover the debt service on general obligation bonds issued by Missouri school districts and the payment of certain costs of issuance with respect to such bonds (the "Program"); and

WHEREAS, the School District has previously issued its \$\_\_\_\_\_ General Obligation \_\_\_\_\_ Bonds Series \_\_\_\_\_ (Missouri Direct Deposit Program) (the "Bonds") and the parties hereto have participated in the Program pursuant to a Direct Deposit Agreement dated as of \_\_\_\_\_, \_\_\_\_\_, (the "Direct Deposit Agreement"); and

WHEREAS, the District has either paid off the Bonds in full or provided an escrow sufficient to pay off the Bonds in full and wishes to cause the termination of the Direct Deposit Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties hereto hereby agree as follows:

Section 1. Representation of the District. The District hereby represents that it has either paid off the Bonds in full or provided an escrow sufficient to pay off the Bonds in full.

Section 2. Statement of Paying Agent for Bonds. Submitted herewith by the District is a statement from the Paying Agent for the Bonds stating that either the Bonds have been paid in full or an escrow has been established which is sufficient to pay off the Bonds in full.

Section 3. Termination of Direct Deposit Agreement. The Direct Deposit Agreement is hereby terminated and ended as of the date hereof. No further State Aid moneys shall be transferred to the Direct Deposit Trustee pursuant to the Direct Deposit Agreement. Any moneys held by the Direct Deposit Trustee pursuant to the Direct Deposit Agreement shall be transferred to the District.

Section 4. Counterparts; Electronic Transactions. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The parties hereto agree that the transactions described herein may be conducted and related

documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of the original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

IN WITNESS WHEREOF, the parties hereto have executed this Termination of Direct Deposit Agreement as of the date first above stated.

DEPARTMENT OF ELEMENTARY AND  
SECONDARY EDUCATION OF THE  
STATE OF MISSOURI

By \_\_\_\_\_

HEALTH AND EDUCATIONAL  
FACILITIES AUTHORITY OF THE  
STATE OF MISSOURI

By \_\_\_\_\_

BOKF, N.A.

By \_\_\_\_\_

[SCHOOL DISTRICT] \_\_\_\_\_

By \_\_\_\_\_

OFFICE OF THE TREASURER OF THE  
STATE OF MISSOURI

By \_\_\_\_\_