

## DIRECT DEPOSIT AGREEMENT

**THIS DIRECT DEPOSIT AGREEMENT** executed as of July \_\_\_\_, 2013, 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** (the “DESE”), the **HEALTH AND EDUCATIONAL FACILITIES AUTHORITY OF THE STATE OF MISSOURI** (the “Authority”), **WELLS FARGO BANK, N.A.** (the “Direct Deposit Trustee”) and **CAMDENTON R-III (015-002)** (the “School District”);

### WITNESSETH:

**WHEREAS**, pursuant to Chapter 360, RSMo, and specifically Sections 360.106 and 360.111 to 360.118 RSMo (the “Act”), the Authority has developed a Program, and Guidelines dated September 10, 2010 (the “Guidelines”), with respect thereto, involving the direct deposit of state aid payments and distributions pursuant to Sections 163.011 to 163.195, RSMo (“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 Refunding and Improvement Bonds (Missouri Direct Deposit Program), Series 2013A (the “Bonds”), and it desires to participate in the Program with respect thereto;

**WHEREAS**, part of the proceeds of the Bonds will 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 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) 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 of and interest on the Bonds when due. The amounts listed on **Schedule B** shall provide for payment of one-\_\_\_\_\_ (1/\_\_\_\_th) of the debt service due in the bond year ending on March 1, 2014, in each of the \_\_\_\_\_ months beginning \_\_\_\_\_, 2013, and ending December, 2013, and one-tenth (1/10) of annual debt service in the next bond year ending March 1, 2015, to be paid in each of the first ten (10) months during said bond year (i.e., payments in March, 2014, through December, 2014) and each succeeding ten similar months (i.e., March through December) for each succeeding bond year while the Bonds are outstanding. 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 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 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 and the Treasurer of such deficiency by 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 School District shall remain in place until the Bonds are paid in full.

**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 it 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 changes 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.

**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. The School District understands that with respect to the reimbursement of its costs of issuance described in **Section 5** hereof, the Act gives a priority to bonds for new projects and, to the extent the Bonds are for refunding, no funds will be provided until it is clear that such funds will not be needed for the bonds for new projects pursuant to the Program.

**Section 7. Financial Certificate.** The School District represents that attached hereto as **Schedule D** is the Certificate of the underwriter, financial advisor or purchaser with respect to the Bonds.

**Section 8. 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 9. Counterparts.** 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.

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

**CAMDENTON REORGANIZED SCHOOL  
DISTRICT NO. R-3 OF CAMDEN  
COUNTY, MISSOURI**

By: \_\_\_\_\_  
Title: President of the Board of Education

**DEPARTMENT OF ELEMENTARY AND  
SECONDARY EDUCATION OF THE  
STATE OF MISSOURI**

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

DRAFT

**OFFICE OF THE TREASURER OF THE  
STATE OF MISSOURI**

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

DRAFT

**HEALTH AND EDUCATIONAL  
FACILITIES AUTHORITY OF THE STATE  
OF MISSOURI**

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

DRAFT

**WELLS FARGO BANK, N.A.**

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

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**SCHEDULE A  
TO DIRECT DEPOSIT AGREEMENT**

\$ \_\_\_\_\_ **General Obligation Refunding and Improvement Bonds  
(Missouri Direct Deposit Program), Series 2013A  
Camdenton R-III (015-002)**

**TERMS OF THE BONDS**

The Bonds will be dated \_\_\_\_\_, 2013, will become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities, as provided in the Resolution, and will bear interest at the rates per annum, as follows:

**SERIAL BONDS**

<b>Stated Maturity</b> <u>March 1</u>	<b>Principal</b> <u>Amount</u>	<b>Annual Rate</b> <u>of Interest</u>
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**TERM BONDS**

<b>Stated Maturity</b> <u>March 1</u>	<b>Principal</b> <u>Amount</u>	<b>Annual Rate</b> <u>of Interest</u>
		%

The Bonds will bear interest at the above-specified rates (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2014.

**Paying Agent:** Commerce Bank, Kansas City, Missouri  
ABA No. 101000019  
Credit Account No. 67000-00

**REDEMPTION OF BONDS**

**(a) Optional Redemption by District.** At the option of the District, Bonds or portions thereof maturing on March 1, \_\_\_\_\_, and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, \_\_\_\_\_, and at any time thereafter in whole or in part in such amounts for each Stated Maturity as shall be determined by the District at the Redemption Price of \_\_\_\_\_% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

**(b) Mandatory Redemption.** The Term Bonds maturing in the year \_\_\_\_\_ shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption



**SCHEDULE A (continued)  
TO DIRECT DEPOSIT AGREEMENT**

\$ \_\_\_\_\_ **General Obligation Refunding and Improvement Bonds  
(Missouri Direct Deposit Program), Series 2013A  
Camdenton R-III (015-002)**

requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in **Article IV** hereof which are to be deposited into the Debt Service Fund shall be sufficient to redeem, and the District shall redeem on March 1 in each year, the following principal amounts of such Bonds:

<u>Year</u>	<u>Principal Amount</u>
*Final Maturity	

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**SCHEDULE A (continued)  
TO DIRECT DEPOSIT AGREEMENT**

\$ \_\_\_\_\_ **General Obligation Refunding and Improvement Bonds  
(Missouri Direct Deposit Program), Series 2013A  
Camdenton R-III (015-002)**

**DEBT SERVICE SCHEDULE**

**DRAFT**

**SCHEDULE B  
TO DIRECT DEPOSIT AGREEMENT**

\$ \_\_\_\_\_ **General Obligation Refunding and Improvement Bonds  
(Missouri Direct Deposit Program), Series 2013A  
Camdenton R-III (015-002)**

**STATE AID TRANSFERS FOR DEBT SERVICE**

**Monthly  
Payment Dates (Inclusive)**

**Monthly Principal & Interest  
Payment Amount**

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**SCHEDULE C  
TO DIRECT DEPOSIT AGREEMENT**

\$ \_\_\_\_\_ **General Obligation Refunding and Improvement Bonds  
(Missouri Direct Deposit Program), Series 2013A  
Camdenton R-III (015-002)**

**COSTS OF ISSUANCE**

Bond Counsel Fees  
Preparation of Offering Document  
Registrar/Paying Agent Fees/Escrow Agent Fees  
Bond Printing  
CUSIP  
Underwriting Fees  
Registration Fee for Missouri State Auditor  
CPA Verification  
Miscellaneous

**TOTAL**

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**SCHEDULE D  
TO DIRECT DEPOSIT AGREEMENT**

\$ \_\_\_\_\_ **General Obligation Refunding and Improvement Bonds  
(Missouri Direct Deposit Program), Series 2013A  
Camdenton R-III (015-002)**

**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 dated September 10, 2010, 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. There is a net present value savings of \_\_\_\_\_%, which is at least 1 1/2% 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 2 to Schedule D** is the calculation of net present value savings of \_\_\_\_\_% (which actual percentage must appear on the attachment).

Name of Bonds: General Obligation Refunding and Improvement Bonds (Missouri Direct Deposit Program), Series 2013A

True Interest Cost is \_\_\_\_\_%. Attached hereto as **Attachment 1 to Schedule D** is a calculation of TIC as defined in Section II(A)(3) of the Guidelines.

Date of Pricing of Bonds: \_\_\_\_\_, 2013

Underlying credit rating of School District: \_\_\_\_\_

Attached hereto is a copy of the cover page from the Official Statement with respect to the Bonds which discloses the pricing, yield, premium, amortization and any other related data on the Bonds.

Name of Underwriter:

**GEORGE K. BAUM & COMPANY**

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

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

Dated: \_\_\_\_\_, 2013

**ATTACHMENT 1 TO SCHEDULE D  
TO DIRECT DEPOSIT AGREEMENT**

\$ \_\_\_\_\_ **General Obligation Refunding and Improvement Bonds  
(Missouri Direct Deposit Program), Series 2013A  
Camdenton R-III (015-002)**

**CALCULATION OF TIC**

DRAFT

**ATTACHMENT 2 TO SCHEDULE D  
TO DIRECT DEPOSIT AGREEMENT**

\$ \_\_\_\_\_ **General Obligation Refunding and Improvement Bonds  
(Missouri Direct Deposit Program), Series 2013A  
Camdenton R-III (015-002)**

**SAVINGS REPORT**

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**ATTACHMENT 3 TO SCHEDULE D  
TO DIRECT DEPOSIT AGREEMENT**

**[POS/OS cover page]**

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**FORM OF BOND COUNSEL OPINION**

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