

DIRECT DEPOSIT AGREEMENT

THIS DIRECT DEPOSIT AGREEMENT dated February 1, 2017, 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”), **BOKF, N.A.** (the “Direct Deposit Trustee”) and **CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3 OF CAMDEN COUNTY, MISSOURI (DESE County District Code 015-002)** (the “School District”),

WITNESSETH:

WHEREAS, pursuant to Chapter 360, RSMo, and specifically Sections 360.106 and 360.111, RSMo (the “Act”), the Authority has developed a Program, and Guidelines dated May 4, 2016 (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 \$8,950,000 principal amount of its General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2017 (the “Bonds”), and it desires to participate in the Program with respect thereto; and

WHEREAS, proceeds of the Bonds will be used to current refund all \$9,000,000 principal amount of the District’s General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2007, dated December 1, 2007, scheduled to mature on March 1 in the years 2022 through 2024 (the “Refunded Bonds”) of the School District;

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) 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.

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 all remaining principal and interest payments on the Bonds when due. The amounts listed on **Schedule B** shall provide for payment of one-tenth (1/10th) of the debt service to be paid in the bond year ending March 1, 2018, in each of the ten (10) months of March 2017 through December 2017, and in each succeeding ten (10) similar months (i.e., March through December) for each bond year thereafter, as long as 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 or transferred 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 hereby requests payment of the same pursuant to the terms and at the times provided for in the Guidelines, 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.

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. 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.

[Remainder of this page intentionally left blank.]

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: _____
President of the Board of Education

DRAFT

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

By: _____

DRAFT

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

By: _____

DRAFT

BOKF, N.A.

By: _____

DRAFT

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

By: _____

DRAFT

**SCHEDULE A
TO DIRECT DEPOSIT AGREEMENT**

**\$8,950,000
CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3
OF CAMDEN COUNTY, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2017**

TERMS OF THE BONDS

The Bonds are dated the date of original delivery of and payment for such Bonds (February 1, 2017).

The Bonds will become due in the amounts on the Stated Maturities and will bear interest at the below-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 September 1, 2017.

SERIAL BONDS

Stated Maturity <u>March 1</u>	Principal Amount	Annual Rate of Interest
2022		
2023		
2024		

Designation of Paying Agent. Commerce Bank, Kansas City, Missouri, has been designated as the School District's paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds (the "Paying Agent").

Paying Agent: Commerce Bank
ABA No. 101000019
Credit Account No. 67000-00 for credit to
Camdenton Reorganized School District No. R-3 of Camden County,
Missouri, Series 2017

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

**\$8,950,000
CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3
OF CAMDEN COUNTY, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2017**

REDEMPTION OF BONDS

Optional Redemption of Bonds. At the School District's option, the Bonds may be called for redemption and payment prior to their Stated Maturity on March 1, 2020, and thereafter in whole or in part, at any time, in such order of maturity as shall be determined by the School District (Bonds of less than a full maturity to be selected in multiples of \$5,000 principal amount by lot or in such equitable manner as the Paying Agent shall designate) at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

DEBT SERVICE REQUIREMENTS

DRAFT

**SCHEDULE B
TO DIRECT DEPOSIT AGREEMENT**

**\$8,950,000
CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3
OF CAMDEN COUNTY, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2017**

STATE AID TRANSFERS FOR DEBT SERVICE

DRAFT

**SCHEDULE C
TO DIRECT DEPOSIT AGREEMENT**

**\$8,950,000
CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3
OF CAMDEN COUNTY, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2017**

COSTS OF ISSUANCE

<u>COST</u>	<u>AMOUNT</u>
Underwriter's Discount	
Bond Counsel Fee and Expenses (including O.S. preparation)	
Paying Agent/Registrar Fee	
Rating Agency Fee	
TOTAL	

DRAFT

**SCHEDULE D
TO DIRECT DEPOSIT AGREEMENT**

**\$8,950,000
CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3
OF CAMDEN COUNTY, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2017**

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

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

1. It has received and reviewed a copy of the Guidelines dated May 4, 2016, 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. With respect to the Bonds, there is a net present value savings of _____% of the par amount of the Refunded Bonds, which is at least 1½% of the par amount of the Refunded Bonds, calculated pursuant to the All Inclusive Cost method as described in Section II(A)(3) of the Guidelines. Attached hereto as **Attachment II** to **Schedule D** is the calculation of said net present value savings of _____%.

Name of Bonds: General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2017

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

Date of Pricing of Bonds: January 9, 2017

Underlying credit rating of School District (if any): AA-

Attached as **Attachment III** to this **Schedule D** 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/Financial Advisor/ Purchaser: **GEORGE K. BAUM & COMPANY,**
Underwriter

By: _____
Executive Vice President

Dated: January 9, 2017

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

Net Present Value Savings

DRAFT

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

Proof Of True Interest Cost To The Dated Date @ _____%

DRAFT

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

Cover of Final Official Statement

[Follows]

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