

**BOARD OF FUND COMMISSIONERS  
THIRD STATE BUILDING BONDS  
\$325,000,000  
SERIES A 1986**

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**(Partially Refunded)**

DATED ----- July 15, 1986

SALE DATE ----- June 18, 1986

INTEREST PAYMENT DATES ----- February 1 and August 1 commencing February 1, 1987

PRINCIPAL PAYMENT DATE ----- August 1 commencing August 1, 1987

TRUE INTEREST COST ----- 7.36587%

BOND COUNSEL ----- Gaar & Bell

FINANCIAL ADVISOR ----- E. F. Hutton & Company, Inc.

UNDERWRITER MANAGER ----- Morgan Guaranty Trust Company of New York

PAYING AGENT ----- Boatmen's National Bank of St. Louis

AUTHORIZATION ----- Article III, Section 37(d)

*Maturities and Interest Rates*

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
1987	\$ 5,200,000	9.25%	1999	\$ 12,415,000	7.30%
1988	5,590,000	9.25%	2000	13,350,000	7.30%
1989	6,010,000	9.25%	2001	14,355,000	7.40%
1990	6,465,000	9.25%	2002	15,435,000	7.40%
1991	6,950,000	9.25%	2003	16,595,000	7.40%
1992	7,475,000	9.25%	2004	17,845,000	7.40%
1993	8,035,000	9.25%	2005	19,185,000	7.05%
1994	8,640,000	9.25%	2006	20,630,000	6.75%
1995	9,290,000	9.25%	2007	22,185,000	7.50%
1996	9,990,000	7.20%	2008	23,850,000	7.00%
1997	10,740,000	7.10%	2009	25,645,000	7.00%
1998	11,550,000	7.20%	2010	27,575,000	7.00%

*Redemption*

The State Building Bonds maturing on August 1, 1997, and thereafter, may be called for redemption and payment prior to maturity at the option of the Board, as a whole or in part, in inverse order of maturity (bonds of less than a full maturity to be selected by lot by the Bond Registrar in such equitable manner as it shall designate) on August 1, 1996, or on any interest payment date thereafter, at the following prices, expressed as percentages of principal amount, together with accrued interest to the date of redemption and payment:

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*Redemption (continued)*

<u>Redemption Dates</u>	<u>Redemption Prices</u>
August 1, 1996 and February 1, 1997	102%
August 1, 1997 and February 1, 1998	101 <sup>3</sup> / <sub>4</sub> %
August 1, 1998 and February 1, 1999	101 <sup>1</sup> / <sub>2</sub> %
August 1, 1999 and February 1, 2000	101 <sup>1</sup> / <sub>4</sub> %
August 1, 2000 and February 1, 2001	101%
August 1, 2001 and February 1, 2002	100 <sup>3</sup> / <sub>4</sub> %
August 1, 2002 and February 1, 2003	100 <sup>1</sup> / <sub>2</sub> %
August 1, 2003 and February 1, 2004	100 <sup>1</sup> / <sub>4</sub> %
August 1, 2004 and thereafter	100%

In the event of any such redemption, the Board shall give written notice of its intention to redeem and pay the bonds, such notice to be given by United States registered mail addressed to the registered owner of any bond being redeemed, to the State Auditor of Missouri and to the manager of the underwriting group purchasing the Series A 1986 Bonds, each of said notices to be mailed not less than 30 days prior to the date fixed for redemption.

*Defeasance*

On August 15, 1992, \$251,355,000 of outstanding Series A 1986 Bonds were refunded with the issuance of Series A 1992 Refunding Bonds. This amount represented only the callable portions of the bonds, \$35,955,000 of the bonds were not refunded and remain a liability of the Board. The proceeds of the refunding bonds were deposited in an escrow fund with Boatmen's Trust Company, St. Louis. The money in the escrow fund was used to pay the principal and interest of the callable portions of the Series A 1986 Bonds. With the deposit of these moneys in the escrow fund, the callable portions of the Series A 1986 Bonds were legally defeased.

*Call Date*

The Series A 1986 Bonds maturing on August 1, 1997, and thereafter were called for redemption on August 1, 1996, at 102%.