

**BOARD OF FUND COMMISSIONERS
THIRD STATE BUILDING BONDS
\$170,115,000
SERIES A 1987 REFUNDING**

(Partially Refunded)

DATED ----- August 1, 1987

SALE DATE ----- July 17, 1987

INTEREST PAYMENT DATES ----- February 1 and August 1 commencing February 1, 1988

PRINCIPAL PAYMENT DATE ----- August 1 commencing August 1, 1988

TRUE INTEREST COST ----- 6.8970%

BOND COUNSEL ----- Gilmore & Bell

FINANCIAL ADVISOR ----- Stifel, Nicolaus & Company, Inc.

UNDERWRITER MANAGER ----- Citicorp Investment Bank

PAYING AGENT ----- United Missouri Bank of Kansas City, N.A.

ESCROW AGENT ----- Mark Twain Bank

ESCROW VERIFICATION AGENT ----- Laventol & Horwath, CPAs, Philadelphia, PA

Maturities and Interest Rates

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
1988	\$ 4,100,000	7.75%	1999	\$ 8,505,000	6.600%
1989	4,380,000	7.75%	2000	9,055,000	6.700%
1990	4,710,000	7.75%	2001	7,955,000	6.800%
1991	5,040,000	7.75%	2002	8,515,000	6.900%
1992	5,340,000	7.75%	2003	9,125,000	7.000%
1993	5,715,000	7.75%	2004	9,755,000	7.000%
1994	6,115,000	5.75%	2005	10,455,000	7.125%
1995	6,535,000	5.90%	2006	11,235,000	7.200%
1996	6,990,000	6.10%	2007	12,065,000	7.200%
1997	7,465,000	6.30%	2008	12,950,000	7.200%
1998	7,960,000	6.50%	2009	6,150,000	6.500%

Redemption

The State Building Bonds or portions of such bonds, maturing on August 1, 1998, 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 the Bond Registrar by lot or in such equitable manner as it shall designate) on August 1, 1997, 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, 1997 and February 1, 1998	102%
August 1, 1998 and February 1, 1999	101½%
August 1, 1999 and February 1, 2000	101%
August 1, 2000 and February 1, 2001	100½%
August 1, 2001 and thereafter	100%

In the event of any such redemption, the Board, or the Bond Registrar acting on behalf of the Board, shall give written notice of its intention to redeem and pay the bonds. Such notice shall be given by United States registered or certified mail not less than 30 days prior to the date fixed for redemption, 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 bonds.

Note

The Series A 1987 Refunding Bonds were issued to refund the following bonds:

<u>Series</u>	<u>Outstanding Principal and Amount Refunded</u>
B 1983	\$33,675,000
A 1984	48,130,000
A 1985	<u>73,375,000</u>
	<u><u>\$155,180,000</u></u>

The additional principal amount of the Series A 1987 Refunding Bonds did not decrease the amount of the statutory authorization for the Third State Building Bonds.

Defeasance

On August 1, 1993, \$113,725,000 of outstanding Series A 1987 Refunding Bonds were refunded with the issuance of Series A 1993 Refunding Bonds. This amount represented only the callable portions of the bonds, \$32,820,000 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 1987 Refunding Bonds. With the deposit of these moneys in the escrow fund, the callable portions of the Series A 1987 Refunding Bonds were legally defeased.

Call Date

The Series A 1987 Refunding Bonds maturing on August 1, 1998, and thereafter were called for redemption on August 1, 1997, at 102%.