

**BOARD OF FUND COMMISSIONERS
THIRD STATE BUILDING BONDS
\$75,000,000
SERIES B 1987**

(Partially Refunded)

DATED ----- December 1, 1987

SALE DATE ----- November 17, 1987

INTEREST PAYMENT DATES ----- June 1 and December 1 commencing June 1, 1988

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

TRUE INTEREST COST ----- 7.5038%

BOND COUNSEL ----- Stinson, Mag & Fizzell

FINANCIAL ADVISOR ----- A.G. Edwards & Sons, Inc.

UNDERWRITER MANAGER ----- Chase Manhattan Capital Markets Corporation

PAYING AGENT ----- Mark Twain Bank, St. Louis, MO

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>
1988	\$ 1,015,000	9.00%	2001	\$ 2,755,000	7.00%
1989	1,100,000	9.00%	2002	2,975,000	7.10%
1990	1,195,000	9.00%	2003	3,215,000	7.30%
1991	1,300,000	9.00%	2004	3,475,000	7.40%
1992	1,410,000	9.00%	2005	3,760,000	7.40%
1993	1,535,000	9.00%	2006	4,070,000	7.50%
1994	1,665,000	9.00%	2007	4,405,000	7.50%
1995	1,790,000	7.20%	2008	4,775,000	7.60%
1996	1,920,000	6.50%	2009	5,175,000	7.70%
1997	2,055,000	6.60%	2010	5,610,000	7.70%
1998	2,205,000	6.70%	2011	6,080,000	7.70%
1999	2,370,000	6.80%	2012	6,590,000	7.70%
2000	2,555,000	6.90%			

Redemption

The Bonds maturing on December 1, 1995, and thereafter, may be called for redemption and payment prior to maturity at the option of the Board, as a whole or in part (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 December 1, 1994, 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>
December 1, 1994 and June 1, 1995	103%
December 1, 1995 and June 1, 1996	102%
December 1, 1996 and June 1, 1997	101%
December 1, 1997 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 to 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.

Defeasance

On November 1, 1991, \$65,780,000 of outstanding Series B 1987 Bonds were refunded with the issuance of Series B 1991 Refunding Bonds. This amount represented only the callable portions of the bonds, \$5,910,000 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 Commerce Bank of Kansas City, N.A. The money in the escrow fund was used to pay the principal and interest of the callable portions of the Series B 1987 Bonds. With the deposit of these moneys in the escrow fund, the callable portions of the Series B 1987 Bonds were legally defeased.

Call Date

The Series B 1987 Bonds maturing on December 1, 1995, and thereafter were called for redemption on December 1, 1994, at 103%.