

CHAIRMAN:
PETER KINDER
LIEUTENANT GOVERNOR

MEMBERS:
JOHN D. STARR
LARRY NEFF
NELSON C. GRUMNEY, JR
ELIZABETH T. SOLBERG
PAUL S. LINDSEY
RICHARD J. WILSON
JAMES D. HILL
L. B. ECKELKAMP, JR
TROY L. WILSON



EX-OFFICIO MEMBERS:
GREGORY A. STEINHOFF
DIRECTOR,
ECONOMIC DEVELOPMENT

FRED FERRELL
DIRECTOR, AGRICULTURE

EXECUTIVE DIRECTOR:
ROBERT V. MISEREZ

MISSOURI DEVELOPMENT FINANCE BOARD

MINUTES
MISSOURI DEVELOPMENT FINANCE BOARD
Chateau on the Lake Resort & Convention Center
Milan/Venice Meeting Room
415 N. State Hwy. 265
Branson, Missouri

OCTOBER 4, 2005

The Missouri Development Finance Board met in regular session on Tuesday, October 4, 2005, beginning at 10 a.m.

The following members and officers of the Board were present or absent at the meeting, as follows:

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|------------------------|--|---------|
| Peter D. Kinder | Lieutenant Governor and Chairman | Present |
| John D. Starr | Vice Chairman and Member | Present |
| Larry D. Neff | Secretary and Member | Present |
| Nelson C. Grumney, Jr. | Treasurer and Member | Present |
| Elizabeth T. Solberg | Member | Present |
| James D. Hill | Member | Present |
| Paul S. Lindsey | Member | Present |
| Richard J. Wilson | Member | Present |
| L. B. Eckelkamp, Jr. | Member | Present |
| Troy L. Wilson | Member | Absent |
| Gregory A. Steinhoff | Director, Dept. of Econ. Dev. and Member | Absent |
| Fred Ferrell | Director, Dept. of Agriculture and Member | Absent |
| Robert V. Miserez | Executive Director and Assistant Secretary | Present |

Chairman Kinder called the meeting to order and declared that a quorum was present. In addition to the above, those in attendance included:

Board Staff: Pamela Hill, Kathleen Barney, Tonya Loucks, Krystal Sabartinelli, Valerie Haller and Cheryl Morgan

Board Counsel: David Queen

Visitors: Ben Jones and Eric Feltner, Lt. Governor's Office

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval the minutes from the August 16, 2005, meeting. Copies of the minutes, included in the Board packets, were provided to the members for their review. There being no questions, corrections or additions, Secretary Neff made a motion to approve the minutes as presented. Member Solberg seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp and Kinder

Nay: None

Absent: T. Wilson, Steinhoff and Ferrell

Chairman Kinder declared the motion passed.

II. Treasurer's Report

Treasurer Grumney

Treasurer Grumney presented for approval the treasurer's report as of and for the months ending August 31, 2005. Treasurer Grumney noted the year-to-date income for the first two months had increased by approximately \$470,000 due to the St. Louis Convention Center Garage and Kansas City Library Garage coming online. There being no questions or additions, Treasurer Grumney made a motion to approve the treasurer's report as submitted. Member Solberg seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp and Kinder

Nay: None

Absent: T. Wilson, Steinhoff and Ferrell

Chairman Kinder declared the motion passed.

Treasurer Grumney disclosed that his family has an ownership position in Central Trust Bank Company and that the Board has purchased or placed investments through that bank. In accordance with Board practice, such investments are periodically bid by the Board.

III. Department of Economic Development Report

Director Steinhoff

There was no report given.

IV. Department of Agriculture Report

Director Ferrell

There was no report given.

V. Lieutenant Governor's Report

Lt. Governor Kinder

There was no report given.

VI. Old Business

A. Copeland Corporation -- BUILD
Final Authorizing Resolution

Tonya Loucks

Ms. Loucks reported that in October 2004, the Board approved a preliminary resolution denoting its intent to issue an amount not to exceed \$1,500,000 in BUILD Missouri revenue bonds. Since that time, counsel for the company and the Board have completed the financing documents. Staff recommended the adoption of its Final Authorizing Resolution approving the issuance of the bonds.

Secretary Neff made a motion to adopt the following resolution:

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS (COPELAND CORPORATION PROJECT), SERIES 2005, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,500,000 FOR THE PURPOSE OF PROVIDING FUNDS TO MAKE A LOAN TO FINANCE A PORTION OF THE COSTS OF AN ECONOMIC DEVELOPMENT PROJECT FOR THE BENEFIT OF COPELAND CORPORATION; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

Member R. Wilson seconded the motion. Member Lindsey disclosed that his company does a substantial amount of business with Copeland Corporation and therefore abstained from the vote. The following vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, R. Wilson, Hill, Eckelkamp and Kinder

Nay: None

Abstain: Lindsey

Absent: T. Wilson, Steinhoff and Ferrell

Chairman Kinder declared the motion passed.

B. KV Pharmaceutical — BUILD
Final Authorizing Resolution

Tonya Loucks

Ms. Loucks reported that in October 2004, the Board approved a preliminary resolution denoting its intent to issue an amount not to exceed \$1,036,000 in BUILD Missouri revenue bonds. Since that time, counsel for the company and the Board have completed the financing documents. Ms. Loucks reported that KV Pharmaceutical was under SEC investigation due to a change in auditing firms in 2004 and increased scrutiny of the pharmaceutical industry. Ms. Loucks explained that KV Pharmaceutical had a clean audit opinion for the year 2004 and no restatement of opinion has been needed. After discussion with company representatives, staff recommended the adoption of its Final Authorizing Resolution approving the issuance of the bonds.

Secretary Neff made a motion to adopt the following resolution:

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS (KV PHARMACEUTICAL COMPANY PROJECT), SERIES 2005, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,036,000 FOR THE PURPOSE OF PROVIDING FUNDS TO MAKE A LOAN TO FINANCE A PORTION OF THE COSTS OF AN ECONOMIC DEVELOPMENT PROJECT FOR THE BENEFIT OF KV PHARMACEUTICAL COMPANY; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

Member Hill seconded the motion. Treasurer Grumney disclosed that his company owns a building to which some of the improvements will be made to and therefore abstained from the vote. The following vote was recorded:

Aye: Starr, Neff, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp and Kinder

Nay: None

Abstain: Grumney

Absent: T. Wilson, Steinhoff and Ferrell

Chairman Kinder declared the motion passed.

C. Kearney Amphitheater
Amendment to Tax Credit Agreement

Tonya Loucks

Ms. Loucks reported that in June 2005, the Board approved the City of Kearney to receive tax credits for the Kearney Amphitheater in the amount of \$162,500 for CY2005 and \$162,500 for CY2006. Due to the recent humanitarian aid needed as a result of Hurricane Katrina and difficulty in raising contributions in light of the fundraising efforts, the City requested moving the tax credits back to CY2006 and CY2007.

Vice Chairman Starr made a motion to let the 2005 credits lapse and be reauthorized as 2007 credits. Secretary Neff seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp and Kinder

Nay: None

Absent: T. Wilson, Steinhoff and Ferrell

Chairman Kinder declared the motion passed.

D. Amendment to Independence Bond Issue
Crackerneck Creek Series 2005D

Kathleen Barney

Ms. Barney reported that in June 2005, the Board approved a Final Bond Authorizing Resolution for an amount not to exceed \$30 million for the Crackerneck Creek Project (Series 2005C). Ms. Barney reported that the City requested an amendment to increase the maximum amount of bonds to \$37.5 million due to the \$30 million original bond sizing as a tax-exempt issue rather than a taxable bond issue.

Member Solberg made a motion to adopt the following resolution:

RESOLUTION AMENDING A PRIOR RESOLUTION OF THE BOARD WHICH AUTHORIZED THE ISSUANCE OF INFRASTRUCTURE FACILITIES REVENUE BONDS OR NOTES (CITY OF INDEPENDENCE, MISSOURI – CRACKERNECK CREEK PROJECT), FOR THE BENEFIT OF THE CITY OF INDEPENDENCE, MISSOURI, TO INCREASE THE AGGREGATE PRINCIPAL AMOUNT OF BONDS OR NOTES TO BE ISSUED TO AN AMOUNT NOT EXCEEDING \$37,500,000 AND TO CHANGE CERTAIN OTHER TERMS THEREOF.

Secretary Neff seconded the motion. The following vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp and Kinder

Nay: None

Absent: T. Wilson, Steinhoff and Ferrell

Chairman Kinder declared the motion passed.

VII. New Business

A. Election of Officers

Chairman Kinder

This item was removed from the agenda by the Chairman. There was no new business for discussion.

CLOSED SESSION

Vice Chairman Starr made a motion to move the meeting into closed session pursuant to Section 610.021 (1) of the Missouri Statutes for the purpose of legal actions, causes of action or litigation involving public governmental body and any confidential or privileged communications between a public governmental body or its representatives and its attorneys. Member Hill seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp and Kinder

Nay: None

Absent: T. Wilson, Steinhoff and Ferrell

Chairman Kinder declared the motion passed.

Upon completion of discussion, Secretary Neff made a motion to move the meeting back into open session. Member R. Wilson seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Grumney, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp and Kinder

Nay: None

Absent: T. Wilson, Steinhoff and Ferrell

Chairman Kinder declared the motion passed.

OPEN SESSION

The Board returned to open session.

VIII. Executive Director's Report

Robert V. Miserez

Mr. Miserez reported the Northwest Missouri State University/Ventria bond issue project is moving forward. The University currently is working with their underwriters to complete a bond structure to fund their portion of the cost, which is in excess of \$13 million. The State of Missouri, acting through the Office of Administration, has committed to \$10 million in principal bond amounts for its share of the project cost, plus its own issuance expenses.

Mr. Miserez asked Ms. Kathleen Barney to give a project status update on the Ninth Street Garage construction issues. Ms. Barney reported there were deficiencies in many of the piers poured and that with a total of 56 piers, 16 of the 37 poured piers were discovered to be substandard. The Office of Administration monitors the construction for MDFB and is considering that all the piers are bad. The developers of the project have hired experts to evaluate the piers, which has caused a delay to the project. Ms. Barney reported that the problem is the developer's responsibility and there will be no additional costs to MDFB.

X. Adjournment

There being no further business, Vice Chairman Starr motioned to adjourn the meeting. Member R. Wilson seconded the motion. The meeting was adjourned.