

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **OCT 23 1998**

Employer Identification Number:
43-0694564
DLN:
318300033
Contact Person:
D. A. DOWNING
Contact Telephone Number:
(877) 829-5500

ST. LOUIS MERCANTILE LIBRARY
ASSOCIATION
C/O UNIVERSITY OF MISSOURI - ST LOUIS
8001 NATURAL BRIDGE ROAD
ST. LOUIS, MO 63121-4499

60 Month Period Ends:
June 30, 2003
Addendum Applies:
No.

Dear Applicant:

We have received your notification of intent to terminate your private foundation status under section 507(b)(1)(B) of the Internal Revenue Code during a 60 month period beginning July 1, 1998.

The information submitted indicates that you intend to operate as an organization described in section 509(a)(3) of the Code during the 60 month period.

Based on your proposed activities and support, it is held that you can reasonably be expected to terminate your private foundation status under section 507(b)(1)(B) of the Code. Accordingly, you will be treated as a public charity described in section 509(a)(3) of the Code for an advance ruling period of 60 months beginning July 1, 1998.

Within 90 days after the end of your 60 month period, you must establish to the satisfaction of the Internal Revenue Service that you have qualified as an organization which meets the requirements of paragraph (1), (2), or (3) of section 509(a) of the Code for the 60 month period. If you do establish that fact, you will be so classified for all purposes beginning with the first day of the first taxable year of the 60 month period and, thereafter, so long as you continue to meet the requirements of section 509(a)(1), (2), or (3). If, however, you do not meet these requirements for the 60 month period, you will be classified as a private foundation as of the first day of the first taxable year of the 60 month period.

If you satisfy the requirements of section 507(b)(1)(B) of the Code at the end of your 60 month period, you will not be subject to the provisions of section 507(a), (c), or (g) of the Code.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until the Service makes a final determination of your foundation status.

You are required to file Form 990-PF, Return of Private Foundation or

Letter 2245 (00/06)

ST. LOUIS MERCANTILE LIBRARY

Section 4947(a)(1) Trust Treated as a Private Foundation, until you complete your 60 month termination and are classified as a section 509(a)(3) organization. Form 990-PF must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000 or 5 percent of your gross receipts (whichever is less), for failure to file a return on time unless there is reasonable cause for the delay. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

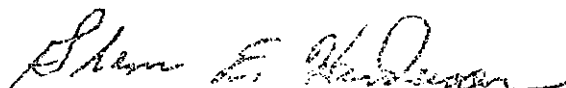
If you do not pay the tax imposed by section 4940 of the Code for any taxable year or years during the 60 month period, and it is subsequently determined that such tax is due for such year or years, you will be liable for interest in accordance with section 6601 of the Code. Since any failure to pay such taxes during the 60 month period is due to reasonable cause, the penalty under section 6651 with respect to the tax imposed by section 4940 shall not apply.

If the heading of this letter indicate that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



District Director

Enclosure(s):
Form 872

Charitable Contributions - Substantiation and Disclosure Requirements

UNDER THE NEW LAW, CHARITIES WILL NEED TO PROVIDE NEW KINDS OF INFORMATION TO DONORS. Failure to do so may result in denial of deductions to donors and the imposition of penalties on charities.

Legislation signed into law by the President on August 10, 1993, contains a number of significant provisions affecting tax-exempt charitable organizations described in section 501(c)(3) of the Internal Revenue Code. These provisions include: (1) new substantiation requirements for donors, and (2) new public disclosure requirements for charities (with potential penalties for failing to comply). Additionally, charities should note that donors could be penalized by loss of the deduction if they fail to substantiate. **THE SUBSTANTIATION AND DISCLOSURE PROVISIONS APPLY TO CONTRIBUTIONS MADE AFTER DECEMBER 31, 1993.**

Charities need to familiarize themselves with these tax law changes in order to bring themselves into compliance. This Publication alerts you to the new provisions affecting tax-exempt charitable organizations. Set forth below are brief descriptions of the new law's key provisions. The Internal Revenue Service plans to provide further guidance in the near future.

Donor's Substantiation Requirements

Documenting Certain Charitable Contributions. — Beginning January 1, 1994, no deduction will be allowed under section 170 of the Internal Revenue Code for any charitable contribution of \$250 or more unless the donor has contemporaneous written substantiation from the charity. In cases where the charity has provided goods or services to the donor in exchange for making the contribution, this contemporaneous written acknowledgement must include a good faith estimate of the value of such goods or services. Thus, taxpayers may no longer rely solely on a cancelled check to substantiate a cash contribution of \$250 or more.

The substantiation must be "contemporaneous." That is, it must be obtained by the donor no later than the date the donor actually files a return for the tax year in which the contribution was made. If the return is filed after the due date or extended due date, then the substantiation must have been obtained by the due date or extended due date.

The responsibility for obtaining this substantiation lies with the donor, who must request it from the charity. The charity is not required to record or report this information to the IRS on behalf of donors.

The legislation provides that substantiation will not be required if, in accordance with regulations prescribed by the Secretary, the charity reports directly to the IRS the information required to be provided in the written substantiation. At present, there are no regulations establishing procedures for direct reporting by charities to the IRS of charitable contributions made in 1994. Consequently, charities and donors should be prepared to provide/obtain the described substantiation for 1994 contributions of \$250 or more.

There is no prescribed format for the written acknowledgement. For example, letters, postcards or computer-generated forms may be acceptable. The acknowledgement does not have to include the donor's social security or tax identification number. It must, however, provide sufficient information to substantiate the amount of the deductible contribution. The acknowledgement should note the amount of any cash contribution. However, if the donation is in the form of property, then the acknowledgement must describe, but need not value, such property.

The written substantiation should also note whether the donee organization provided any goods or services in consideration, in whole or in part, for the contribution and, if so, must provide a description and good-faith estimate of the value of the goods or services. In the new law these are referred to as "quid pro quo contributions."

Please note that there is a new law requiring charities to furnish disclosure statements to donors for such quid pro quo donations in excess of \$75. This is addressed in the next section regarding Disclosure By Charity.

If the goods or services consist entirely of intangible religious benefits, the statement should indicate this, but the statement need not describe or provide an estimate of the value of these benefits. "Intangible religious benefits" are also discussed in the following section on Disclosure By Charity. If, on the other hand, the donor received nothing in return for the contribution, the written substantiation must so state.

The present law remains in effect that, generally, if the value of an item or group of like items exceeds \$5,000, the donor must obtain a qualified appraisal and submit an appraisal summary with the return claiming the deduction.

The organization may either provide separate statements for each contribution of \$250 or more from a taxpayer, or furnish periodic statements substantiating contributions of \$250 or more.

Separate payments are regarded as independent contributions and are not aggregated for purposes of measuring the \$250 threshold. However, the Service is authorized to establish anti-abuse rules to prevent avoidance of the substantiation requirement by taxpayers writing separate smaller checks on the same date.

If donations are made through payroll deductions, the deduction from each paycheck is regarded as a separate payment.

A charity that knowingly provides false written substantiation to a donor may be subject to the penalties for aiding and abetting an understatement of tax liability under section 6701 of the Code.

Disclosure by Charity of Receipt of Quid Pro Quo Contribution

Beginning January 1, 1994, under new section 6115 of the Internal Revenue Code, a charitable organization must provide a written disclosure statement to donors who make a payment, described as a "quid pro quo contribution," in excess of \$75. This requirement is separate from the written substantiation required for deductibility purposes as discussed above. While, in certain circumstances, an organization may be able to meet both requirements with the same written document, an organization must be careful to satisfy the section 6115 written disclosure statement requirement in a timely manner because of the penalties involved.

A quid pro quo contribution is a payment made partly as a contribution and partly for goods or services provided to the donor by the charity. An example of a quid pro quo contribution is where the donor gives a charity \$100 in consideration for a concert ticket valued at \$40. In this example, \$60 would be deductible. Because the donor's payment (quid pro quo contribution) exceeds \$75, the disclosure statement must be furnished, even though the deductible amount does not exceed \$75.

Separate payments of \$75 or less made at different times of the year for separate fundraising events will not be aggregated for purposes of the \$75 threshold. However, the Service is authorized to develop anti-abuse rules to prevent avoidance of this disclosure requirement in situations such as the writing of multiple checks for the same transaction.

The required written disclosure statement must:

- (1) inform the donor that the amount of the contribution that is de-

Form 872 (Rev. June 1996)	Department of the Treasury—Internal Revenue Service Consent to Extend the Time to Assess Tax	In Reply Refer To:
		SSN or EIN

St Louis Mercantile Library Association
(Name(s))

taxpayer(s) of 510 Locust St Louis MO 63101
(Number, Street, City or Town, State, ZIP Code)

and the District Director of Internal Revenue or Regional Director of Appeals consent and agree to the following:

(1) The amount of any Federal Section 4940 or 4980 excise tax due on any return(s) made by
(Kind of tax)
or for the above taxpayer(s) for the period(s) ended June 30, 1999, June 30, 2000, June 30, 2001,
June 30, 2002, and June 30, 2003

may be assessed at any time on or before November 15, 2008. However, if
(Expiration date)

a notice of deficiency in tax for any such period(s) is sent to the taxpayer(s) on or before that date, then the time for assessing the tax will be further extended by the number of days the assessment was previously prohibited, plus 60 days.

(2) The taxpayer(s) may file a claim for credit or refund and the Service may credit or refund the tax within 6 months after this agreement ends.

(SIGNATURE INSTRUCTIONS AND SPACE FOR SIGNATURE ARE ON THE BACK OF THIS FORM)

Form 872 (Rev. 6-96)

October 9, 1998

Ms. Margery Clark
Internal Revenue Service
EP/EO Division - MC 4913 DAL
1100 Commerce Street
Dallas, TX 75242

RE: St. Louis Mercantile Library Association
43-0694564

Dear Ms. Clark:

Enclosed is the information you requested with regard to the termination of the private foundation status of the St. Louis Mercantile Library Association on account of its conversion to a support organization described in Internal Revenue Code Section 509(a)(3).

Please note that our new address is as follows:

St. Louis Mercantile Library Association
c/o University of Missouri - St. Louis
8001 Natural Bridge Road
St. Louis, MO 63121 - 4499

If you need further information you may write to the above address or may contact our tax return preparer Judy Murphy, CPA of Rubin, Brown, Gornstein & Company at (314) 727-8150.

Thank you for your cooperation in this matter.

Sincerely,

ST. LOUIS MERCANTILE LIBRARY
ASSOCIATION

BY: _____

TITLE: _____

MAKING THIS CONSENT WILL NOT DEPRIVE THE TAXPAYER(S) OF ANY APPEAL RIGHTS TO WHICH THEY WOULD OTHERWISE BE ENTITLED.

YOUR SIGNATURE HERE → _____ (Date signed) _____

SPOUSE'S SIGNATURE → _____ (Date signed) _____

TAXPAYER'S REPRESENTATIVE SIGN HERE → _____ (Date signed) _____

CORPORATE NAME → ST. LOUIS MERCANTILE LIBRARY ASSOCIATION

CORPORATE OFFICER(S) SIGN HERE → Marshall Hies V. President June 30, 1998
(Signature and Title) (Title) (Date signed)

_____ (Title) _____ (Date signed)

BY Nathan K. [Signature] Group Manager 10-28-98
(Signature and Title) (Title) (Date signed)

Instructions

If this consent is for income tax, self-employment tax, or FICA tax on tips and is made for any year(s) for which a joint return was filed, both husband and wife must sign the original and copy of this form unless one, acting under a power of attorney, signs as agent for the other. The signatures must match the names as they appear on the front of this form.

If this consent is for gift tax and the donor and the donor's spouse elected to have gifts to third persons considered as made one-half by each, both husband and wife must sign the original and copy of this form unless one, acting under a power of attorney, signs as agent for the other. The signatures must match the names as they appear on the front of this form.

If this consent is for Chapter 41, 42, or 43 taxes involving a partnership or is for a partnership return, only one authorized partner need sign.

If this consent is for Chapter 42 taxes, a separate Form 872 should be completed for each potential disqualified person, entity, or foundation manager that may be involved in a taxable transaction during the related tax year. See Revenue Ruling 75-391, 1975-2 C.B. 446.

If you are an attorney or agent of the taxpayer(s), you may sign this consent provided the action is specifically authorized by a power of attorney. If the power of attorney was not previously filed, you must include it with this form.

If you are acting as a fiduciary (such as executor, administrator, trustee, etc.) and you sign this consent, attach Form 56, Notice Concerning Fiduciary Relationship, unless it was previously filed.

If the taxpayer is a corporation, sign this consent with the corporate name followed by the signature and title of the officer(s) authorized to sign.

Schedule D. Section 509(a)(3) Supporting Organization (Continued)

8 To what extent does your organization conduct activities that would otherwise be carried on by the supported organizations? Explain why these activities would otherwise be carried on by the supported organizations.

9 Is the applicant organization controlled directly or indirectly by one or more "disqualified persons" (other than one who is a disqualified person solely because he or she is a manager) or by an organization that is not described in section 509(a)(1) or (2)? Yes No
If "Yes," explain.

Instructions

For an explanation of the types of organizations defined in section 509(a)(3) as being excluded from the definition of a private foundation, see Pub. 557, Chapter 3.

Line 1

List each organization that is supported by your organization and indicate in item 1b if the supported organization has received a letter recognizing exempt status as a section 501(c)(3) public charity as defined in section 509(a)(1) or 509(a)(2). If you answer "No" in 1b to any of the listed organizations, please explain in 1c.

Line 3

Your organization's governing document may be articles of incorporation, articles of association, constitution, trust indenture, or trust agreement.

Line 9

For a definition of a "disqualified person," see **Specific Instructions, Part II, Line 4d**, on page 3 of the application's instructions.

Schedule D. Section 509(a)(3) Supporting Organization

1a Organizations supported by the applicant organization: Name and address of supported organization	b Has the supported organization received a ruling or determination letter that it is not a private foundation by reason of section 509(a)(1) or (2)?
University of Missouri - St. Louis 8001 Natural Bridge St Louis MO 63121	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
.....	<input type="checkbox"/> Yes <input type="checkbox"/> No

c If "No" for any of the organizations listed in 1a, explain.

Part of State of Missouri University System

2 Does the supported organization have tax-exempt status under section 501(c)(4), 501(c)(5), or 501(c)(6)? Yes No
 If "Yes," attach: (a) a copy of its ruling or determination letter, and (b) an analysis of its revenue for the current year and the preceding 3 years. (Provide the financial data using the formats in Part IV-A (lines 1-13) and Part III (lines 12, 13, and 14).)

3 Does your organization's governing document indicate that the majority of its governing board is elected or appointed by the supported organizations? Yes No
 If "Yes," skip to line 9. Article V c of 1/21/97 Amendment to By-Laws
 If "No," you must answer the questions on lines 4 through 9.

4 Does your organization's governing document indicate the common supervision or control that it and the supported organizations share? Yes No
 If "Yes," give the article and paragraph numbers. If "No," explain.

5 To what extent do the supported organizations have a significant voice in your organization's investment policies, in the making and timing of grants, and in otherwise directing the use of your organization's income or assets?

6 Does the mentioning of the supported organizations in your organization's governing instrument make it a trust that the supported organizations can enforce under state law and compel to make an accounting? Yes No
 If "Yes," explain.

7a What percentage of your organization's income does it pay to each supported organization?

b What is the total annual income of each supported organization?

c How much does your organization contribute annually to each supported organization?

ST LOUIS MERCANTILE LIBRARY

You have requested to terminate your private foundation status by operating as a public charity as an organization described in IRC section 509(a)(3).

Organizations which are operated, supervised, or controlled by, or in connection with, another exempt organization, through common control of their policies and/or operations, may be eligible to be classified under section 509(a)(3) of the Code as a supporting organization.

You are required to provide evidence of the relationship to the supported organization (described in 509(a)(1) or (2) of the Code). The "operational test" can be met only if an organization actually engages solely in activities supporting or benefiting the 509(a)(1) or (2) organizations for which it is organized to benefit or support. This relationship and support must be significant. Regs. 1.509(a)-4(e)(1).

The "organizational test" requires that an organization, in its governing instrument, limit its purposes (in addition to meeting 501(c)(3) purposes) to supporting one or more organizations described in IRC 509(a)(1) or (2) and identify such organizations (your organizing document must state specifically what entity(s) your organization is supporting).

1. Please complete the enclosed Schedule D in full and provide any required attachments.
2. Please provide a copy of your Articles of Incorporation and any amendments.
3. Please provide a copy of your Bylaws and any amendments.

DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P. O. BOX 2508
CINCINNATI, OH 45201

Date: *9/24/98*

ST LOUIS MERCANTILE LIBRARY
ASSOCIATION
510 LOCUST ST
ST LOUIS, MO 63101-1845

Employer Identification Number:
43-0694564
DLN:
17053199731028
Contact Person:
MARGERY CLARK
Contact Telephone Number:
(214) 767-0298
Response Due Date:
October 15, 1998

Dear Applicant:

Thank you for the information recently submitted regarding your application for exemption. Unfortunately, we need more information before we can complete our consideration of your application.

Please furnish the information requested on the enclosure by the response due date shown above.

If you have any questions concerning this matter, or you cannot meet the response due date, please contact the person whose name and telephone number are shown in the heading of this letter.

All information should be furnished over the signature of a principal officer or other person acting with proper authorization.

Please mail the information requested in this letter to the following address:

Internal Revenue Service
EP/EO Division - MC 4913 DAL
1100 Commerce Street
Dallas, TX 75242

Thank you for your cooperation.

Sincerely yours,



Exempt Organization Specialist

Enclosure:
List of data needed

**THE ST. LOUIS MERCANTILE LIBRARY ASSOCIATION
BYLAWS**

Last Amendments Adopted January 21, 1997

THE ST. LOUIS MERCANTILE LIBRARY ASSOCIATION
BYLAWS

Last Amendments Adopted January-21, 1997

ARTICLE I

Name; Purpose

This association shall be known by the name of the St. Louis MERCANTILE LIBRARY ASSOCIATION (the "Association"). The purposes for which the Association is formed, as set forth in the Constitution of the Association, as amended, include, but are not limited to, supporting, contributing to, and advising the University of Missouri – St. Louis (the "University") in the operation of the Saint Louis Mercantile Library at the University of Missouri – St. Louis (the "Library").

ARTICLE II

Office

The principal office of the Association shall be located at such place within the City or County of St. Louis, Missouri as the board of direction may determine.

ARTICLE III

Membership

(a) Classes of Members

(1) Annual Members. Any person, firm or corporation may become a member of this association by subscribing to the constitution and paying the dues provided by the board of direction. Membership in the Association shall be open to all without regard to race, creed, color or sex. The board of direction may establish and change classes of annual membership in the Association. The board of direction shall consult with appropriate officials of the University in establishing and changing membership dues and classes.

(2) Perpetual Members. Perpetual memberships shall be limited to those issued before the second Tuesday of January, 1925. Perpetual members shall be exempt from payment of annual dues, but shall be liable for payment of fees for services. There are to be transfer fees hereafter of \$150 for perpetual memberships and \$25 transfer fees on change of designees for corporate memberships in the perpetual category.

(3) Life Members. Life membership shall be limited to those issued before December 31, 1986. Life members shall be exempt from payment of annual dues during their lifetimes, but shall be liable for payment of fees for services.

(4) Honorary Member. The board of direction may elect honorary members, who shall be exempt from payment of annual dues, but shall be liable for payment of fees for services.

(b) Rules and Regulations

Members shall observe the rules and regulations adopted by the board of direction and/or the University for the management of the library and reading room and for the protection of the property of the Association and the University.

(c) Dues and Fees

Annual members shall pay such dues, and all members shall pay such fees for services rendered to them by the Association and/or the University as the board of direction and/or the University may determine from time to time.

(d) Expulsion

The board of direction may, by two thirds vote, expel any member who violated the rules and regulations of the Association, or fails or refuses to pay required dues or fees for services.

(e) Property and Assets

No member of the Association shall have or claim any right or interest in the property or assets of the Association or the University, whether real, personal, tangible or intangible, other than the right to enjoy the use of the library and its services. In the event of dissolution of the Association in whole or in part, the board of direction shall dispose of its assets in accordance with Article XII of these Bylaws.

ARTICLE IV

Meetings of Members

(a) Annual Meeting

There shall be an annual meeting of the members of the Association on a date in the month of February to be selected annually by the President, and at the principal office of the Association, for the purpose of receiving the annual report of the board of direction, and to transact such other business as may come before the meeting.

(b) Notice of Annual Meeting

The secretary shall give at least thirty days written notice of the time and place of the annual meeting by mail addressed to each member of the Association entitled to vote at the meeting at the member's last known address on the books of the Association.

(c) Special Meetings

At the request of the board of direction, or at the written request of twenty-five members, stating the reason therefor, the president shall call a special meeting of the members of the Association, on not less than five days notice of the time, place and purpose of the meeting, mailed to each member entitled to vote at the meeting. No business not mentioned in the notice shall be transacted at such meeting.

(d) Quorum of Members

Presence in person or by proxy of members representing a majority of the voting rights of the Association shall constitute a quorum at any meeting of the members.

(e) Conduct of Elections

(1) Who Entitled to Vote. Each member shall, at every meeting of the members, be entitled to vote in person or by proxy upon each subject properly submitted to vote. No member shall be entitled to vote who is in arrears for dues, or has been a member for less than three months previous to the election.

(2) Inspectors. At any meeting of the board of direction at which a matter shall be presented for a vote of the members of the Association, the board shall appoint two or more inspectors of election to superintend the election.

ARTICLE V

Board of Direction

(a) Powers

The board of direction shall manage the affairs of the Association. The powers and duties of the board shall include but not be limited to:

(1) The authority to alter or amend the Bylaws of the Association, including the fixing and altering of the number of directors.

(2) The election of officers of the Association.

(3) The establishment of membership dues and fees for services by the Association.

(4) The designation of depositories of funds of the Association.

(5) The engagement of a qualified firm of certified public accountants to perform auditing services for the Association.

(6) To advise the Chancellor of the University of Missouri - St. Louis (the "Chancellor") regarding the operations of the Mercantile Library at UM-St. Louis.

(b) Number, Tenure, Qualifications

The number of directors which shall constitute the board of direction shall be as determined from time to time by the board of direction, and shall not be more than thirty (30). The term of each director shall be for three years, commencing on the Tuesday next following the appointment of the director to the board. The board shall be divided into three classes, as nearly equal as possible, which shall serve staggered terms.

No one shall serve more than two successive full terms as a director; provided, however, that notwithstanding this term limitation, the board, at a regular or a special meeting following an appointment

of directors by the members, may appoint the immediate past president to the Association who might otherwise be ineligible for appointment as a director because of this term limitation, to an additional one-year term as a director, said term to expire at the next annual meeting of members. Any director elected to such a one-year term shall be eligible for appointment thereafter to a full term on the board as if said director had not served the one-year term. Any director elected to the one-year term shall be in addition to any directors of the corporation elected to serve three-year terms, provided that the total number of directors shall not exceed thirty (30).

(c) Appointment of Directors

From and after the date of the transfer of the employees of the Association to the University and the transfer of operation and control of the Library to the University as provided in the Affiliation Agreement, dated November 7, 1996, between the Association and the University, the members of the board of direction shall be appointed by the Chancellor after consideration of the candidates recommended to the Chancellor by the Nominating Committee provided for herein.

(d) Ex Officio Directors

From and after the date of the transfer of the employees of the Association to the University and the transfer of operation and control of the Library to the University as provided in the Affiliation Agreement, dated November 7, 1996, between the Association and the University, the Director of the St. Louis Mercantile Library at the University of Missouri - St. Louis shall serve as a member of the Board of Direction of the Association, *ex officio*.

(e) Removal of Directors

When any member of the board of direction shall fail without adequate cause or excuse to attend three consecutive meetings of the board, the remaining members of the board may declare vacant the place of the absent member.

(f) Regular Meetings

The board of direction shall hold at least six regular meetings yearly on the call of the president, and on at least seven days notice. The president may, on five days notice, change the day for such regular meeting.

(g) Special Meetings

The president, or any two members of the board of direction, may call a special meeting of the board of direction at any time, on not less than five days notice stating the time, place and purpose of the meeting.

(h) Quorum; Participation by Telephone

One third of the members of the board of direction shall constitute a quorum for the transaction of business at any meeting of the board. Members of the Board of Direction may participate in and act at any meeting of the Board of Direction, whether regular or special, through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting in this manner shall constitute attendance and

presence in person at the meeting of the person or persons so participating for all purposes, including fulfilling the requirements of Sections (h) and (i) hereof.

(i) Manner of Acting

The act of a majority of the directors present at a meeting at which a quorum of directors is present shall be the act of the Board of Direction, unless the act of a different number is required by statute, the Constitution or these Bylaws.

(j) Vacancies

The board of direction may fill any vacancy occurring in the board and any directorship to be filled by reason of an increase in number of directors, subject to the approval of the Chancellor. A director appointed to fill a vacancy shall be appointed for the unexpired term of the director's predecessor in office and until the director's successor shall have been appointed and qualified.

ARTICLE VI

Officers

(a) President

The president shall preside at all meetings of the board of direction, and perform such other duties as are prescribed by law or these bylaws.

(b) Vice President

The board of direction may elect as many as three vice presidents of equal rank. The vice president with longest tenure on the board shall serve as president in the absence of the president.

(c) Secretary

The secretary shall record the minutes of meetings of the board of direction, and perform such other duties as are prescribed by law or these bylaws.

(d) Treasurer

The treasurer shall render to the president and board of direction at the regular meetings of the board, and whenever requested by them, an account of the financial condition of the Association. If required by the board, the treasurer shall deliver to the president, and keep in force, a bond in form, amount and with a surety or securities satisfactory to the board, conditions for faithful performance of the duties of the treasurer's office.

(e) Election of Officers

At the first regular meeting of the board of direction following the Annual Meeting of the Association, the board shall elect from its membership a president, as many as three vice presidents, a secretary, and a treasurer, who shall serve for one year and until their successors are elected.

(f) Additional Officers

The board of direction may from time to time by resolution appoint an assistant secretary and an assistant treasurer, who may but need not be members of the board, and provide for their duties. Any person appointed as an assistant secretary or assistant treasurer shall hold office at the pleasure of the board, and may be removed at the discretion of the board.

(g) Required Signatures

All checks, drafts and orders for payment of money shall be signed by the president and such other officers of the Association, if any, as the board of direction may designate for that purpose.

ARTICLE VII

Compensation and Expenses

Members of the board of direction and officers of the Association shall serve without compensation for their services to the Association.

ARTICLE VIII

Committees

(a) Standing Committees

(1) Executive Committee. The executive committee of the board of direction shall consist of the officers of the board, the Director of the St. Louis Mercantile Library at the University of Missouri - St. Louis and a member of the board selected by the president. The executive committee shall have the power to act for the board, between meetings of the board subject to the approval of the board at its next meeting.

(2) Nominating Committee. On or before November 1 of each year, the president, with the approval of the board of direction, shall appoint a nominating committee consisting of four members of the board of direction and shall designate its chairman. The president shall serve *ex officio* as a member of the nominating committee. The nominating committee shall deliver to the Chancellor on or before December 31 of each year a slate of candidates to succeed the directors whose terms are expiring. The Chancellor shall appoint persons to succeed the directors whose terms are expiring after consideration of the candidates recommended to the Chancellor by the Nominating Committee.

(3) Development Committee. The development committee shall consist of the president, the treasurer, the Director of the St. Louis Mercantile Library at the University of Missouri - St. Louis, and not more than five members at large appointed by the president from the membership of the board of direction. The development committee shall seek to increase the endowment and other resources of the Association.

(4) Finance Committee. The finance committee shall consist of the president, the treasurer, the Director of the St. Louis Mercantile Library at the University of Missouri - St. Louis, and not more than five members at large appointed by the president from the membership of the board of direction. The committee shall supervise the investments and financial condition of the

Association and shall annually prepare and submit to the board of direction a proposed budget for the operations of the Association for the next succeeding year.

(5) Special Committees. The president may, with approval of the board of direction, designate special committees, and appoint as members of such special committees, such persons, whether members of the Association or not, as the president deems appropriate.

(b) Term of Office: Reports: Meetings

(1) Term of Office. The terms of office of all members of standing and special committees shall expire upon the election of officers at the first regular meeting of the board of direction following the annual meeting of the Association.

(2) Reports. Standing and special committees shall report to the board of direction as instructed, but in no event less often than once a calendar year.

(3) Meetings. The chairman of a committee, or the president, may call a meeting of any standing or special committee on 24 hours notice, and a majority of the members of any standing or special committee shall constitute a quorum.

ARTICLE IX

Budget Procedure

On or before November 15 of each year, the finance committee shall prepare a proposed annual budget of the Association for the next succeeding year. The committee shall review the proposed budget, make any revisions it deems appropriate, and submit the proposed budget to the board of direction on or before the last meeting of the board for the year. At the last meeting, the board of direction shall adopt a budget for the next fiscal year. The board of direction may amend the budget from time to time thereafter, upon recommendation of the finance committee or otherwise.

ARTICLE X

Fiscal Year

The fiscal year of the Association shall begin January 1 and end on December 31.

ARTICLE XI

Indemnification of Directors and Officers

Each director or officer, or former director or officer, of the Association and his legal representatives, shall be indemnified by the Association against liabilities, expenses, counsel fees and costs reasonably incurred by him or his estate in connection with, or arising out of, any action, suit, proceeding or claim in which he is made a party by reason of his being, or having been, such director or officer; provided, that the Association shall not indemnify such director or officer with respect to any matters as to which he shall be finally adjudged in any such action, suit or proceeding to have been liable for negligence or misconduct in the performance of his duties as such director or officer. The indemnification herein provided for, however, shall apply also in respect of any amount paid in compromise of any such action, suit, proceeding or claim asserted against such director or officer.

(including expenses, counsel fees and costs reasonably incurred in connection therewith), provided the board of direction of the Association shall have first approved such proposed compromise settlement and determined that the director or officer involved was not guilty of negligence or misconduct; but in taking such action, any director involved shall not be qualified to vote thereon.

In determining whether or not a director or officer was guilty of negligence or misconduct in relation to any such matters, the board of direction may rely conclusively upon an opinion of Independent legal counsel selected by the board of direction. Unless otherwise provided by law, settlement authorized herein shall be effective without the approval of any court. The right to indemnification herein provided shall not be exclusive of any other rights to which such director or officer may be lawfully entitled.

No director or officer of the Association shall be liable to any other director or officer or other person for any action taken or refused to be taken by him as director or officer with respect to any matter within the scope of his official duties, except such action or neglect or failure to act as shall constitute negligence or misconduct in the performance of his duties as director or officer.

ARTICLE XII

Dissolution

On dissolution of the Association and the satisfaction of its obligations, any remaining funds or other assets shall be distributed to The Curators of the University of Missouri, a body politic and state educational institution organized under the Constitution and laws of the State of Missouri, for use exclusively in support of the Saint Louis Mercantile Library at the University of Missouri – St. Louis, or if such University is no longer in existence as the time of such dissolution, as determined by the Board of Direction to one or more lawfully organized and qualified charitable, educational or scientific organizations, provided that each such distribution shall be authorized under the Missouri Nonprofit Corporation Act, and under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). (All references to the Code shall include the corresponding provisions of any future Federal income tax law).

ARTICLE XIII

Amendment of Bylaws

These bylaws may be amended at any regular meeting of the board of direction with the approval of a majority of the membership of the board, provided that the proposed amendment was submitted at the preceding meeting of the board, and circulated to all members of the board in writing at least two weeks prior to the meeting at which the vote is taken.

ARTICLE XIV

John W. Barriger III Memorial Railroad Library

(a) Nature and Purpose

The John W. Barriger III Railroad Library is an integral part of the St. Louis Mercantile Library Association, created to preserve as a memorial to John W. Barriger III his private papers, and the railroad library and photographs he collected, and to continue collecting such materials in order to make available

basic information to the public for extensive research by scholars and others interested in the railroad industry in the United States.

(b) Trustees

(1) The John W. Barriger III Railroad Library shall be managed by a board of trustees, all of whom shall be elected by the board of direction of this Association. At least three trustees shall be elected from past presidents of the Association, three from the descendants of John W. Barriger III and three from the persons who are or have been active in the railroad industry.

(2) The trustees shall direct the management of the John W. Barriger III Library, and the spending of contributions, including the income therefrom, to it, and may request additional funds from the Association to maintain, operate and expand it.

(3) The trustees may elect their own officers, adopt bylaws for their own government not inconsistent with law, or with the constitution and bylaws of this association, and provide for their own procedures.

(4) The trustees shall annually render a written report of their activities with the secretary of the Association.

(c) Barriger Descendant a Director of Association

The board of direction shall annually appoint a descendant of John W. Barriger III as a member of the board of direction, to serve for a term of one year. Such descendant shall otherwise have all the rights, privileges and duties of any other member except that in determining the members from which a majority or any fraction of the board is computed, such descendant shall not be added to the number of elected directors and such descendant shall not be counted in the determination of whether a quorum is present at a meeting of the board of direction.

ARTICLE XV

National Inland Waterways Collection

(1) There shall be an advisory board of governors for the National Inland Waterways Collection of the Association. At least two members of the board of governors shall be members of the board of direction of the Association, at least two shall be persons with long-standing knowledge of inland river history and at least two shall be currently associated with the waterways industry.

(2) Upon approval by the board of direction of the Association, members of the board of governors shall serve for three years and until their successors are elected by the board of direction. The president of the Association shall name the chairman of the board of governors. No member of the board of governors shall serve more than two successive terms.

(3) The board of governors shall advise the board of direction and the Chancellor concerning the acquisition, cataloging, preservation and accessibility of the national inland waterways collection and under the supervision of the development committee shall raise funds for the maintenance and development the national inland waterways collection.

- (4) The board of governors shall meet at least once annually and render an annual report in writing to the president of the Association at least one month prior to the annual meeting of the members of the Association.
- (5) The University and/or the Association shall provide reasonable clerical services and stationery to the board of governors.

ARTICLE XVI

Gender References

All gender references in these bylaws shall be construed as masculine or feminine as the content may require.

ARTICLE XVII

Effective Date

These Bylaws, as amended herein, shall be effective from and after the date of the transfer of the employees of the Association to the University and the transfer of operation and control of the Library to the University as provided in the Affiliation Agreement, dated November 7, 1996, between the Association and the University.

IN WITNESS WHEREOF, the undersigned Association has caused these Bylaws to be approved by the affirmative vote of at least a majority of the membership of the board of direction of the Association at a regular meeting of the board of direction duly held, said amendments having been submitted at the preceding meeting of the board and circulated to all members of the board in writing at least two weeks prior to said meeting, and to be executed by its President this 21st day of January, 1997.

ST. LOUIS MERCANTILE LIBRARY ASSOCIATION

By: *Paul A. Bryant*
President

EXHIBIT B

CONSTITUTION OF THE ASSOCIATION

By-Law Ammendments

Change #1 -

BE IT RESOLVED that Article V (a)(5) of the by-laws of the Association, which presently reads the powers and duties of the board shall include "the engagement of a qualified firm of certified public accountants to perform auditing services for the Association."

Should be changed in its entirety to read:

"The engagement of a qualified firm of certified public accountants to perform auditing services for the Association, or, in the Board's discretion, the engagement of the auditing staff of the University of Missouri to perform such auditing services."

Change #2 -

BE IT RESOLVED that Article X of the Association bylaws which presently reads "The fiscal year of the Association shall begin January 1 and end on December 31."

Shall be changed in its entirety to read:

"The fiscal year of the Association shall begin July 1 and end on June 30."

Approved by Mercantile Library Board of Direction
May 11, 1998

CONSTITUTION OF THE
ST. LOUIS MERCANTILE LIBRARY ASSOCIATION

Originally adopted, 1846, last amendments adopted
December 4, 1996.

We, the subscribers, principally engaged in mercantile pursuits in the city of St. Louis -- desirous of securing the most efficient means for facilitating mutual intercourse; extending our information upon mercantile and other subjects of general utility; promoting a spirit of useful inquiry; and qualifying ourselves to discharge properly the duties of our profession and the social offices of life--have associated for the purpose of collecting a library and cabinet, establishing a reading-room, and organizing a system of instruction, by lectures, classes, and such other means of mutual improvement as may be found advantageous, and have, for our organization and government, adopted this constitution:

CHAPTER I

NAME: This Association shall be known by the name of the St. Louis Mercantile Library Association.

CHAPTER II

PURPOSES: The purposes for which the Association is formed are exclusively scientific, educational and charitable

within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). (All references to the Code shall include the corresponding provisions of any future Federal income tax law). Such purposes shall include, but not be limited to, supporting, contributing to, and advising the University of Missouri -- St. Louis in the operation of the Saint Louis Mercantile Library at the University of Missouri -- St. Louis (the "Library").

The Board of Direction (1) shall cause the Association's income for each taxable year to be distributed at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code, (2) shall not permit the Association to engage in any act of self-dealing as defined in Section 4941(d) of the Code, (3) shall not permit the Association to retain any excess business holdings defined in Section 4943(c) of the Code, (4) shall not permit the Association to make any investments in such manner as to subject it to tax under Section 4944 of the Code, and (5) shall not permit the Association to make any taxable expenditures as defined in Section 4945(d) of the Code.

No part of the net earnings of the Association shall inure to the benefit of or be distributable to any of its directors, officers, members or other private individuals; provided, however, the Association shall be authorized and empowered to pay reasonable compensation for services rendered. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to

influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. The Association shall not carry on any other activities not permitted to be carried on:

1. By a corporation exempt from Federal Income Tax under Code section 501(c)(3); and

2. By a corporation, contributions to which are deductible under Code section 170(c)(2).

CHAPTER III

MEMBERS:

Art. 1. This Association shall be composed of persons engaged in mercantile pursuits and of such other persons, firms or corporations, with such classifications and/or such terms and conditions as may be approved by the Board of Direction and The Curators of the University of Missouri, acting through the University of Missouri -- St. Louis (the "University") under the provisions of this constitution.

Art. 2. Any person, firm or corporation may, upon approval by the Board of Direction, become a member of this Association by subscribing to the constitution and paying the dues provided in the By-laws. Membership in the Association shall be open to all without regard to race, creed, color or sex.

Art. 3. Life members: Life memberships shall be limited to those issued before December 31, 1986. Life members

shall be exempt from the payment of dues, but shall be liable for payment of fees for services.

Art. 4. Perpetual members: Perpetual memberships shall be limited to those issued before the second Tuesday of January, 1925. Perpetual members shall be exempt from the payment of dues, but shall be liable for payment of fees for services.

Art. 5. Members shall be subject to the rules and regulations adopted for the management of the library and reading room, and for the protection of the property of the Association; and if any member shall violate the afore-mentioned rules and regulations, or shall for three months neglect or refuse to pay his or her dues, the Board of Direction shall have power, by a two-thirds vote, to expel such member.

CHAPTER IV

BOARD OF DIRECTION: Except as provided by Chapter VII of this Constitution, the affairs of this Association shall be managed by a Board of Direction. The Board of Direction shall otherwise have full power to enact By-laws, whereby the Board shall appropriate funds, manage the property, conduct the activities, and regulate the internal affairs of the Association. Upon and after the adoption of this amended constitution the numbers and classes of members of the Board of Direction and the method and manner of electing or appointment members of the Board of Direction shall be as provided in the By-laws of the Association, as the same shall be amended from time to time.

CHAPTER V

LIBRARY AND READING ROOM: The Board of Direction shall adopt rules and regulations for the protection and preservation of the property of the Association. The Association shall assist and advise the University in the management of the Library and reading room.

CHAPTER VI

LECTURES AND CLASSES: When the funds of the Association shall warrant such expenditure, and when suitable accommodations can be provided therefor, the Board of Direction may, in coordination with the University, make provision for an organized system of instruction, by means of lectures, classes, and such other means of mutual improvement as may be deemed advantageous.

CHAPTER VII

REAL ESTATE: Any real estate belonging to the Association shall be managed and controlled, except as hereinafter mentioned, by a board of five trustees, members of the Association, who shall be elected at any annual meeting, or any meeting specially called for that purpose. Those only are eligible to be elected to said Board of Trustees who have been, and who have ceased to be, president or vice president of the Association, and at the time of their election are residents of the City or County of St. Louis; and said trustees shall not then, nor during their term of office, be members of the Board of

Direction of the Association. No conveyance in fee, mortgage, or deed of trust in the nature of a mortgage, nor lease for a longer period than ten years, shall be made of any real estate belonging to the Association, unless the same shall be ordered to be made by the Board of Direction, three-fourths of the whole number of the members composing said Board voting therefor, nor unless the same shall also be concurred in by at least four of said Board of Trustees, when it shall be the duty of the members composing said Board of Trustees to execute such conveyance, lease, mortgage or deed of trust and affix the seal of said Association thereto: provided, however, that the said Board of Direction, as to all leases of any real estate for a period of less than ten years, shall use and enjoy the same powers that they possessed before the passage of the act to amend an act, entitled "An Act to Incorporate the St. Louis Mercantile Library Association", enacted by the General Assembly of the State of Missouri, and approved on March 28, 1874. The said trustees shall severally hold their offices while they reside in the City or County of St. Louis; and any vacancy caused by death, resignation, removal from the City or County of St. Louis, incapacity to serve as such trustee, shall be filled by the remaining trustees.

CHAPTER VIII

DISSOLUTION: On dissolution of the Association and the satisfaction of its obligations, any remaining funds or other assets shall be distributed to The Curators of the University of Missouri, a body politic and state educational institution

organized under the Constitution and laws of the State of Missouri, for use exclusively in support of the Saint Louis Mercantile Library at the University of Missouri -- St. Louis, or if such University is no longer in existence as the time of such dissolution, as determined by the Board of Direction to one or more lawfully organized and qualified charitable, educational or scientific organizations, provided that each such distribution shall be authorized under the Missouri Nonprofit Corporation Act, and under the provisions of Section 501(c) (3) of the Code.

CHAPTER IX

AMENDMENTS: Amendments to this Constitution shall be made in the following manner. The Board of Direction shall adopt a resolution setting forth the proposed amendments and directing that it be submitted at a meeting of members entitled to vote thereon, which may be either an annual or a special meeting. Written or printed notice setting forth the proposed amendments or a summary of the changes to be affected thereby shall be given to each member entitled to vote at such meeting not less than five nor more than forty days before the date of the meeting, either personally or by mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Association, with postage thereon prepaid. The proposed amendment shall be adopted upon receiving at least two-thirds of the votes entitled to be cast by members present at the meeting.

CHAPTER X

EFFECTIVE DATE: This Constitution, as amended herein, shall be effective upon the Closing, as defined in that certain Affiliation Agreement, dated November 7, 1996, by and between the Association and the University.

IN WITNESS WHEREOF, the undersigned Association has caused this Constitution to be approved by the affirmative vote of at least two-thirds of the votes entitled to be cast by members present at a meeting duly held and to be executed by its President this 4th day of December, 1996.

ST. LOUIS MERCANTILE LIBRARY ASSOCIATION

By: _____
President

June 29, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Internal Revenue Service
Key District Director's Office
EP/EO Division
P. O. Box 192
Covington, KY 41012-0192

Re: St. Louis Mercantile Library Association
EIN: 43-0694564

Gentlemen:

The St. Louis Mercantile Library Association (the "Association" or "Foundation") is a not-for-profit organization organized in 1846.

Pursuant to I.R.C. §507(b)(1)(B), the Foundation hereby notifies you that it intends to terminate its private foundation status by operating as a public charity. The following information is provided as required under Treas. Reg. §1.507-2(b)(3):

1. The name and address of the Foundation is:

St. Louis Mercantile Library Association
510 Locust
St. Louis, Missouri 63101

2. The Association intends to terminate its private foundation status effective July 1, 1998 by operating exclusively as a supporting foundation to the University of Missouri - St. Louis in the operation of the St. Louis Mercantile Library at the University of Missouri - St. Louis. The Association has previously transferred its operating assets to the University.
3. The 60-month period described in I.R.C. §507(b)(1)(B) shall apply to this termination of private foundation status.
4. The Foundation seeks classification under I.R.C. §509(a)(3).

5. I.R.C. §509(a)(1) is not applicable.
6. The Foundation's tax year begins July 1, 1998, as pursuant to Treas. Reg. §1.442-1(c)(2) and Revenue Ruling 77-113, the Foundation will be changing its annual accounting period to the fiscal year beginning July 1, effective July 1, 1998.
7. The 60-month period shall commence on July 1, 1998.

Also enclosed are two signed copies of consent to extend the statute under Section 6501(c)(4).

Please contact the Association at the above address or our accountants, Judy Murphy, CPA, Rubin, Brown, Gornstein & Co. LLP at (314) 727-8150 if you should require any further information regarding this matter.

Sincerely,

Marshall Hier
Director

MH:jgc

Enclosures