



Master Repurchase Agreement

DATED AS OF APRIL 18TH, 2001

BETWEEN:

STATE STREET BANK AND TRUST COMPANY OF MISSOURI, N.A. ("TRUSTEE")

AND

CDC FUNDING CORP. ("CDCFC")

1. Applicability

From time to time the parties hereto may enter into transactions in which one party ("Seller") agrees to transfer to the other ("Buyer") securities or other assets ("Securities") against the transfer of funds by Buyer, with a simultaneous agreement by Buyer to transfer to Seller such Securities at a date certain or on demand, against the transfer of funds by Seller. Each such transaction shall be referred to herein as a "Transaction" and, unless otherwise agreed in writing, shall be governed by this Agreement, including any supplemental terms or conditions contained in Annex I hereto and in any other annexes identified herein or therein as applicable hereunder.

2. Definitions

- (a) "Act of Insolvency", with respect to any party, (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, moratorium, dissolution, delinquency or similar law, or such party seeking the appointment or election of a receiver, conservator, trustee, custodian or similar official for such party or any substantial part of its property, or the convening of any meeting of creditors for purposes of commencing any such case or proceeding or seeking such an appointment or election, (ii) the commencement of any such case or proceeding against such party, or another seeking such an appointment or election, or the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, which (A) is consented to or not timely contested by such party, (B) results in the entry of an order for relief, such an appointment or election, the issuance of such a protective decree or the entry of an order having a similar effect, or (C) is not dismissed within 15 days, (iii) the making by such party of a general assignment for the benefit of creditors, or (iv) the admission in writing by such party of such party's inability to pay such party's debts as they become due;
- (b) "Additional Purchased Securities", Securities provided by Seller to Buyer pursuant to Paragraph 4(a) hereof;
- (c) "Buyer's Margin Amount", with respect to any Transaction as of any date, the amount obtained by application of the Buyer's Margin Percentage to the Repurchase Price for such Transaction as of such date;
- (d) "Buyer's Margin Percentage", with respect to any Transaction as of any date, a percentage (which may be equal to the Seller's Margin Percentage) agreed to by Buyer and Seller or, in the absence of any such agreement, the percentage obtained by dividing the Market Value

of the Purchased Securities on the Purchase Date by the Purchase Price on the Purchase Date for such Transaction;

- (e) "Confirmation", the meaning specified in Paragraph 3(b) hereof;
- (f) "Income", with respect to any Security at any time, any principal thereof and all interest, dividends or other distributions thereon;
- (g) "Margin Deficit", the meaning specified in Paragraph 4(a) hereof;
- (h) "Margin Excess", the meaning specified in Paragraph 4(b) hereof;
- (i) "Margin Notice Deadline", the time agreed to by the parties in the relevant Confirmation, Annex I hereto or otherwise as the deadline for giving notice requiring same day satisfaction of margin maintenance obligations as provided in Paragraph 4 hereof (or, in the absence of any such agreement, the deadline for such purposes established in accordance with market practice);
- (j) "Market Value", with respect to any Securities as of any date, the price for such Securities on such date obtained from a generally recognized source agreed to by the parties or the most recent closing bid quotation from such a source, plus accrued Income to the extent not included therein (other than any Income credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) as of such date (unless contrary to market practice for such Securities);
- (k) "Price Differential", with respect to any Transaction as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Purchase Price for such Transaction on a 360-day-per-year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of determination (reduced by any amount of such Price Differential previously paid by Seller to Buyer with respect to such Transaction);
- (l) "Pricing Rate", the per annum percentage rate for determination of the Price Differential;
- (m) "Prime Rate", the prime rate of U.S. commercial banks as published in The Wall Street Journal (or, if more than one such rate is published, the average of such rates);
- (n) "Purchase Date", the date on which Purchased Securities are to be transferred by Seller to Buyer;
- (o) "Purchase Price", (i) on the Purchase Date, the price at which Purchased Securities are transferred by Seller to Buyer, and (ii) thereafter, except where Buyer and Seller agree otherwise, such price increased by the amount of any cash transferred by Buyer to Seller pursuant to Paragraph 4(b) hereof and decreased by the amount of any cash transferred by Seller to Buyer pursuant to Paragraph 4(a) hereof or applied to reduce Seller's obligations under clause (ii) of Paragraph 5 hereof;
- (p) "Purchased Securities", the Securities transferred by Seller to Buyer in a Transaction hereunder, and any Securities substituted therefor in accordance with Paragraph 9 hereof. The term "Purchased Securities" with respect to any Transaction at any time also shall include Additional Purchased Securities delivered pursuant to Paragraph 4(a) hereof and shall exclude Securities returned pursuant to Paragraph 4(b) hereof;
- (q) "Repurchase Date", the date on which Seller is to repurchase the Purchased Securities from Buyer, including any date determined by application of the provisions of Paragraph 3(c) or 11 hereof;

- (r) "Repurchase Price", the price at which Purchased Securities are to be transferred from Buyer to Seller upon termination of a Transaction, which will be determined in each case (including Transactions terminable upon demand) as the sum of the Purchase Price and the Price Differential as of the date of such determination;
- (s) "Seller's Margin Amount", with respect to any Transaction as of any date, the amount obtained by application of the Seller's Margin Percentage to the Repurchase Price for such Transaction as of such date;
- (t) "Seller's Margin Percentage", with respect to any Transaction as of any date, a percentage (which may be equal to the Buyer's Margin Percentage) agreed to by Buyer and Seller or, in the absence of any such agreement, the percentage obtained by dividing the Market Value of the Purchased Securities on the Purchase Date by the Purchase Price on the Purchase Date for such Transaction.

3. Initiation; Confirmation; Termination

- (a) An agreement to enter into a Transaction may be made orally or in writing at the initiation of either Buyer or Seller. On the Purchase Date for the Transaction, the Purchased Securities shall be transferred to Buyer or its agent against the transfer of the Purchase Price to an account of Seller.
- (b) Upon agreeing to enter into a Transaction hereunder, Buyer or Seller (or both), as shall be agreed, shall promptly deliver to the other party a written confirmation of each Transaction (a "Confirmation"). The Confirmation shall describe the Purchased Securities (including CUSIP number, if any), identify Buyer and Seller and set forth (i) the Purchase Date, (ii) the Purchase Price, (iii) the Repurchase Date, unless the Transaction is to be terminable on demand, (iv) the Pricing Rate or Repurchase Price applicable to the Transaction, and (v) any additional terms or conditions of the Transaction not inconsistent with this Agreement. The Confirmation, together with this Agreement, shall constitute conclusive evidence of the terms agreed between Buyer and Seller with respect to the Transaction to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, this Agreement shall prevail.
- (c) In the case of Transactions terminable upon demand, such demand shall be made by Buyer or Seller, no later than such time as is customary in accordance with market practice, by telephone or otherwise on or prior to the business day on which such termination will be effective. On the date specified in such demand, or on the date fixed for termination in the case of Transactions having a fixed term, termination of the Transaction will be effected by transfer to Seller or its agent of the Purchased Securities and any Income in respect thereof received by Buyer (and not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) against the transfer of the Repurchase Price to an account of Buyer.

4. Margin Maintenance

- (a) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Buyer is less than the aggregate Buyer's Margin Amount for all such Transactions (a "Margin Deficit"), then Buyer may by notice to Seller require Seller in such Transactions, at Seller's option, to transfer to Buyer cash or additional Securities reasonably acceptable to Buyer ("Additional Purchased Securities"), so that the cash and aggregate Market Value of the Purchased Securities, including any such Additional Purchased Securities, will thereupon equal or exceed such

aggregate Buyer's Margin Amount (decreased by the amount of any Margin Deficit as of such date arising from any Transactions in which such Buyer is acting as Seller).

- (b) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Seller exceeds the aggregate Seller's Margin Amount for all such Transactions at such time (a "Margin Excess"), then Seller may by notice to Buyer require Buyer in such Transactions, at Buyer's option, to transfer cash or Purchased Securities to Seller, so that the aggregate Market Value of the Purchased Securities, after deduction of any such cash or any Purchased Securities so transferred, will thereupon not exceed such aggregate Seller's Margin Amount (increased by the amount of any Margin Excess as of such date arising from any Transactions in which such Seller is acting as Buyer).
- (c) If any notice is given by Buyer or Seller under subparagraph (a) or (b) of this Paragraph at or before the Margin Notice Deadline on any business day, the party receiving such notice shall transfer cash or Additional Purchased Securities as provided in such subparagraph no later than the close of business in the relevant market on such day. If any such notice is given after the Margin Notice Deadline, the party receiving such notice shall transfer such cash or Securities no later than the close of business in the relevant market on the next business day following such notice.
- (d) Any cash transferred pursuant to this Paragraph shall be attributed to such Transactions as shall be agreed upon by Buyer and Seller.
- (e) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer or Seller (or both) under subparagraphs (a) and (b) of this Paragraph may be exercised only where a Margin Deficit or a Margin Excess, as the case may be, exceeds a specified dollar amount or a specified percentage of the Repurchase Prices for such Transactions (which amount or percentage shall be agreed to by Buyer and Seller prior to entering into any such Transactions).
- (f) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer and Seller under subparagraphs (a) and (b) of this Paragraph to require the elimination of a Margin Deficit or a Margin Excess, as the case may be, may be exercised whenever such a Margin Deficit or a Margin Excess exists with respect to any single Transaction hereunder (calculated without regard to any other Transaction outstanding under this Agreement).

5. **Income Payments**

Seller shall be entitled to receive an amount equal to all Income paid or distributed on or in respect of the Securities that is not otherwise received by Seller, to the full extent it would be so entitled if the Securities had not been sold to Buyer. Buyer shall, as the parties may agree with respect to any Transaction (or, in the absence of any such agreement, as Buyer shall reasonably determine in its discretion), on the date such Income is paid or distributed either (i) transfer to or credit to the account of Seller such Income with respect to any Purchased Securities subject to such Transaction or (ii) with respect to Income paid in cash, apply the Income payment or payments to reduce the amount, if any, to be transferred to Buyer by Seller upon termination of such Transaction. Buyer shall not be obligated to take any action pursuant to the preceding sentence (A) to the extent that such action would result in the creation of a Margin Deficit, unless prior thereto or simultaneously therewith Seller transfers to Buyer cash or Additional Purchased Securities sufficient to eliminate such Margin Deficit, or (B) if an Event of Default with respect to Seller has occurred and is then continuing at the time such Income is paid or distributed.

6. Security Interest

Although the parties intend that all Transactions hereunder be sales and purchases and not loans, in the event any such Transactions are deemed to be loans, Seller shall be deemed to have pledged to Buyer as security for the performance by Seller of its obligations under each such Transaction, and shall be deemed to have granted to Buyer a security interest in, all of the Purchased Securities with respect to all Transactions hereunder and all Income thereon and other proceeds thereof.

7. Payment and Transfer

Unless otherwise mutually agreed, all transfers of funds hereunder shall be in immediately available funds. All Securities transferred by one party hereto to the other party (i) shall be in suitable form for transfer or shall be accompanied by duly executed instruments of transfer or assignment in blank and such other documentation as the party receiving possession may reasonably request, (ii) shall be transferred on the book-entry system of a Federal Reserve Bank, or (iii) shall be transferred by any other method mutually acceptable to Seller and Buyer.

8. Segregation of Purchased Securities

To the extent required by applicable law, all Purchased Securities in the possession of Seller shall be segregated from other securities in its possession and shall be identified as subject to this Agreement. Segregation may be accomplished by appropriate identification on the books and records of the holder, including a financial or securities intermediary or a clearing corporation. All of Seller's interest in the Purchased Securities shall pass to Buyer on the Purchase Date and, unless otherwise agreed by Buyer and Seller, nothing in this Agreement shall preclude Buyer from engaging in repurchase transactions with the Purchased Securities or otherwise selling, transferring, pledging or hypothecating the Purchased Securities, but no such transaction shall relieve Buyer of its obligations to transfer Purchased Securities to Seller pursuant to Paragraph 3, 4 or 11 hereof, or of Buyer's obligation to credit or pay Income to, or apply Income to the obligations of, Seller pursuant to Paragraph 5 hereof.

Required Disclosure for Transactions in Which the Seller Retains Custody of the Purchased Securities

Seller is not permitted to substitute other securities for those subject to this Agreement and therefore must keep Buyer's securities segregated at all times, unless in this Agreement Buyer grants Seller the right to substitute other securities. If Buyer grants the right to substitute, this means that Buyer's securities will likely be commingled with Seller's own securities during the trading day. Buyer is advised that, during any trading day that Buyer's securities are commingled with Seller's securities, they [will]* [may]** be subject to liens granted by Seller to [its clearing bank]* [third parties]** and may be used by Seller for deliveries on other securities transactions. Whenever the securities are commingled, Seller's ability to resegment substitute securities for Buyer will be subject to Seller's ability to satisfy [the clearing]* [any]** lien or to obtain substitute securities.

*Language to be used under 17 C.F.R. §403.4(e) if Seller is a government securities broker or dealer other than a financial institution.

**Language to be used under 17 C.F.R. §403.5(d) if Seller is a financial institution.

9. Substitution

- (a) Seller may, subject to agreement with and acceptance by Buyer, substitute other Securities for any Purchased Securities. Such substitution shall be made by transfer to Buyer of such other Securities and transfer to Seller of such Purchased Securities. After substitution, the substituted Securities shall be deemed to be Purchased Securities.

- (b) In Transactions in which Seller retains custody of Purchased Securities, the parties expressly agree that Buyer shall be deemed, for purposes of subparagraph (a) of this Paragraph, to have agreed to and accepted in this Agreement substitution by Seller of other Securities for Purchased Securities; *provided, however*, that such other Securities shall have a Market Value at least equal to the Market Value of the Purchased Securities for which they are substituted.

10. Representations

Each of Buyer and Seller represents and warrants to the other that (i) it is duly authorized to execute and deliver this Agreement, to enter into Transactions contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance, (ii) it will engage in such Transactions as principal (or, if agreed in writing, in the form of an annex hereto or otherwise, in advance of any Transaction by the other party hereto, as agent for a disclosed principal), (iii) the person signing this Agreement on its behalf is duly authorized to do so on its behalf (or on behalf of any such disclosed principal), (iv) it has obtained all authorizations of any governmental body required in connection with this Agreement and the Transactions hereunder and such authorizations are in full force and effect and (v) the execution, delivery and performance of this Agreement and the Transactions hereunder will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected. On the Purchase Date for any Transaction Buyer and Seller shall each be deemed to repeat all the foregoing representations made by it.

11. Events of Default

In the event that (i) Seller fails to transfer or Buyer fails to purchase Purchased Securities upon the applicable Purchase Date, (ii) Seller fails to repurchase or Buyer fails to transfer Purchased Securities upon the applicable Repurchase Date, (iii) Seller or Buyer fails to comply with Paragraph 4 hereof, (iv) Buyer fails, after one business day's notice, to comply with Paragraph 5 hereof, (v) an Act of Insolvency occurs with respect to Seller or Buyer, (vi) any representation made by Seller or Buyer shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, or (vii) Seller or Buyer shall admit to the other its inability to, or its intention not to, perform any of its obligations hereunder (each an "Event of Default"):

- (a) The nondefaulting party may, at its option (which option shall be deemed to have been exercised immediately upon the occurrence of an Act of Insolvency), declare an Event of Default to have occurred hereunder and, upon the exercise or deemed exercise of such option, the Repurchase Date for each Transaction hereunder shall, if it has not already occurred, be deemed immediately to occur (except that, in the event that the Purchase Date for any Transaction has not yet occurred as of the date of such exercise or deemed exercise, such Transaction shall be deemed immediately canceled). The nondefaulting party shall (except upon the occurrence of an Act of Insolvency) give notice to the defaulting party of the exercise of such option as promptly as practicable.
- (b) In all Transactions in which the defaulting party is acting as Seller, if the nondefaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this Paragraph, (i) the defaulting party's obligations in such Transactions to repurchase all Purchased Securities, at the Repurchase Price therefor on the Repurchase Date determined in accordance with subparagraph (a) of this Paragraph, shall thereupon become immediately due and payable, (ii) all Income paid after such exercise or deemed exercise shall be retained by the nondefaulting party and applied to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder, and (iii) the defaulting party shall immediately deliver to the nondefaulting party any Purchased Securities subject to such Transactions then in the defaulting party's possession or control.

- (c) In all Transactions in which the defaulting party is acting as Buyer, upon tender by the nondefaulting party of payment of the aggregate Repurchase Prices for all such Transactions, all right, title and interest in and entitlement to all Purchased Securities subject to such Transactions shall be deemed transferred to the nondefaulting party, and the defaulting party shall deliver all such Purchased Securities to the nondefaulting party.
- (d) If the nondefaulting party exercises or is deemed to have exercised the option referred to in sub-paragraph (a) of this Paragraph, the nondefaulting party, without prior notice to the defaulting party, may:
 - (i) as to Transactions in which the defaulting party is acting as Seller, (A) immediately sell, in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as the nondefaulting party may reasonably deem satisfactory, any or all Purchased Securities subject to such Transactions and apply the proceeds thereof to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Securities, to give the defaulting party credit for such Purchased Securities in an amount equal to the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source, against the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder; and
 - (ii) as to Transactions in which the defaulting party is acting as Buyer, (A) immediately purchase, in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as the nondefaulting party may reasonably deem satisfactory, securities ("Replacement Securities") of the same class and amount as any Purchased Securities that are not delivered by the defaulting party to the nondefaulting party as required hereunder or (B) in its sole discretion elect, in lieu of purchasing Replacement Securities, to be deemed to have purchased Replacement Securities at the price therefor on such date, obtained from a generally recognized source or the most recent closing offer quotation from such a source.

Unless otherwise provided in Annex I, the parties acknowledge and agree that (1) the Securities subject to any Transaction hereunder are instruments traded in a recognized market, (2) in the absence of a generally recognized source for prices or bid or offer quotations for any Security, the nondefaulting party may establish the source therefor in its sole discretion and (3) all prices, bids and offers shall be determined together with accrued Income (except to the extent contrary to market practice with respect to the relevant Securities).

- (e) As to Transactions in which the defaulting party is acting as Buyer, the defaulting party shall be liable to the nondefaulting party for any excess of the price paid (or deemed paid) by the nondefaulting party for Replacement Securities over the Repurchase Price for the Purchased Securities replaced thereby and for any amounts payable by the defaulting party under Paragraph 5 hereof or otherwise hereunder.
- (f) For purposes of this Paragraph 11, the Repurchase Price for each Transaction hereunder in respect of which the defaulting party is acting as Buyer shall not increase above the amount of such Repurchase Price for such Transaction determined as of the date of the exercise or deemed exercise by the nondefaulting party of the option referred to in subparagraph (a) of this Paragraph.
- (g) The defaulting party shall be liable to the nondefaulting party for (i) the amount of all reasonable legal or other expenses incurred by the nondefaulting party in connection with or as a result of an Event of Default, (ii) damages in an amount equal to the cost (including all fees, expenses and commissions) of entering into replacement transactions and entering

into or terminating hedge transactions in connection with or as a result of an Event of Default, and (iii) any other loss, damage, cost or expense directly arising or resulting from the occurrence of an Event of Default in respect of a Transaction.

- (h) To the extent permitted by applicable law, the defaulting party shall be liable to the nondefaulting party for interest on any amounts owing by the defaulting party hereunder, from the date the defaulting party becomes liable for such amounts hereunder until such amounts are (i) paid in full by the defaulting party or (ii) satisfied in full by the exercise of the nondefaulting party's rights hereunder. Interest on any sum payable by the defaulting party to the nondefaulting party under this Paragraph 11(h) shall be at a rate equal to the greater of the Pricing Rate for the relevant Transaction or the Prime Rate.
- (i) The nondefaulting party shall have, in addition to its rights hereunder, any rights otherwise available to it under any other agreement or applicable law.

12. Single Agreement

Buyer and Seller acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, (ii) that each of them shall be entitled to set off claims and apply property held by them in respect of any Transaction against obligations owing to them in respect of any other Transactions hereunder and (iii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transactions hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted.

13. Notices and Other Communications

Any and all notices, statements, demands or other communications hereunder may be given by a party to the other by mail, facsimile, telegraph, messenger or otherwise to the address specified in Annex II hereto, or so sent to such party at any other place specified in a notice of change of address hereafter received by the other. All notices, demands and requests hereunder may be made orally, to be confirmed promptly in writing, or by other communication as specified in the preceding sentence.

14. Entire Agreement; Severability

This Agreement shall supersede any existing agreements between the parties containing general terms and conditions for repurchase transactions. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

15. Non-assignability; Termination

- (a) The rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned by either party without the prior written consent of the other party, and any such assignment without the prior written consent of the other party shall be null and void. Subject to the foregoing, this Agreement and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. This Agreement may be terminated by either party upon giving written notice to

the other, except that this Agreement shall, notwithstanding such notice, remain applicable to any Transactions then outstanding.

- (b) Subparagraph (a) of this Paragraph 15 shall not preclude a party from assigning, charging or otherwise dealing with all or any part of its interest in any sum payable to it under Paragraph 11 hereof.

16. Governing Law

This Agreement shall be governed by the laws of the State of New York without giving effect to the conflict of law principles thereof.

17. No Waivers, Etc.

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any party to a departure herefrom shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto. Without limitation on any of the foregoing, the failure to give a notice pursuant to Paragraph 4(a) or 4(b) hereof will not constitute a waiver of any right to do so at a later date.

18. Use of Employee Plan Assets

- (a) If assets of an employee benefit plan subject to any provision of the Employee Retirement Income Security Act of 1974 ("ERISA") are intended to be used by either party hereto (the "Plan Party") in a Transaction, the Plan Party shall so notify the other party prior to the Transaction. The Plan Party shall represent in writing to the other party that the Transaction does not constitute a prohibited transaction under ERISA or is otherwise exempt therefrom, and the other party may proceed in reliance thereon but shall not be required so to proceed.
- (b) Subject to the last sentence of subparagraph (a) of this Paragraph, any such Transaction shall proceed only if Seller furnishes or has furnished to Buyer its most recent available audited statement of its financial condition and its most recent subsequent unaudited statement of its financial condition.
- (c) By entering into a Transaction pursuant to this Paragraph, Seller shall be deemed (i) to represent to Buyer that since the date of Seller's latest such financial statements, there has been no material adverse change in Seller's financial condition which Seller has not disclosed to Buyer, and (ii) to agree to provide Buyer with future audited and unaudited statements of its financial condition as they are issued, so long as it is a Seller in any outstanding Transaction involving a Plan Party.

19. Intent

- (a) The parties recognize that each Transaction is a "repurchase agreement" as that term is defined in Section 101 of Title 11 of the United States Code, as amended (except insofar as the type of Securities subject to such Transaction or the term of such Transaction would render such definition inapplicable), and a "securities contract" as that term is defined in Section 741 of Title 11 of the United States Code, as amended (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).

- (b) It is understood that either party's right to liquidate Securities delivered to it in connection with Transactions hereunder or to exercise any other remedies pursuant to Paragraph 11 hereof is a contractual right to liquidate such Transaction as described in Sections 555 and 559 of Title 11 of the United States Code, as amended.
- (c) The parties agree and acknowledge that if a party hereto is an "insured depository institution," as such term is defined in the Federal Deposit Insurance Act, as amended ("FDIA"), then each Transaction hereunder is a "qualified financial contract," as that term is defined in FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).
- (d) It is understood that this Agreement constitutes a "netting contract" as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") and each payment entitlement and payment obligation under any Transaction hereunder shall constitute a "covered contractual payment entitlement" or "covered contractual payment obligation", respectively, as defined in and subject to FDICIA (except insofar as one or both of the parties is not a "financial institution" as that term is defined in FDICIA).

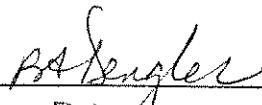
20. Disclosure Relating to Certain Federal Protections

The parties acknowledge that they have been advised that:

- (a) in the case of Transactions in which one of the parties is a broker or dealer registered with the Securities and Exchange Commission ("SEC") under Section 15 of the Securities Exchange Act of 1934 ("1934 Act"), the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 ("SIPA") do not protect the other party with respect to any Transaction hereunder;
- (b) in the case of Transactions in which one of the parties is a government securities broker or a government securities dealer registered with the SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Transaction hereunder; and
- (c) in the case of Transactions in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Transaction hereunder are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable.

IN WITNESS WHEREOF, the Buyer and Seller have caused this Master Repurchase Agreement to be duly executed and delivered as of April 18th, 2001.

**STATE STREET BANK AND TRUST
COMPANY OF MISSOURI, N.A., AS TRUSTEE
UNDER THE BOND INDENTURE AND AS
MASTER TRUSTEE UNDER THE MASTER
TRUST AGREEMENT, AS BUYER**



Name: Rebecca Dengler
Title: Assistant Vice President

CDC FUNDING CORP.

Name:

Title:

Name:

Title:

IN WITNESS WHEREOF, the Buyer and Seller have caused this Master Repurchase Agreement to be duly executed and delivered as of April 18th, 2001.

**STATE STREET BANK AND TRUST
COMPANY OF MISSOURI, N.A., AS TRUSTEE
UNDER THE BOND INDENTURE AND AS
MASTER TRUSTEE UNDER THE MASTER
TRUST AGREEMENT, AS BUYER**

Name:

Title:

CDC FUNDING CORP.

Michael Frasio

Name: Michael Frasio

Title: Senior Vice President

Richard A. Baker

Name:

Title:

ANNEX I

This ANNEX I (including any Annexes or Exhibits) forms a part of the Master Repurchase Agreement dated as of April 18, 2001 by and among CDC FUNDING CORP., a New York corporation ("Seller"), and STATE STREET BANK AND TRUST COMPANY OF MISSOURI, N.A., as Trustee under the Bond Indenture dated as of April 1, 2001 (the "Bond Indenture") between Buyer, as Trustee, and the State Environmental Improvement and Energy Resources Authority (the "Issuer") and as Master Trustee under the Amended and Restated Master Trust Agreement dated as of October 1, 1998 (the "Master Trust Agreement"), amending and restating the Master Trust Agreement dated as of June 1, 1992, between the Issuer and Buyer, as Master Trustee, relating to the \$13,930,000 Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2001A (the "Bonds") issued by the Issuer thereunder.

WITNESSETH:

WHEREAS, the Bonds are issued by the Issuer pursuant to the Authorizing Document;

WHEREAS, the Authorizing Document establishes various trust funds and accounts for the receipt and disbursement of monies, all as more fully set forth in the Authorizing Document;

WHEREAS, pursuant to the Authorizing Document, the Issuer has directed the Buyer to invest certain monies held by the Buyer under the Authorizing Document with the Seller pursuant to the terms and provisions of this Agreement;

WHEREAS, the Seller is willing, on the terms and conditions set forth in this Agreement, to accept the investment of such monies by the Buyer; and

WHEREAS, the parties hereto intend this Agreement to constitute a contract.

1. OTHER APPLICABLE ANNEXES AND EXHIBITS. In addition to this ANNEX I, the following Annexes and any Exhibits thereto shall form a part of the Agreement and shall be applicable thereunder:

ANNEX II (COMMUNICATIONS AND NOTICES)

EXHIBIT A (TERMS AND CONDITIONS)

EXHIBIT B (FORM OF REQUEST FOR REPURCHASE)

EXHIBIT C (PERMITTED SECURITIES)

EXHIBIT D (ADDITIONAL PURCHASES AND REPURCHASES
FOR THE DEBT SERVICE RESERVE FUND)

2. DEFINITIONS

"*Affiliate*" means, with respect to a person or entity, any other person or entity that controls, is controlled by or under common control with such person or entity.

"*Agreement*" means, collectively, the Master Repurchase Agreement dated as of the Initial Purchase Date between Buyer and Seller, together with all Annexes and Exhibits thereto.

"Authorizing Document" means, collectively, the Bond Indenture and the Master Trust Agreement.

"Business Day" means any day (other than a Saturday, a Sunday or any other day on which banking institutions in New York, New York, Boston, Massachusetts or St. Louis, Missouri are authorized or required to be closed for business).

"Buyer" means State Street Bank and Trust Company of Missouri, N.A., in its capacity as Trustee under the Bond Indenture and as Master Trustee under the Master Trust Agreement.

"Custodian" means Bankers Trust Company, pursuant to the Custody Agreement.

"Custody Agreement" means the Tri-Party Custody Agreement dated as of the date hereof by and among Buyer, Seller and the Custodian.

"Final Repurchase Date" means, for a particular Fund, the Maturity Date with respect thereto as set forth on EXHIBIT A or, in each case, if earlier, the date on which (i) the Bonds are redeemed, repaid or called in whole or are refinanced in whole through an advance or current refunding, or (ii) all of the Purchased Securities with respect to such Fund have been repurchased by Seller and, with respect to the Reserve Fund, Additional Purchased Securities have not been purchased in the amount of such repurchased Purchased Securities within 24 months after the repurchase date of such repurchased Purchased Securities.

"Fitch" means Fitch IBCA.

"Guarantee" means the Guarantee dated as of January 15, 1997 by the Guarantor which, among other things, guarantees the payment obligations of Seller hereunder.

"Guarantor" means Caisse des dépôts et consignations, a special national legislative public instrumentality (établissement public à statut légal spécial) governed by French administrative law.

"Initial Purchase Date" means April 18, 2001.

"Minimum Rating" for a financial institution means a claims paying ability or long-term senior unsecured debt rating of at least AA by Fitch and Aa2 by Moody's, respectively.

"Moody's" means Moody's Investors Service, Inc. or any successor thereto.

"Rated Party" means the Guarantor at any time the Guarantee is in effect, the Replacement Guarantor at any time the Replacement Guarantee is in effect, or Seller at any time its long-term senior unsecured debt obligations are rated at least AA by Fitch and at least Aa2 by Moody's and Seller has provided evidence of such ratings to Buyer and the Issuer that is reasonably satisfactory to such parties.

"Ratings Event" means, for a Rated Party, the suspension, withdrawal or reduction in the rating assigned to such Rated Party's claims paying ability or long-term senior unsecured debt obligations below AA by Fitch or below Aa2 by Moody's.

"Replacement Guarantee" means a financial guaranty insurance policy, surety bond, letter of credit or guarantee which replaces the Guarantee then in effect, issued by an Affiliate of the Guarantor or by an entity approved by Buyer, in favor of Buyer, guaranteeing the payment of amounts payable by Seller hereunder, the terms of which, in substance, are no less favorable to Buyer than the terms of the Guarantee.

Capitalized terms used but not otherwise defined in this Annex I shall have the respective meanings given such terms in the form of PSA Master Repurchase Agreement (September 1996 Version) of which

this Annex forms a part. In addition, the following terms shall have the meanings or expanded meaning given such terms in EXHIBIT A, EXHIBIT B and EXHIBIT C:

“Additional Purchases”
“Buyer’s Margin Percentage”
“Initial Purchase Price”
“Final Repurchase Date”
“Fund”
“Permitted Repurchase Purposes”
“Permitted Securities”
“Price Differential Payment Date”
“Pricing Rate”
“Repurchase Limitations”
“Securities”
“Seller’s Margin Percentage”

3. PURCHASES AND REPURCHASES

3.1. Initial Purchase. On the Initial Purchase Date, Seller shall sell and transfer to Custodian Purchased Securities against payment by Buyer to Seller of the aggregate Initial Purchase Prices for all Funds identified on EXHIBIT A. The Market Value of such Purchased Securities shall be not less than the product of (x) the aggregate Initial Purchase Prices for such Funds multiplied by (y) Buyer’s Margin Percentage for such Purchased Securities. Seller shall allocate the aggregate amount received from Buyer among such Funds in proportion to their respective Initial Purchase Prices.

3.2. Additional Purchases. Buyer shall make Additional Purchases to the extent set forth on EXHIBIT A. On the Purchase Date for any such Additional Purchase, Seller shall sell and transfer to Custodian, against payment by Buyer to Seller of the Purchase Price therefor, Purchased Securities with a Market Value of not less than the product of such Purchase Price multiplied by Buyer’s Margin Percentage for such Purchased Securities.

3.3. Repurchases. Prior to the Final Repurchase Date and subject to the limitations set forth in Section 3.4 below and in EXHIBIT A, Seller shall repurchase all or part of the Purchased Securities allocable to the relevant Fund on the Repurchase Date and having a Repurchase Price as Buyer shall request by written notice to Seller and Custodian in the form of EXHIBIT B. On each Repurchase Date, Seller shall pay the Repurchase Price to Buyer against Seller’s receipt from Custodian of the Purchased Securities being repurchased, which shall have a Market Value of not less than the product of such Repurchase Price multiplied by Buyer’s Margin Percentage. Seller shall designate the Purchased Securities to be repurchased on each Repurchase Date.

3.4. Repurchase Limitations. For any Fund, Buyer shall have the right to make a request for repurchase hereunder only for Permitted Repurchase Purposes for that Fund as provided in the Authorizing Document and defined in EXHIBIT A, subject to the Repurchase Limitations for such Fund as set forth on EXHIBIT A.

3.5. Final Repurchase Date. On the Final Repurchase Date for a Fund, Seller shall repurchase all remaining Purchased Securities allocable to such Fund and any Income held by Custodian or Buyer by payment to Buyer of the Repurchase Price for such Purchased Securities against the transfer to Seller of all such Purchased Securities and Income.

4. PRICE DIFFERENTIAL

For each Fund identified in EXHIBIT A, Price Differential shall be paid on the Price Differential Payment Date for such Fund. Price Differential payments shall be made in the manner set forth on EXHIBIT A.

5. CUSTODIAL MATTERS

5.1. Deliveries. Purchased Securities shall be delivered by Seller to Custodian in accordance with the Custody Agreement and this Agreement.

5.2. Valuation. The Market Value of Purchased Securities shall be determined by the Custodian weekly in accordance with the Custody Agreement.

5.3. Cure Period. A Margin Deficit or Margin Excess shall be cured within one (1) Business Day after the party obligated to cure receives notice (which may be by facsimile) of such Margin Deficit or Margin Excess.

5.4. Successor Custodian. If the Custodian elects to terminate the Custody Agreement and its rights and obligations thereunder pursuant to the terms thereof, Seller shall select a substitute financial institution qualifying as a "securities intermediary" (as such term is defined in Article 8 of the Uniform Commercial Code in effect in the State of New York) to assume the obligations of the Custodian under the Custody Agreement or another custodial agreement having terms and conditions similar to the Custody Agreement. Seller shall pay all service fees of any such substitute financial institution pursuant to the Custody Agreement or any such other custodial agreement. Any substitute custodian or substitute custody agreement shall be subject to the prior written consent of Buyer, which consent shall not be unreasonably withheld. If a replacement custodian cannot be obtained prior to the effective termination of the Custodian's obligations under the Custody Agreement, Seller shall thereafter, until a replacement custodian is appointed, deliver all Purchased Securities to an agent designated by Buyer, which agent shall be a securities intermediary located in New York, New York maintaining accounts with the Federal Reserve Bank of New York ("FRBNY"). Purchased Securities comprised of physical securities shall be delivered by Seller into possession of Buyer's agent. Book entry securities shall be transferred by Seller to the account maintained by Buyer's agent at FRBNY. Seller shall pay all reasonable service fees of Buyer's agent for the period in which such securities intermediary holds Purchased Securities hereunder. Until a replacement custodian is appointed, Seller shall determine the Market Value of the Purchased Securities in accordance with the Custody Agreement and shall give prompt notice to Buyer of each determination of Market Value made.

6. SUBSTITUTION

Seller may, from time to time, substitute other Securities for Purchased Securities upon notice to Custodian of the Purchased Securities being Substituted for, the other Securities being substituted and the date of substitution. Substitution shall be permitted only to the extent that a Margin Deficit is not created as a result of such substitution. Any costs of substitution shall be borne by Seller.

7. GUARANTEE

Buyer, in entering into this Agreement, is and will be relying on the Guarantee; provided, however, that, without limiting the terms of the Guarantee, Buyer acknowledges and agrees for purposes of this Agreement and the Guarantee that the Guarantor will be released from its obligations in respect of this Agreement if the Guarantor delivers a Replacement Guarantee provided that the claims-paying ability or the long-term, senior unsecured debt obligations of the Replacement Guarantor are rated "Aaa" by Moody's and "AAA" by Fitch at the time of replacement.

8. RATINGS EVENT

8.1. Notice of Ratings Event. Seller shall notify Buyer upon the occurrence of a Ratings Event.

(i) Ratings Event Action. Upon the occurrence of a Ratings Event, Buyer shall have the right, but not the obligation, to require Seller, by written notice to Seller, to take one of the

following actions within the ten (10) Business Days following receipt by Seller of such written notice:

(ii) increase Buyer's Margin Percentage and Seller's Margin Percentage and deliver additional Purchased Securities to cure the resulting Margin Deficit, in any case to the level necessary for a collateralized transaction rated not less than the Minimum Rating; or

(iii) terminate this Agreement, with the Repurchase Date to be specified in such notice to Seller on a date no earlier than the 10th Business Day following Seller's receipt of such notice, on which Repurchase Date (subject to Seller's rights under clauses (x) and (y) below) Seller shall repurchase all remaining Purchased Securities and any Income held by Custodian or Buyer by payment to Buyer of the Repurchase Price for such Purchased Securities against the transfer to Seller of all such Purchased Securities and Income.

During such 10-Business Day period, Seller shall have the right (but not the obligation) to take either of the following actions in lieu of complying with a notice requiring Seller to take an action under clauses (i) or (ii) above:

(x) transfer this Agreement and the rights and obligations of Seller hereunder to an institution acceptable to the Buyer and Seller whose long-term senior unsecured debt obligations or claims paying ability, or whose guarantor's long-term senior unsecured debt obligations or claims paying ability, are rated not less than the Minimum Rating; or

(y) obtain a Replacement Guarantee of a Replacement Guarantor acceptable to Buyer and Seller whose long-term senior unsecured debt obligations or claims paying ability, are rated not less than the Minimum Rating.

In the event Seller fails to take any of the actions specified above within such 10-Business Day period, and so long as the Ratings Event is then continuing, Buyer shall have the right, either (A) to continue this Agreement in effect or (B) to terminate this Agreement by written notice to Seller specifying a Repurchase Date therefor, which Repurchase Date shall not be less than the third Business Day following Seller's receipt of such written notice. Upon any termination pursuant to subclause (B) above, Seller and Buyer shall seek to arrange for a substitute investment or investments permitted by the Authorizing Document which will provide an investment yield on each Fund at least equal to the Pricing Rate for such Fund. In the event any such substitute investment(s) with respect to the Funds does not provide amounts sufficient to meet such investment yield with respect to the Funds, Seller and Buyer shall, in good faith, agree on an additional amount ("Replacement Costs") to be paid by Seller to Buyer that is sufficient to provide, together with the amounts payable under any such substitute investment(s), the investment yield on the Funds equal to the Pricing Rate therefor and to reimburse the Issuer for any increased costs incurred by it in obtaining such substitute investment. On the Repurchase Date specified in any termination notice pursuant to subclause (B) above, Seller shall repurchase all remaining Purchased Securities and any Income held by Custodian or Buyer by payment to Buyer of the Repurchase Price for such Purchased Securities against the transfer to Seller of all such Purchased Securities and Income and Seller shall pay to Buyer the Replacement Costs (if any).

9. ADDITIONAL REPRESENTATIONS

9.1. Buyer's Additional Representations. Buyer represents and warrants to Seller that (i) all funds used by Buyer to pay for the Purchased Securities are derived from duly authorized funds and accounts established pursuant to the Authorizing Document; (ii) Buyer has received all required consents and direction necessary for it to enter into this Agreement and the Transactions contemplated hereby in accordance with the Authorizing Document and applicable law; and (iii) this Agreement qualifies as a permitted investment under the Authorizing Document.

9.2. Seller's Additional Representations. Seller represents and warrants to Buyer that, as of the Initial Purchase Date, the Guarantee is in full force and effect and has not been modified since its original execution and delivery on January 15, 1997.

10. ADDITIONAL COVENANTS

10.1. Covenants of Buyer. Buyer agrees that (i) it will deliver to Seller prior written notice of all proposed supplements, amendments and waivers with respect to the Authorizing Document that would affect the Transactions, and such notice shall be accompanied by copies of such proposed supplements, amendments and waivers; (ii) it will deliver to Seller written notice of any proposed redemption, refunding, refinancing or restructuring of the Bonds (in whole or in part) which would result in a repurchase hereunder, with such notice to be delivered before the date fixed for such redemption, refunding, refinancing or restructuring at the same time and date such notice is delivered to holders of the Bonds; (iii) no proposed amendment to or waiver of any provision of the Authorizing Document relating to the Transactions shall be adopted which has the effect of materially reducing Seller's expected benefits or increasing Seller's exposure or obligations pursuant to this Agreement without the prior written consent of Seller (which consent will not be unreasonably withheld, provided, that this subclause (iii) shall not prohibit Buyer from repurchasing Purchased Securities for any reason from and after January 1, 2007 subject to the conditions set forth in EXHIBIT A; and (iv) except in connection with a refunding of the Bonds prior to January 1, 2007 (so long as the primary purpose of such refunding is to obtain savings resulting from a lower interest rate on the Bonds instead of from a higher yield on the investment of funds held under the Authorizing Document) or a refunding of the Bonds on or after January 1, 2007 (subject to the conditions set forth in EXHIBIT A), no proposed amendment to or waiver of any provision of the Authorizing Document relating to the Transactions shall be adopted which has the effect of making the Transactions contemplated hereunder no longer permissible under the Authorizing Document.

10.2. Covenants of Seller. Seller will (i) provide monthly reports by the 15th day of each month to Buyer and the Issuer setting forth the Purchase Prices and Price Differential for Purchased Securities, any purchases and repurchases made by Seller during the prior month and any Price Differential paid by Seller with respect to the prior month, (ii) provide to Buyer and the Issuer no later than July 20 of each year a report for the one-year period ending on the immediately preceding June 30 a summary of all transactions during such one-year period with respect to each Fund (commencing on July 20, 2001 for the period April 18, 2001 through June 30, 2001); and (iii) provide to Buyer weekly statements identifying the Purchased Securities and the value thereof.

11. ROLE OF SELLER

In performing its obligations, neither Seller nor any of its directors, officers, partners, employees, or agents (including directors, officers, employees or agents thereof) shall be liable or responsible for:

- (a) the payment of any monies owing on or with respect to the Bonds;
- (b) the use or application by Buyer of any monies payable to Buyer hereunder; and
- (c) any acts or omissions of Buyer or the Issuer under or with respect to the Bonds or the Authorizing Document.

Without limiting the foregoing, regardless of whether Seller has reviewed the Authorizing Document or the laws of the Issuer's jurisdiction of organization or is generally familiar with provisions of a similar type, Seller shall have no duty to comply with or to ascertain whether Buyer or the Issuer are in compliance therewith.

12. MISCELLANEOUS

12.1. No Set-Off. The obligations of Seller hereunder are unconditional with no right of recoupment, counterclaim, subrogation or set-off by Seller with respect to amounts owing to Seller by any other party.

12.2. Security Interest.

(a) Buyer and Seller agree that, if for any reason any Transaction hereunder shall be deemed to be other than a sale or purchase, Seller hereby grants a first priority security interest in and pledges, assigns and transfers to Buyer any and all right, title, and interest of Seller in and to the Purchased Securities or cash delivered or to be delivered to Buyer pursuant to the terms of the Transactions, to secure the prompt performance of all obligations of Seller under this Agreement, including, without limitation, the payment to Buyer of the liabilities, indebtedness and obligations of Seller to Buyer, and all claims of Buyer against Seller arising out of or by reason of any or all Transactions hereunder.

(b) It is the intention of Seller and Buyer that, if for any reason any Transaction shall be deemed other than a sale and purchase, Buyer's rights in and to the Purchased Securities and cash shall be those of a secured party holding collateral under the provisions of the Uniform Commercial Code as in effect in the State of New York.

12.3. No Rehypothecation. The third sentence of Paragraph 8 of this Master Repurchase Agreement is hereby amended and restated in its entirety to read as follows: "Title to all Purchased Securities shall pass to Buyer on the relevant Purchase Date; provided, that Buyer shall not engage in repurchase transactions with the Purchased Securities or otherwise pledge or hypothecate the Purchased Securities."

12.4. Event of Default.

(a) Paragraph 11(g) of this Agreement is hereby amended by inserting the following at the end thereof: "As to Transactions in which the defaulting party is acting as Seller, Seller shall also be liable to Buyer for any Replacement Costs to the extent not otherwise payable by Seller to Buyer pursuant to the preceding sentence of this Paragraph 11(g)."

(b) Paragraph 11(i) of this Agreement is hereby amended and restated to read in its entirety as follows: "The non-defaulting party shall have any rights otherwise available to it under this Agreement or applicable law; provided, that for Transactions where the defaulting party is Seller, Buyer agrees it will first seek its remedies against the Purchased Securities, as set forth above."

(c) Each of the following events shall constitute an additional Event of Default under this Master Repurchase Agreement with respect to which Seller is the Defaulting Party: (i) an Act of Insolvency occurs with respect to the Guarantor; (ii) any representation or warranty of the Guarantor under the Guarantee is determined to have been false or misleading when made; (iii) except as permitted by the terms of Section 7 of this Annex I or by the terms of the Guarantee, the Guarantee expires, terminates or is repudiated by the Guarantor in respect of this Agreement, or any other event occurs and is continuing which causes the Guarantee to cease to be in full force and effect in respect of this Agreement, or any action is taken by the Guarantor which challenges the validity or enforceability of the Guarantee in respect of this Agreement.

12.5. Conflict of Terms. To the extent that the terms and conditions of this ANNEX I conflict with the terms and conditions of the form of Agreement (September 1996 Version – as published by PSA The Bond Market Trade Association) of which this ANNEX I forms a part, the terms and conditions of this ANNEX I shall prevail. Paragraph 3(b) of the Agreement is hereby amended by (i) deleting in the sixth line the comma after the word "Transaction"; (ii) deleting the words "and (v) any additional terms or conditions of the Transaction not inconsistent with this Agreement"; and (iii) deleting the last sentence of such Paragraph 3(b).

12.6. Acknowledgement as to Status.

(a) Each party signatory hereto is hereby advised and acknowledges that each other party has engaged in (or refrained from engaging in) substantial financial transactions and has taken (or refrained from taking) other material actions in reliance upon the entry by the parties into the Transactions to which this Agreement relates on the terms and conditions set forth herein.

(b) Each party signatory hereto represents to each other party that (i) it has not received and is not relying upon any legal, tax, regulatory, accounting or other advice (whether written or oral) of any other party regarding the Transactions, other than the representations expressly made by that other party in this Agreement (provided that Buyer may be relying on certain determinations and instructions made by the Issuer) and (ii) in respect of the Transactions, (A) it has the capacity to evaluate (internally or through independent professional advice) the Transactions and has made its own decision to enter into the Transactions and (B) it understands the terms, conditions and risks of the Transactions and is willing to assume (financially and otherwise) those risks. Each of the Issuer and Buyer acknowledges that Seller (i) has advised Buyer and the Issuer to consult their own professional advisors in connection with the Transactions and that such parties have done so; (ii) is not acting as a fiduciary or financial investment or commodity trading advisor for Buyer or the Issuer; and (iii) has not given to Buyer or the Issuer (directly or indirectly through any person) any assurance or guaranty of the merits of the Transactions.

12.7. Counterparts. This Agreement may be executed in one or more original or facsimile counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

12.8. Successors and Assigns. This Agreement and all obligations and rights arising hereunder shall inure to the benefit of and be binding upon the parties hereto and their respective successors, assigns and beneficiaries. Notwithstanding the foregoing, neither this Agreement, the obligations and rights arising under this Agreement, nor any part hereof, may be sold, pledged or assigned or otherwise transferred by Seller or the Buyer without the prior written consent of the other parties hereto and any such attempted sale, pledge, assignment or transfer shall be void ab initio; provided, however, that Seller may transfer this Agreement or any of its rights, interests or obligations hereunder (i) to any Affiliate of Seller if from and after such transfer, the obligations of the transferee hereunder shall be guaranteed by the Guarantor under the same terms or terms at least as favorable to Buyer as the terms of the Guarantee or shall be rated not less than AAA by Fitch or Aaa by Moody's or (ii) as provided in Section 8.2 hereof; and any successor or assign of Buyer as Trustee under the Bond Indenture and Master Trustee under the Master Trust Agreement, upon written notice by Buyer to Seller, will succeed to all right, title and interest of the Buyer in this Agreement.

IN WITNESS WHEREOF, the Buyer and Seller have caused this ANNEX I to be duly executed and delivered as of the Initial Purchase Date.

STATE STREET BANK AND TRUST COMPANY OF
MISSOURI, N.A., AS TRUSTEE UNDER THE BOND
INDENTURE AND AS MASTER TRUSTEE UNDER
THE MASTER TRUST AGREEMENT, AS BUYER

By: *B. Sengler*
Title: ASSISTANT VICE PRESIDENT

CDC FUNDING CORP., AS SELLER

By: _____
Title:
Date:

By: _____
Title:
Date:

IN WITNESS WHEREOF, the Buyer and Seller have caused this ANNEX I to be duly executed and delivered as of the Initial Purchase Date.

STATE STREET BANK AND TRUST COMPANY OF
MISSOURI, N.A., AS TRUSTEE UNDER THE BOND
INDENTURE AND AS MASTER TRUSTEE UNDER
THE MASTER TRUST AGREEMENT, AS BUYER

By: _____
Title:

CDC FUNDING CORP., AS SELLER

By: Michael L.
Title: SVP
Date: 4-1-01

By: Michael L. Baker
Title: VP
Date:

EXHIBIT A
TERMS AND CONDITIONS

1. Listed below are further economic and supplemental terms and conditions of the Investment under the Agreement.

2. **Construction Fund** The Construction Fund will be subdivided into nine (9) accounts. See "Initial Purchase Price" below for the identity of all accounts.

a. *Initial Purchase Price:* The aggregate initial Purchase Price for the Construction Fund will be \$12,382,939.65, which amount will be allocated among the nine (9) accounts as follows:

Advance Construction Account:	\$668,143.80
Conway Construction Account:	\$323,214.91
Lawson Construction Account:	\$526,520.15
La Plata Construction Account:	\$998,105.89
Osage Beach Construction Account:	\$4,858,005.02
Ray County Construction Account:	\$42,646.25
Vernon County Construction Account:	\$964,111.37
Ozark Construction Account:	\$940,858.08
Richmond Construction Account:	\$3,061,334.18

b. *Maturity Date:* October 1, 2004.

c. *Pricing Rate:* 4.72% per annum, calculated on a 30/360 day basis.

d. *Price Differential Payment Date:* One Business Day prior to each January 1 and July 1, commencing one Business Day prior to January 1, 2002 and on the Final Repurchase Date. Price Differential payments shall be made by the purchase by Buyer of Additional Purchased Securities with respect to the Repayment and Debt Service Fund hereunder on each Price Differential Payment Date in the amount of such Price Differential payment then due.

e. *Additional Purchases:* None.

f. *Permitted Repurchase Purposes:* Buyer shall have the right to designate Repurchase Dates and Repurchase Prices, subject to Repurchase Limitations, for such purposes permitted for the Construction Fund as expressly provided in the Authorizing Document. The Permitted Repurchase Purpose shall be specified on a repurchase request delivered to Seller, in the form of EXHIBIT B.

g. *Repurchase Limitations:* With respect to any repurchases hereunder, (i) the Repurchase Date set forth in Buyer's written repurchase request shall be not earlier than two (2) Business

Days after Seller's receipt from Buyer of such written request (it being agreed that any such written request shall only be deemed effective on a Business Day if received at or before 1:00 p.m. New York City time on such Business Day); (ii) any Repurchase Date designated by Buyer shall be not earlier than one (1) Business Day prior to the date on which the Repurchase Price to be received by Buyer is expected to be applied pursuant to the Authorizing Document; (iii) the Repurchase Price requested by Buyer shall not exceed the amount expected to be so applied by Buyer; and (iv) Buyer shall not request more than two repurchases during any calendar month. In no event shall Buyer request a repurchase for the direct or indirect purpose of reinvestment.

3. Repayment Fund and Debt Service Fund (other than the Restricted Accounts) (collectively, the "Repayment and Debt Service Fund")

a. Initial Purchase Price: \$29,444.65.

b. Maturity Date: January 1, 2022.

c. Pricing Rate: 4.6147% per annum, calculated on a 30/360 day basis.

d. Price Differential Payment Date: One Business Day prior to each January 1 and July 1, commencing one Business Day prior to January 1, 2002, and on the Final Repurchase Date. Price Differential payments shall be made by the purchase by Buyer of Additional Purchased Securities with respect to the Repayment and Debt Service Fund on each such Price Differential Payment Date in the amount of such Price Differential payment then due.

e. Additional Purchases: Additional purchases shall be made on each Price Differential Payment Date in the amount of Price Differential then due with respect to the Construction Fund, the Repayment and Debt Service Fund, and the Reserve Fund. Additional purchases shall also be made in amounts which are required to be deposited in the Repayment and Debt Service Fund with respect to the Bonds in accordance with the Authorizing Document. With respect to any such additional purchases, (i) such additional purchase shall be made only from sources derived from the Bonds in accordance with the Authorizing Document; (ii) any such additional purchase shall be made on not less than two (2) Business Days' prior written notice to Seller and Custodian, which notice shall specify the Purchase Price of the Purchased Securities to be purchased, the Purchase Date therefor, and that such purchase relates to the Repayment and Debt Service Fund hereunder; and (iii) Buyer shall make not more than one additional purchase with respect to the Repayment and Debt Service Fund during any calendar week. It is anticipated that the aggregate Purchase Price of Purchased Securities with respect to the Repayment and Debt Service Fund shall not exceed \$1,200,000 at any time.

f. Permitted Repurchase Purposes:

Subject to Repurchase Limitations, all repurchases must be for such purposes permitted for the Repayment and Debt Service Fund with respect to the Bonds as expressly provided in the Authorizing Document; provided, that repurchases may also be made in order to protect the tax-exempt status of the Bonds, so long as the amount of such repurchase is the minimum amount necessary to preserve the tax-exempt status of the Bonds. In addition, Buyer shall have the right to make repurchases of Purchased Securities with respect to the Repayment and Debt Service Fund and the Reserve Fund at any time from and after January 1,

2007 for any reason, including for the purpose of making alternative investments, so long as the aggregate Repurchase Price for any such repurchase is not less than \$500,000. The Permitted Repurchase Purpose shall be specified on a repurchase request delivered to Seller, in the form of EXHIBIT B.

g. Repurchase Limitations:

With respect to any repurchases hereunder, (i) the Repurchase Date set forth in Buyer's written repurchase request shall be not earlier than one (1) Business Day after Seller's receipt from Buyer of such written request (it being agreed that any such written request shall only be deemed effective on a Business Day if received at or before 1:00 p.m. New York City time on such Business Day), (ii) any Repurchase Date designated by Buyer shall be not earlier than one (1) Business Day prior to the date on which the Repurchase Price to be received by Buyer is expected to be applied pursuant to the Authorizing Document; (iii) the Repurchase Price requested by Buyer shall not exceed of the amount expected to be so applied by Buyer; and (iv) Buyer shall not request more than two repurchases during any calendar month. Except as expressly set forth herein, in no event shall Buyer request a repurchase for the direct or indirect purpose of reinvestment.

4. Reserve Fund and the Restricted Accounts of the Debt Service Fund held by the Trustee and the Dedicated Reserve Fund held by the Master Trustee to the extent allocable to the Bonds (collectively, the "Reserve Fund").

a. Initial Purchase Price:

\$0.

b. Maturity Date:

January 1, 2022.

c. Pricing Rate:

4.6147% per annum, calculated on a 30/360 day basis.

*d. Price Differential
Payment Date:*

One Business Day prior to each January 1 and July 1, commencing one Business Day prior to January 1, 2002, and on the Final Repurchase Date. Price Differential payments shall be made by the purchase by Buyer of Additional Purchased Securities with respect to the Repayment and Debt Service Fund on each such Price Differential Payment Date in the amount of such Price Differential payment then due.

e. Additional Purchases:

Additional purchases shall be made in amounts which are required to be deposited in the Reserve Fund with respect to the Bonds. In the event of any repurchase made to avoid or cure a default on the Bonds, Buyer may make additional purchases that in the aggregate are up to the amount of such repurchase within 24 months after the date of such repurchase. With respect to any additional purchase with respect to the Reserve Fund, any such additional purchase shall be made on not less than two (2) Business Days' prior written notice to Seller and Custodian, which notice shall specify the Purchase Price of the Purchased Securities to be purchased, the Purchase Date therefor, and that such purchase relates to the Reserve Fund hereunder.

*f. Permitted Repurchase
Purposes:*

Subject to Repurchase Limitations, all repurchases shall be made (i) for the purposes permitted under the Authorizing Document for the Reserve Fund with respect to the Bonds, (ii) to avoid or cure a default on the Bonds in accordance with the Authorizing Document, and (iii) in order to protect the tax-exempt status of the Bonds, so long as the amount of such repurchase is the minimum amount necessary to preserve the tax-exempt status of the Bonds. In addition, Buyer shall have the right to make repurchases of Purchased Securities with respect to the Repayment and Debt Service Fund and the Reserve Fund at any time from and after January 1, 2007 for any reason, including for the purpose of making alternative investments, so long as the aggregate Repurchase Price for any such repurchase is not less than \$5,000,000. The Permitted Repurchase Purpose shall be specified on a repurchase request delivered to CDCFC, in the form of EXHIBIT B.

g. Repurchase Limitations:

With respect to any repurchases hereunder, (i) the Repurchase Date set forth in Buyer's written repurchase request shall be not earlier than one (1) Business Day after Seller's receipt from Buyer of such written request (it being agreed that any such written request shall only be deemed effective on a Business Day if received at or before 1:00 p.m. New York City time on such Business Day); (ii) any Repurchase Date designated by Buyer shall be not earlier than one (1) Business Day prior to the date on which the Repurchase Price to be received by Buyer is expected to be applied pursuant to the Authorizing Document; (iii) the Repurchase Price requested by Buyer shall not exceed of the amount expected to be so applied by Buyer; and (iv) Buyer shall not request more than two repurchases during any calendar month. Except as expressly set forth herein, in no event shall Buyer request a repurchase for the direct or indirect purpose of reinvestment

EXHIBIT B

FORM OF REQUEST FOR REPURCHASE/ADDITIONAL PURCHASE

(FOR FLEX DATES THAT ARE NOT
ALREADY SCHEDULED IN THE REPURCHASE AGREEMENT)

[Letterhead of Trustee]

[Date]

CDC FUNDING CORP.
9 West 57th Street
New York, New York 10019
Attention: Helen Tellas
Fax: (212) 891-6290
Phone: (212) 891-6161

Re: Master Repurchase Agreement, dated as of April 18, 2001 by and between STATE STREET BANK
AND TRUST COMPANY OF MISSOURI, N.A., as Trustee and as Master Trustee, and CDC
FUNDING CORP.

The undersigned hereby requests a repurchase/additional purchase pursuant to the above-referenced Master
Repurchase Agreement as set forth below:

MISSOURI WATER 2001A
--G-00688-001 (Advance Const Fund)
--G-00688-002 (Conway Const Fund)
--G-00688-003 (Lawson Const Fund)
--G-00688-004 (La Plata Const Fund)
--G-00688-005 (Osage Beach Const Fund)
--G-00688-006 (Ray Cty Const. Fund)
--G-00688-007 (Vernon Cty Const Fund)
--G-00688-008 (Ozark Const Fund)
--G-00688-009 (Richmond Const Fund)
--G-00688-010 (Repyt & Debt Serv Fund)
--G-00688-011 (Reserve Fund)

FUND FOR WHICH REPURCHASE/ADDITIONAL PURCHASE REQUESTED:

REQUEST DATE:

NOTICE DAYS:

AMOUNT:

PURPOSE OF REPURCHASE REQUEST:

Payment instructions, including bank, ABA#, account number, account name and reference:

Telephone Number of Trustee: _____

The above request has been reviewed against the terms contained in the above-referenced Master Repurchase Agreement, including the applicable notice period for repurchases/additional purchase and is in accordance with the terms and conditions thereof.

Name: _____

Title: _____

Please confirm receipt of this [fax] by CDC FUNDING CORP. at telephone number (212) 891-6161.

EXHIBIT C

PERMITTED SECURITIES

<u>Securities</u>		Buyer's and Seller's <u>Margin</u> <u>Percentages</u>
(a)	Any bond or other obligations which as to principal and interest constitute direct general obligations of the United States of America, and obligations of, or fully guaranteed by, the Government National Mortgage Association.	105%
(b)	Any bond, debenture, note, mortgage participation certificate, mortgage pass through certificate in physical or book-entry form, or other evidence of indebtedness issued by or the timely payment of which is guaranteed by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.	105%
(c)	Commercial Paper rated in the highest category by Moody's with maturities of 180 days or less, so long as the issuer thereof has assets of at least \$500,000,000 and not more than 5% of the Repurchase Price at any time is met with commercial paper from any one issuer.	105%
(d)	Cash	100%

ANNEX II

COMMUNICATIONS AND NOTICES

If to CDCFC send to:

CDC Funding Corp.
9 West 57th Street, 36th Floor
New York, New York 10019

Attention: Michael P. Frasco
Telephone No.: (212) 891-6202
Facsimile No.: (212) 891-3319

If to the Issuer send to:

State Environmental Improvement and Energy
Resources Authority
325 Jefferson Street
Jefferson City, Missouri 65101

Attention: Karen Massey
Telephone No.: (573) 751-7199
Facsimile No.: (573) 635-3486

If to the Trustee send to:

State Street Bank and Trust Company of Missouri, N.A.
211 N. Broadway, Suite 3900
St. Louis, Missouri 63102

Attention: Becky Dengler
Telephone No.: (314) 206-3017
Facsimile No.: (314) 206-3055

TRI-PARTY CUSTODY AGREEMENT

BY AND AMONG

STATE STREET BANK AND TRUST COMPANY OF MISSOURI, N.A.,
as Trustee and Master Trustee

AND

CDC FUNDING CORP.,
(Seller)

AND

BANKERS TRUST COMPANY
(Custodian)

THIS TRI-PARTY CUSTODY AGREEMENT (the "Agreement") is made and entered in to as of the date written below by and among Buyer, Seller and Custodian.

R E C I T A L S:

WHEREAS, Buyer and Seller have entered into an agreement to engage from time to time in transactions pursuant to one or more Repurchase Agreements (as hereinafter defined); and

WHEREAS, Buyer and Seller have agreed to enter into this Agreement to facilitate the Transactions; and

WHEREAS, Custodian is authorized to hold and file securities and properties and to utilize agents, correspondent banks or affiliates where appropriate for the retention, safekeeping and processing of securities and properties, and to use other means available to it for retention, safekeeping and processing of securities and properties; and

WHEREAS, Custodian has agreed to act as custodian of certain monies and securities on behalf of Buyer and on behalf of Seller as described herein.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and intending to be legally bound hereby, it is agreed as follows:

1. DEFINITIONS

"Authorized Persons". A person described as provided in Paragraph 18(a).

"Book-Entry Securities". Securities that are Book-Entry Treasury Securities (as defined in 31 C.F.R. Part 357.2, and any other securities transferable in the form of entries on the records of FRBNY.

"BTC". Bankers Trust Company, a New York banking corporation, with offices at 14 Wall Street, New York, New York 10005.

"Business Day". Any day on which Custodian and Seller are open for business and, in the event on any day Securities consist of either Book-Entry Securities or Clearing Corporation Securities, any day on which the FRBNY and any relevant clearing corporation, as appropriate, are open for business.

"Buyer's Account". The account or accounts described in Paragraph 4(a).

"Clearing Corporation Securities". Securities that are credited to the account of a participant, on the records of a clearing corporation within the meaning of Section 8-102(5) of the UCC.

"FRBNY". The Federal Reserve Bank of New York.

"Margin Percentage". With respect to each type of Security, the percentage set forth on Schedule A opposite each such Security in the column headed "Margin Percentage." Unless otherwise specified on Schedule A, the Margin Percentage for cash shall be 100%.

"Margin Value". The meaning specified in Paragraph 6(c).

"Market Value". The meaning specified in Paragraph 6(b).

"Notice of Default". A written notice delivered by Buyer to Custodian and Seller, or by Seller to Custodian and Buyer, which written notice identifies the defaulting party, the Transaction, and the Event of Default.

"Physical Security" or "Physical Securities". Securities issued in definitive form that are not Book-Entry Securities or Clearing Corporation Securities and, for the purposes of this Agreement, certified checks, bank checks and cash.

"Repurchase Price". The Repurchase Price for a Transaction shall be an amount equal to the sum of (x) the then outstanding Purchase Price for the Purchased Securities for such Transaction plus (y) the accrued but unpaid Price Differential with respect to such Purchased Securities.

"Security" or "Securities". Securities, financial instruments, or other property of the type set forth on one or more Schedules of Securities attached hereto and collectively constituting Schedule A. All Securities shall be issued in the United States by issuers located in the United States and shall be "securities" as such term is defined in Article 8 of the UCC. Securities shall always include cash.

"Seller's Account". The accounts maintained by Custodian for Securities or cash held for the benefit of Seller or by Custodian's agent for the benefit of Seller, including Securities or cash held by Custodian in Seller's clearing account pursuant and subject to a separate clearance agreement between BTCo. and Seller.

"Seller's Instructions". The instructions described in Paragraph 5(a) as "Seller's Instructions."

"UCC". The Uniform Commercial Code as in effect from time to time in the State of New York. Unless otherwise stated, all references herein to statutory sections or articles are to sections and articles of UCC.

Any term not defined in this Agreement shall have the meaning set forth in the Master Repurchase Agreement (including the Annex thereto), dated as of the date hereof, between the Buyer and Seller (collectively, the "Repurchase Agreement").

2. SERVICES OF CUSTODIAN

(a) Appointment of Custodian. Buyer hereby appoints Custodian as custodian to safekeep all Purchased Securities and cash at any time transferred or delivered to and held by Custodian for or on behalf of Buyer under this Agreement and as agent for the purposes set forth in this Agreement. Seller hereby appoints Custodian as custodian to safekeep all Securities and cash transferred or delivered to or held by Custodian for or on behalf of Seller under this Agreement and as agent for the purposes set forth in this Agreement.

(b) Acceptance of Custodian. Custodian accepts the appointment and, subject to the terms and conditions of this Agreement, agrees to receive Purchased Securities and cash in the manner specified herein, for or on behalf of Buyer, to be held hereunder, and to hold, release or otherwise dispose of such Purchased Securities or cash as hereinafter provided. Custodian further agrees to receive cash and Securities for or on behalf of Seller for transfer to Seller's Account to be delivered hereunder, and to hold, release, or otherwise dispose of such cash and Securities as hereinafter provided.

(c) Scope of Custodian's Duties. Custodian's duties hereunder shall continue until altered in writing by the parties hereto or until the termination of this Agreement. Custodian undertakes to perform only those duties as are expressly set forth in the Agreement and no covenant or obligation shall be implied in this Agreement against Custodian. If a Transaction shall not be completed for any reason whatsoever, Custodian's duties to Buyer and Seller shall be limited to holding cash or Purchased Securities in Buyer's Account or transferring or delivering cash or Purchased Securities as hereinafter provided. Any reference herein to Custodian's holding of Securities in an account shall include the crediting of the same to such account by Custodian.

(d) Authorization: Agents, Subcustodians and Securities Custody. Buyer and Seller authorize Custodian to utilize agents, subcustodians, depositories, correspondent banks, and affiliates to process Transactions and to hold cash or Securities, and to use any other means legally available to it for the retention, processing, or maintenance of cash or Securities. References to "Custodian" hereunder shall be deemed to include any and all agents of Custodian to the extent that such entities perform Custodian's duties under this Agreement. Custodian will

be liable for any acts or omissions of any agent, subcustodians, depositories, correspondent banks, and affiliates utilized by Custodian to the extent that Custodian would have been if it had performed the duties itself; provided, however, that this provision shall not apply to any act or omission of FRBNY or any entity that is a participant in the National Clearing and Settlement System and registered as a clearing agency pursuant to Sections 17A and 19(a)(1) of the Securities Exchange Act of 1934, as amended. Buyer further authorizes Custodian to file Purchased Securities in bulk, to hold Purchased Securities in bearer form, or to hold Purchased Securities registered in street name, in the name of Seller or in the name of Seller's nominee, in each case, in negotiable form, or in the name of Custodian's nominee or the nominee of its agents or affiliates. Notwithstanding anything else hereof, Custodian will not reregister any Physical Security in Buyer's name or in the name of Buyer's nominee, except as provided in Paragraph 17.

3. REPRESENTATIONS AND WARRANTIES

Buyer, Seller, and Custodian each represents and warrants to the others as of the date hereof, as of each Purchase Date and as of each Repurchase Date, the following:

(a) Representations of Buyer, Seller and Custodian.

(i) It is duly organized and existing under the laws of the jurisdiction of its organization with full power and authority to execute and deliver this Agreement and to perform all of the duties and obligations to be performed by it hereunder.

(ii) This Agreement and the performance of all transactions contemplated hereunder have been duly authorized, executed, and delivered in accordance with all requisite corporate or partnership action, and this Agreement constitutes a valid, legal and binding obligation enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or similar laws, or by equitable principles relating to or limiting creditors' rights generally.

(iii) The execution, delivery and performance of this Agreement and the transactions contemplated hereunder will not violate any agreement by which it is bound or by which any of its assets are affected, or its charter, or by-laws, or any statute, regulation, rule, order, or judgment applicable to it.

(b) Further Representations of Buyer and Seller.

(i) Each has the power and authority to enter into the Transactions and to deliver and transfer the Securities and cash delivered or transferred hereunder.

(ii) All Securities delivered or transferred by Seller to Custodian and all Securities delivered or transferred to Custodian by Buyer and all Purchased Securities transferred from Seller's Account to Buyer's Account or from Buyer's Account to Seller's Account will be delivered free, clear and unencumbered by any prior lien, security interest, charge, claim, or price right of any third party.

(iii) Buyer will be effecting Transactions hereunder for its customers on an agency basis and/or in a trust capacity. Attached Schedule C is a complete list of such customers of Buyer for which it is acting hereunder. Buyer represents and warrants that it is acting in accordance with the Authorizing Document and instructions from such customer(s).

(iv) Seller is executing this Agreement solely on its own behalf and will be entering into this transaction as principal.

(c) Further Representations of Custodian (which shall be deemed to be made on each day on which a Transaction is outstanding.)

(i) Custodian is a New York banking corporation with an office at 14 Wall Street, New York, New York 10005. Custodian is a "securities intermediary" as defined in Section 8-102(14) of the UCC.

(ii) Custodian will maintain Buyer's Account as a custody account and shall administer Buyer's Account in the same manner it administers similar accounts established for the same purpose. Custodian shall create and maintain the books and records created in connection with Buyer's Account in the State of New York.

(iii) Custodian is a "Participant" in the book-entry system maintained by the United States Treasury and certain other agencies and instrumentalities of the United States through the Federal Reserve Banks as fiscal agents (within the meaning of 31 C.F.R. Part 357.2) and maintains a book-entry securities account with FRBNY and each clearing corporation through which it has a security entitlement in Securities.

(d) Continuing Warranties of Custodian. Custodian shall promptly notify Seller and Buyer in the event any of Custodian's representations hereunder shall be or become untrue or misleading in any material respect.

4. MAINTENANCE OF BUYER'S ACCOUNT

(a) Buyer's Account. Custodian shall maintain such records and establish such accounts as may be required from time to time to receive, hold and account for all Purchased Securities and cash to be held for and on behalf of Buyer pursuant to this Agreement.

(b) Transfer of Purchased Securities and Cash to Buyer's Account. All Purchased Securities and cash shall be maintained by Custodian in Buyer's Account as follows:

(i) Physical Securities. Custodian by book-entry shall transfer to Buyer's Account Securities that constitute or are part of a fungible bulk of Physical Securities or individual Securities held in Custodian's vaults or which are, or previously have been, otherwise delivered to Custodian as agreed by Custodian.

(ii) Book-Entry Securities. Custodian by book-entry shall transfer to Buyer's Account Securities that constitute or are a part of Book-Entry Securities credited to Custodian's securities account at FRBNY.

(iii) Clearing Corporation Securities. Custodian by book-entry shall transfer to Buyer's Account Securities that constitute or are a part of Clearing Corporation Securities credited to Custodian's account with Government Securities Clearing Corporation, The Depository Trust Company, or other clearing corporation.

Cash. Custodian shall maintain cash for Buyer's Account in immediately available funds.

(c) Segregation of Assets. Custodian shall segregate and separately account on its books and records for all securities held for Buyer. Custodian shall maintain and safekeep Purchased Securities held for Buyer until: (i) it shall receive Buyer's instructions to deliver or transfer to Buyer Purchased Securities, which instructions shall not conflict with any other provision of this Agreement; (ii) Seller shall substitute Securities as provided in Paragraph 7(d); (iii) Custodian shall deliver Purchased Securities to Seller as provided in Paragraph 7(c) or Paragraph 6(e); or (iv) this Agreement is terminated.

(d) No Lien or Pledge by Custodian. Buyer's Account, including Purchased Securities and cash therein, shall not be subject to any security interest, lien or right of setoff by Custodian or any third party claiming through Custodian. Except as may be required by law or regulation, Custodian shall not pledge, encumber, hypothecate, transfer, dispose of, or otherwise grant any third party an interest in, any cash or Securities held by Custodian pursuant to this Agreement.

(e) Payment of Income. Until such time that Custodian shall receive a Notice of Default from Buyer pursuant to Paragraph 17, Custodian shall credit and pay to Seller any Income received by Custodian in respect of Purchased Securities held by Custodian for Buyer. Custodian shall have no duty to Buyer prior to receipt of Notice of Default from Buyer to account for Income in connection with any Purchased Security.

(f) Reregistration of Purchased Securities. To assist Seller's collection of Income in respect of registered Purchased Securities, on or prior to a record date for the payment of Income in respect of a registered Purchased Security held in Buyer's Account, Buyer hereby authorizes Custodian to place into transfer any such Purchased Security to be reregistered in Seller's name or in the name of Seller's nominee, as Seller may request, provided, however, that prior to any such transfer, Seller shall deliver to Custodian duly executed bond or stock powers and such other documents or instruments that Custodian may request to establish the negotiability of any reregistered Purchased Security. Custodian shall examine reregistered Purchased Securities upon receipt to verify their registration, description and quantity. Notwithstanding the foregoing, upon Custodian's receipt of a Notice of Default from Buyer under Paragraph 17(b) below, Buyer's authorization under this Paragraph 4(f) shall be withdrawn and Custodian shall reregister any registered Purchased Securities held in Buyer's Account in the name of Buyer.

5. RECEIPT OF INSTRUCTIONS; PAYMENT OF MONIES; DELIVERY OF SECURITIES

(a) Seller's Instructions. On any Business Day Seller and Buyer enter into a Transaction, Seller shall deliver to Custodian, prior to 2:00 p.m New York City time, instructions containing the following information:

- (i) the Purchase Date; and the Purchase Price;
- (ii) the Repurchase Date; and the Repurchase Price; and
- (iii) the Buyer.

On each Purchase Date, Seller shall deliver to Custodian instructions identifying the Securities to be sold by Seller to Buyer, including a description which sets forth the face amount of each Security and, where applicable, the CUSIP number for each such Security. In the alternative, if Seller instructs Custodian to identify Securities on behalf of Seller, Custodian shall select Securities in Seller's Account to be transferred to Buyer's Account.

(b) Repurchase Instructions. The Repurchase Date or the Repurchase Price with respect to a Transaction shall not be altered or modified subsequent to its transmission to Custodian unless Custodian shall receive joint instructions from Seller and Buyer. Without such further instructions from Seller and Buyer, on the Repurchase Date, Custodian shall determine

from its records which Purchased Securities are to be redelivered to Seller in connection with a Transaction.

(c) Buyer's Purchase Price. Prior to the close of the FRBNY money wire on the Purchase Date, Buyer shall transfer, or cause to be transferred, to Custodian for credit to Buyer's Account sufficient cash such that the total cash balance to Buyer's Account after the transfer of cash equals or exceeds the aggregate Purchase Price contained in Seller's Instructions.

(d) Seller's Tender of Securities. Seller shall transfer, or cause to be transferred, to Seller's Account Securities described in Seller's Instructions, or sufficient Securities to permit Custodian to select on behalf of Seller Securities to be identified as Purchased Securities.

(e) Cash Accounts. All payments of cash to be credited to Buyer's Account or Seller's Account, as the case may be, shall be in immediately available funds and effected either by transfer from an account maintained by the paying party at Custodian or by wire transfer through FRBNY to Buyer's Account designated in Schedule B, or Seller's Account, as the case may be.

(f) Securities Accounts. All deliveries of Securities to be held in Seller's Account for transfer to Buyer's Account shall be effected by Seller's delivery of the same to the accounts specified by Custodian to Seller, and at the location and within the time periods as follows:

PHYSICAL SECURITIES

- Location: BtCo., 14 Wall St., New York, New York or as otherwise consented to in writing by Custodian

- Timing for deliveries: By 1:00 p.m. (New York time) , unless otherwise consented to in writing by Custodian

BOOK-ENTRY SECURITIES

- Location: FRBNY, or as otherwise consented to in writing by Custodian

- Timing for deliveries: From opening until close of FRBNY securities transfer wire

CLEARING CORPORATION SECURITIES

- Location: The clearing corporation, as appropriate, or as otherwise consented to in writing by Custodian

- Timing for deliveries: From opening until the close of transactions for the relevant clearing corporation

CASH

- Location: FRBNY
- Timing for deliveries: From opening until close of FRBNY money transfer wire

The account designations, locations, and time periods may be amended from time to time by mutual consent of Custodian, and Seller. All securities delivered to Custodian shall be in negotiable form and shall be Securities.

6. EFFECTING TRANSACTIONS

(a) Purchase Date. Subject to the terms of this Agreement, on the Purchase Date for any Transaction, Custodian shall transfer cash to Seller's Account from Buyer's Account in an amount equal to the Purchase Price and concurrently shall transfer from Seller's Account to Buyer's Account, Securities in accordance with Seller's Instructions with respect to such Transaction and the following provisions:

(i) Physical Securities. Custodian shall count and examine Physical Securities delivered by Seller and shall determine that the items received, or identified by Custodian on behalf of Seller, are (A) in negotiable form, (B) of the type, quantity, and otherwise on the face conform to those specified in Seller's Instructions, and (C) Securities. In the event the items are not in negotiable form (or otherwise transferable), do not conform to Seller's Instructions, or do not constitute Securities, Custodian shall promptly notify Seller.

(ii) Book-Entry Securities. Custodian shall verify the quantity and description of Book-Entry Securities specified in Seller's Instructions or identified by Custodian on behalf of Seller, and held in Seller's Account and shall determine that they are Securities.

(iii) Clearing Corporation Securities. Custodian shall verify the quantity and description of Clearing Corporation Securities specified in Seller's Instructions, or identified by Custodian on behalf of Seller, and held in Seller's Account and shall determine that they are Securities.

(iv) Exclusion of Securities. Custodian shall exclude from the determination of Margin Value items which are not in negotiable form or are not

Securities. To the extent specified on Schedule A, Custodian shall rely on Seller's determination that securities, financial instruments, or other property are Securities. Custodian shall return to Seller any item that is not in negotiable form or is not a Security.

(v) Financial Assets. The parties agree that all Purchased Securities shall be treated as financial assets under UCC Article 8.

(b) Market Value of Securities and Purchased Securities. Custodian shall determine the Market Value of Securities by using the price of such Security quoted by a recognized pricing service not earlier than the close of business on the previous day, or, in the case of cash, bank acceptances, commercial paper, and certificates of deposit, the face amount shall be deemed the Market Value. If a pricing service fails to provide price information on any day, Custodian shall use the most current price information provided by such pricing service or, if no pricing is available, Custodian shall determine the Market Value of such Security in its discretion based upon information furnished to Custodian by one or more brokers or dealers in such Security. In the event that Custodian is unable to obtain the price of a particular Security from such pricing service or based on information provided by such brokers or dealers, (i) Custodian shall notify Seller by telephone of Custodian's inability to obtain such price for such Security, (ii) Seller shall determine the Market Value of such Security in good faith in any commercially reasonable manner, (iii) Seller shall notify Custodian in writing of such Market Value, and (iv) with respect to any Security for which Market Value has been furnished by Seller as provided above, such Market Value shall be reflected on Custodian's records as the Market Value for the Security until the next determination of Market Value, at which time the Security will be re-valued in accordance with the provisions hereof.

(c) Determination of Margin Value. For purposes of this Agreement, Custodian shall determine the then aggregate Margin Value of all Securities to be transferred to Buyer's Account with respect to a Transaction by dividing the then aggregate Market Value of such Securities (determined under Paragraph 6(b)) by the Margin Percentages and then adding the accrued interest, except in the case of those Securities that in the normal course of business are traded without accrued interest. Such Margin Value of Securities shall equal or exceed the Purchase Price to be paid by Buyer as provided in Seller's Instructions.

(d) Payment of Purchase Price. Provided the aggregate Margin Value of all Securities to be transferred to Buyer's Account with respect to any Transaction equals or exceeds the Purchase Price with respect to such Transaction, Custodian shall transfer such Securities from Seller's Account to Buyer's Account and shall disburse from Buyer's Account to Seller's Account (or such other account which Seller shall direct) cash in an amount equal to the Purchase Price.

(e) Repurchase Date. On the Repurchase Date for any Transaction: Buyer hereby instructs Custodian to tender to Seller the Purchased Securities carried by Custodian in Buyer's Account with respect to such Transaction and to transfer the Purchased Securities from Buyer's Account to Seller's Account; Seller hereby instructs Custodian at the time Purchased Securities are transferred to Seller's Account to make payment to Buyer of the Repurchase Price by debiting cash from Seller's Account and crediting cash to Buyer's Account. All transfers of cash shall be in immediately available funds.

(f) Terms of Transactions. If Custodian is unable to complete a Transaction as provided in Paragraph 6(d) or 6(e) because Seller has failed to provide instructions as required by Paragraph 5(a) or either Buyer or Seller have failed to arrange for the credit of sufficient cash or Securities to its respective account, Custodian shall promptly notify Seller and await modification of Seller's Instructions or the receipt of further cash or Securities as Seller shall direct. If Custodian has not received modified Seller's Instructions by 6:00 p.m., New York City time, or, if applicable, prior to the extension of time by FRBNY for third party money transfer wires, additional Securities by the times required in Paragraph 5(f), Buyer and Seller irrevocably agree and instruct Custodian to effect a Transaction (or repurchase) as follows: (i) if the cash balance in Buyer's Account shall be less than the Purchase Price in Seller's Instructions, the cash balance in Buyer's Account shall be deemed to be the Purchase Price, the remaining terms of the Transaction shall be determined in accordance with Paragraph 5, and Seller shall provide Custodian with further instructions with respect to a recalculated Repurchase Price for such Transaction; (ii) if the aggregate Margin Value of Securities in Seller's Account is less than the Purchase Price, Custodian shall disburse to Seller from Buyer's Account cash in an amount equal to the Margin Value of the Securities available for transfer to Buyer's Account, and the difference between the amount disbursed to Seller and the Purchase Price of the Transaction shall be held by Custodian in Buyer's Account and shall be designated cash held in substitution for Purchased Securities under Paragraph 7(d); and (iii) if Seller's Account does not have sufficient cash available to repurchase on the Repurchase Date all Purchased Securities in Buyer's Account with respect to any Transaction, the Custodian shall immediately notify Seller, and Seller shall give Custodian instructions identifying which, if any, Purchased Securities are to be repurchased and the Repurchase Price. In any event, Buyer and Seller shall remain obligated pursuant to the terms of the original agreement.

(g) Simultaneous Transactions. Buyer and Seller agree that transfers of cash and Securities are intended to be, and shall be deemed to be, simultaneous. During any period that cash and Securities are held by or for Buyer or Seller and payment has not been made therefor, until such time as payment shall be received therefor, the receiving party shall be deemed to hold the cash and Securities in trust for the delivering party and shall be obligated to return the cash and Securities upon the delivering party's request.

(h) Effect of Notice of Levy, etc. Notwithstanding anything in this Agreement to the contrary, Custodian shall not be required to deliver or transfer cash or Securities in contravention of any notice of levy, seizure, or similar notice or order, or judgment, issued or directed by a governmental agency or court, or officer thereof, having jurisdiction over Custodian or its agents or affiliates, which on its face affects such cash or Securities. Custodian shall give Buyer and Seller prompt notice of any such notice or order.

(i) Ownership of Purchased Securities. Until the Repurchase Date or until Custodian shall receive from Buyer a Notice of Default under Paragraph 17, Buyer hereby instructs Custodian to hold Purchased Securities in Buyer's Account and to refuse to act upon any instructions of Buyer or Seller to deliver Purchased Securities other than as expressly provided in this Agreement. Except as provided in Paragraph 17, Buyer further agrees that until Custodian shall receive the written consent of Seller, Buyer shall not sell, transfer, assign, pledge, or otherwise utilize or transfer Purchased Securities held in Buyer's Account with respect to any Transaction.

(j) Deliveries by Custodian. Upon Seller's default, deliveries of Purchased Securities or cash from Buyer's Account shall be permitted under this Agreement by Custodian to the accounts designated in **Schedule B**.

7. VALUATION AND SUBSTITUTIONS OF SECURITIES

(a) Valuation of Purchased Securities. Promptly following the opening of business on each Tuesday (or if such Tuesday is not a Business Day, on the next following Business Day), Custodian shall determine the then Margin Value (in the manner provided in Paragraph 6(c)) of all Purchased Securities held in Buyer's Account with respect to all Transactions then outstanding.

(b) Margin Deficit. In the event the Repurchase Price of outstanding Transactions is greater than the aggregate Margin Value of all Purchased Securities held with respect to such Transactions determined under subparagraph (a), then prior to 12:00 noon (New York City time) on the next Business Day Custodian shall notify Seller. On the date of any such notice, Seller shall transfer to Custodian additional Securities such that, after transfer thereof to Buyer's Account, the then aggregate Margin Value of all Purchased Securities (including Additional Purchased Securities) held with respect to outstanding Transactions equals or exceeds the Repurchase Price of outstanding Transactions. If Seller fails to transfer an appropriate amount of additional Securities on the date of any such notice, Custodian shall within one Business Day notify Buyer and Seller and await further instructions. All Additional Purchased Securities received by Custodian pursuant to this Paragraph shall be deemed to be Purchased Securities held by Custodian as of the Purchase Date of, and identified to, the applicable outstanding Transactions as determined by Custodian.

(c) Margin Excess. In the event the then aggregate Margin Value of Purchased Securities held with respect to outstanding Transactions shall exceed the Repurchase Price of such Transactions, Custodian shall notify Seller and, upon instructions from Seller, Custodian shall transfer Purchased Securities from Buyer's Account to Seller having a Market Value less than or equal to the margin excess. Buyer hereby irrevocably authorizes Custodian to accept the written instructions of Seller identifying the specific Purchased Securities to be released in accordance herewith. Upon transfer from Buyer's Account, released Securities shall cease to be Purchased Securities for all purposes hereunder.

(d) Substitutions of Purchased Securities. Buyer hereby authorizes Custodian from time to time to release to Seller Purchased Securities held in Buyer's Account in accordance with Seller's Instructions, provided, however, that Seller shall simultaneously deliver to Custodian for transfer to Buyer's Account Securities having an aggregate Margin Value equal to or greater than the then aggregate Margin Value of Purchased Securities released hereunder. The transfer of Securities shall be effected in the manner set forth in Paragraph 6(a), with the following exceptions: (i) Custodian shall calculate the aggregate Margin Value of the substitute Securities and determine that the aggregate Margin Value of the substitute Securities equals or exceeds the aggregate Margin Value of the Purchased Securities identified in Seller's release request; and (ii) Custodian shall transfer the identified Purchased Securities from Buyer's Account to Seller's Account and the substitute Securities from Seller's Account to Buyer's Account, such transfer of released Purchased Securities and substitute Securities to be deemed to occur as provided in Paragraph 6(g) and subject to the terms thereof. All substitute Securities received pursuant to this Paragraph shall be deemed to be Purchased Securities held by Custodian as of the Purchase Date of, and identified to, the applicable outstanding Transactions as determined by Custodian.

8. CUSTODIAN STATEMENTS

Custodian shall provide each of Buyer and Seller by the 15th day of the month with monthly information statements for the prior month reflecting the cash and Purchased Securities positions in Buyer's and Seller's Accounts, respectively. Buyer and Seller shall promptly review all such information statements and shall promptly advise Custodian of any error, omission, or inaccuracy in the cash transactions, cash balances, or Purchased Securities positions reported. Custodian shall undertake to correct any errors, failures, or omissions that are reported to Custodian by Buyer or Seller. Any such corrections shall be reflected on subsequent information statements.

9. CUSTODIAN FEE

Seller shall pay Custodian's fees for services provided pursuant to this Agreement.

10. NO GUARANTY BY CUSTODIAN

BUYER AND SELLER SPECIFICALLY ACKNOWLEDGE AND AGREE THAT CUSTODIAN IS NOT GUARANTEEING PERFORMANCE OF THE OBLIGATIONS OF BUYER OR SELLER HEREUNDER, UNDER ANY REPURCHASE AGREEMENT OR WITH RESPECT TO ANY TRANSACTION OR ASSUMING ANY LIABILITY WITH RESPECT TO THE PERFORMANCE OF BUYER OR SELLER, NOR IS CUSTODIAN UNDERTAKING ANY CREDIT RISK ASSOCIATED WITH THE TRANSACTION WHICH LIABILITIES ARE THE RESPONSIBILITY OF BUYER AND SELLER, FURTHER, EXCEPT AS MAY BE ARRANGED BY A SEPARATE WRITTEN AGREEMENT, CUSTODIAN IS UNDER NO OBLIGATION TO UNDERTAKE TO MAKE ANY CREDIT AVAILABLE TO EITHER BUYER OR SELLER TO ENABLE EITHER OF THEM TO COMPLETE TRANSACTIONS.

11. FORCE MAJEURE

Custodian shall not be liable for any expense, loss, claim, or damage (including counsel fees) suffered by Buyer, Seller, or any third party arising out of or caused by any delay in, or failure of, performance by Custodian arising out of, or caused by circumstances beyond Custodian's control, including without limitation; acts of God; interruption, delay in, or loss (partial or complete) of electrical power or computer (hardware or software) communication services (including access to book-entry securities systems maintained by FRBNY and/or any clearing corporation); act of civil or military authority; terrorism or sabotage; natural emergency, epidemic, war or other government action; civil disturbance; flood, earthquake, fire, other catastrophe; strike or other labor disturbance by employees or nonaffiliates; government, judicial, or self-regulatory organization order, rule, or regulation; riot; or energy or natural resource difficulty or shortage.

12. CONCERNING THE CUSTODIAN

(a) Intermediary. In the performance of its duties hereunder in transferring Securities, the Custodian shall be deemed to be a "securities intermediary" within the meaning of Section 8-102 of the UCC, and Buyer and Seller agree that each transfer of Securities effected by Custodian to Buyer hereunder shall grant to Buyer a "security entitlement" as provided in Section 8-501 of the UCC and that Custodian shall treat the Securities as "financial assets" in accordance with Section 8-102 of the UCC. Custodian shall not pay any interest on any property held at any time in Buyer's Account. The parties intend that (i) Buyer's Account shall be a "securities account", (ii) all property in Buyer's Account shall be "financial assets", and (iii) all Securities (other than cash) shall be "investment property" (as such terms are defined in Articles 8 and 9 of the UCC).

(b) Delay in Receiving Cash or Securities. Custodian shall not be liable for any expense, loss, claim, or damage (including counsel fees) Buyer, Seller, or any third party may

suffer by reason of any delay Buyer, Seller, or Custodian may experience in obtaining cash or Securities from, or by reason of any action or omission to act on the part of, any depository, clearing agent, transfer agent, issuer, securities broker or dealer, third party, clearing corporation, or FRBNY securities wire transfer system, or in obtaining cash from any bank, including FRBNY, clearing agent, or third party except to the extent Custodian has constituted such person its agent as otherwise provided herein. Custodian shall promptly notify Seller and Buyer of any such delay.

(c) Forgery; False Data. Custodian shall not be liable for any expenses, loss, claim, or damage (including counsel fees) Buyer, Seller, or any third party may suffer by reason of any failure of signature by an Authorized Person on, or forgery or wrongful alteration of, instructions or any other written instrument or inaccuracy, incompleteness, or falsity of data transmitted by computer tape or terminal or other computer facilities, if Custodian reasonably shall have believed that such instructions, instrument or data was for the account or benefit of Buyer of Seller or that the writing was signed by, or the data was transmitted by, an Authorized Person.

(d) No Duty of Inquiry. Without limiting the generality of the foregoing. Custodian shall be under no obligation to inquire into, and shall not be liable or responsible for:

(i) subject to Paragraph 6(a)(i), the title, validity or genuineness of any Security or document;

(ii) the legality of the purchase or delivery or transfer of any Security or the propriety of the price at which the same is acquired or sold under a Transaction;

(iii) the due authority of any Authorized Person to act on behalf of Buyer or Seller with respect to cash or Securities held in Seller's Account or cash or Purchased Securities held in Buyer's Account; or

(iv) the due authority of Buyer to purchase or hold any Purchased Security delivered to Custodian pursuant to this Agreement.

(e) Price Data. Custodian shall not be liable for any expense, loss, claim or damage (including counsel fees) Buyer, Seller, or any third party may suffer by reason of any error by, or inaccuracy of, any price received from any pricing source including any prices resulting from any formula used to obtain such prices except for the proper calculation of prices thereunder. Custodian shall have no duty to inquire into the appropriateness or relative change of any price nor shall Custodian be required to determine volatility factors with respect to any price.

(f) Other Delays. Custodian shall not be liable for delays or failure to carry out instructions due to circumstances beyond its reasonable control.

(g) Limitation of Liability.

(i) Custodian shall perform its duties with reasonable care and shall be deemed to have exercised reasonable care if it (A) takes such action for that purpose as the Seller shall reasonably request in writing and not in violation of this Agreement; or (B) in the absence of specific instruction from Seller, exercises at least the same degree of care as it would exercise with respect to a like transaction in which it alone is interested. Custodian shall be liable for the loss of Securities while in the possession or under the control of the Custodian resulting directly from the gross negligence or willful misconduct of Custodian, or loss of the same by reason of robbery, burglary, or theft by its employees, agents or delegates, except that in the event Custodian provides Buyer and Seller with prompt written notification thereof upon Custodian's discovery of such loss, Custodian's liability shall be for the Replacement Costs (as hereinafter defined) related thereto. "**Replacement Costs**" shall mean the cost to Buyer or Seller, as the case may be, for purchasing Securities of the same issuer, principal amount, interest rate, maturity and other terms as such lost Securities, including the transaction costs associated therewith, which securities shall be purchased in a commercially reasonable manner by Buyer or Seller, as agreed between them, as promptly as practicable in accordance with good business practices after receiving notice of the loss. In the event Buyer or Seller, as the case may be, is unable to purchase replacement Securities due to their unavailability or other market conditions, Custodian shall be liable to Buyer or Seller, as the case may be, for such loss of Securities, provided that Custodian's liability shall be limited to direct damages resulting from such loss and in no event shall Custodian be liable for special or consequential damages incurred or suffered by Buyer, Seller or any third party, even if Custodian had been advised of the possibility of such damages.

(ii) The duties of Custodian are only such as are herein specifically provided, being purely ministerial in nature as herein provided, and so long as Custodian acts in good faith it shall incur no liability whatsoever, except for gross negligence or willful misconduct on its part or as provided in Paragraph 2(d) hereof. Custodian shall be under no responsibility to take any action in respect of any of the items deposited with it other than to fulfill the terms of this Agreement and to faithfully follow the instructions herein contained or provided for. It may consult with outside counsel of national reputation and shall be fully protected in any action taken in good faith in accordance with such advice. It shall not be required to institute or defend any legal proceedings in respect of the subject matter of this Agreement unless requested to do so by any of the other parties hereto and indemnified to its satisfaction against the cost and expense of such

defense; provided, however, that Seller hereby covenants to indemnify Custodian for, and to hold it harmless against, any loss, liability or expense incurred by Custodian without negligence or bad faith on its part with respect to any such legal proceedings arising out of transactions related to or entered into pursuant to or in connection with this Agreement. Custodian shall be fully protected in acting in accordance with any written instructions given to it hereunder by any of the other parties hereto in accordance with the provisions hereof and believed by it to have been signed by such party or parties.

13. INDEMNIFICATION

(a) Seller's Release and Indemnity. Seller agrees to indemnify and hold harmless Custodian, its officers, directors, employees, agents, and affiliated persons ("**Indemnified Parties**") for expenses, losses, claims, fines, penalties, or damages (including reasonable counsel fees or accountants' fees) ("**Covered Costs**") suffered by any Indemnified Party, if such Covered Costs (i) relate to those areas of liability expressly disclaimed in this Agreement, or (ii) arise out of Custodian's or an Indemnified Party's performance of services in compliance with this Agreement or result from any actual or alleged breach by Seller or Buyer, of any provision of this Agreement, or failure in whole or part, or delay in performing any duty or obligation hereunder, other than by reason of gross negligence or willful misconduct of Custodian or the Indemnified Party or for loss or theft as provided in Paragraph 12 of this Agreement.

(b) Buyer's Release and Indemnity. Buyer agrees to indemnify and hold harmless the Indemnified Parties for Covered Costs suffered any Indemnified Party arising out of or related to Custodian's execution of Buyer's instructions or resulting from any actual breach of any provision of this Agreement by Buyer, other than by reason of gross negligence or willful misconduct of Custodian or of the Indemnified Party or for loss or theft as provided in Paragraph 12 of this Agreement.

(c) Other Indemnity. Seller further agrees to indemnify and hold harmless the Indemnified Parties and to pay the reasonable costs and counsel fees in connection with an Indemnified Party's defense of, or participation in, any action, claim, investigation, or administrative proceeding arising out of Custodian's performance of services under this Agreement, other than by reason of gross negligence or willful misconduct of Custodian or of the Indemnified Party or for loss or theft as provided in Paragraph 12 of this Agreement.

(d) Releases. Seller and Buyer, respectively, hereby release the Indemnified Parties from any liability in respect of any matter as to which it has indemnified the Indemnified Parties hereunder.

(e) Insurance. Custodian may, at its option, insure itself against loss from any cause but shall not be under any obligation to insure for the benefit of Seller or Buyer.

14. CONTINUING DISPUTES

In the event of any dispute between or conflicting claims, except as provided in Paragraph 17, by Buyer and Seller and any other person with respect to cash or Securities or any other matter covered by this Agreement, Custodian shall promptly notify Seller and Buyer and shall either act on joint instructions or decline to comply with any and all claims, demands, or instructions with respect to such cash or Securities so long as such dispute or conflict shall continue, and Custodian shall not be liable for failure to act or comply with such claims, demands, or instructions. Custodian shall be entitled to refuse to act or comply until either (i) such conflicting or adverse claims or demands shall have been determined in a court of competent jurisdiction or settled by agreement between the conflicting parties and Custodian shall have received evidence satisfactory to it of the same, or (ii) Custodian shall have received security or an indemnity satisfactory to it and sufficient to hold it harmless from and against any and all losses or damages, including counsel fees and expenses, which it may incur by reason of taking any action, except Custodian shall accept cash in substitution of any Purchased Securities pursuant to Paragraph 7(d). The provisions contained in this Paragraph 14 shall not in any way be deemed to limit or restrict the rights and remedies of Buyer or Seller under Paragraph 17 below.

15. FORM OF INSTRUCTIONS

Notwithstanding that this Agreement may require written instructions, Custodian may in its discretion act on oral instructions of an Authorized Person if confirmed in writing, on instructions received over a data line from Seller to an account maintained by Custodian for Seller on the POLARIS System or on data instructions received over any other such system whereby the receiver is able to verify by code or otherwise with reasonable certainty the identity of the sender of such communications. In such event, if subsequent written instructions differ in any respect from oral instructions, oral instructions shall control. Failure to confirm in writing shall not affect the authority of any acts taken or omitted by Custodian pursuant to oral instructions. Instructions shall be effective from the time they are actually received by an Authorized Person of Custodian, from an Authorized Person of the instructing party or from a person reasonably believed by Custodian to be an Authorized Person of the instructing party by telephone, by telecopy, or other facsimile machine, or any other means designated by Custodian.

16. TERMINATION

Any of the parties may terminate this Agreement by giving the other parties thirty (30) days' prior written notice specifying the date of such termination. Custodian shall deliver any

cash or Purchased Securities remaining in Buyer's Account or Seller's Account on termination of this Agreement to a successor custodian located in the City of New York designated in written instructions from Buyer and Seller. If Buyer and Seller do not provide written instructions designating a successor custodian prior to the termination date, Custodian shall continue to hold Purchased Securities and cash in Buyer's Account or Seller's Account until the Repurchase Date with respect to each Transaction then outstanding, or until it has received a Notice of Default, in connection therewith, and instructions in accordance with Paragraph 17 or in its sole discretion Custodian may deliver such cash or Purchased Securities to Buyer or Seller, as the case may be.

17. NOTICE OF DEFAULT

(a) Delivery of Notice of Default. If either Buyer or Seller shall declare an Event of Default, it shall deliver a Notice of Default to Custodian. Custodian shall notify the defaulting party of the receipt of a Notice of Default but shall have no further obligation or duty to inquire into the nature or validity of the Event of Default set forth in the Notice of Default.

(b) Effect of Buyer's Notice of Default. At any time Custodian has received a Notice of Default from Buyer with respect to any Transaction, Custodian shall:

(i) give notice to Seller of such Notice of Default and (A) if Custodian does not receive a written notice ("**Notice of Dispute**") from Seller disputing the Notice of Default by the close of business on the day Custodian receives a copy of such Notice of Default (or by the close of business of the following Business Day if Seller receives a copy of such Notice of Default on a day other than a Business Day or after 12:00 noon New York time on a Business Day), hold all Purchased Securities and Income in Buyer's Account or transfer the same in accordance with Buyer's written instructions to Custodian, or (B) if Custodian receives such Notice of Dispute, continue to hold all Purchased Securities and Income in Buyer's Account until otherwise instructed in writing by Buyer and Seller jointly or ordered by an order or decree of a court of competent jurisdiction; and

(ii) cease placing Purchased Securities into transfer pursuant to Paragraph 4(f), determining the aggregate Margin Value of Purchased Securities pursuant to Paragraph 6(c), tendering the Purchased Securities pursuant to Paragraph 6(e), or releasing to Seller Purchased Securities pursuant to Paragraphs 7(c) and 7(d), except Custodian shall accept cash in substitution of any Purchased Security pursuant to Paragraph 7(d).

(c) Effect of Seller's Notice of Default. At any time Custodian has received a Notice of Default from Seller, with respect to any Transaction, Custodian shall:

(i) give notice to Buyer of such Notice of Default; and

(ii) cease placing Purchased Securities into transfer pursuant to Paragraph 4(f), determining the aggregate Margin Value of Purchased Securities pursuant to Paragraph 6(c), tendering the Purchased Securities pursuant to Paragraph 6(e), or releasing to Seller Purchased Securities pursuant to Paragraph 7(c) and 7(d), except that Custodian shall accept cash in substitution of any Purchased Securities pursuant to Paragraph 7(d).

(d) Further Assurances. In the event Custodian receives a Notice of Default from either party with respect to any Transaction, Custodian shall continue to provide safekeeping services with respect to Purchased Securities and cash held in Buyer's Account or Seller's Account for a period not to exceed 90 days but shall not be required to provide additional services unless Seller gives Custodian assurances that Seller shall pay Custodian's fees or Buyer undertakes to pay Custodian's fees for such additional services.

18. MISCELLANEOUS

(a) Authorized Personnel. **Schedule B** contains the names, titles, and specimen signatures of those individuals authorized to act on behalf of Buyer for the purposes for which each is authorized. Seller shall separately deliver to Custodian such information for Seller's Authorized Persons. It is understood that certain designated persons may be Authorized Persons for limited purposes set forth in such lists. Buyer and Seller each agree to furnish to Custodian a written notice in the event that any such authorized individual ceases to be authorized or in the event that other or additional authorized individuals are appointed and authorized. Upon receipt and acknowledgment of a notice from Buyer or Seller that an individual is no longer an Authorized Person, Custodian shall cease accepting instructions from such person as soon as practicable thereafter, but in no event later than one Business Day after such receipt and acknowledgment.

(b) Funds Transfers.

(i) Account Identification. In receiving funds transfers for Buyer or Seller, Custodian may rely solely on the account number or identifying number on the funds transfer to identifying the funds transfer as received for Buyer or Seller. Custodian shall rely solely on the account number specified on **Schedule B** in making a funds transfer to Buyer. Similarly, when Buyer sends a payment order identifying an intermediary bank (a bank other than the Custodian's or Buyer's originating bank) or a recipient bank for Custodian with an identifying number, the Custodian does not have to determine if the identifying number corresponds to the bank name provided by Buyer.

(ii) Transfer Procedure. Pursuant to UCC Article 4A, Custodian has determined the Facsimile/Designated Account/Call Back Service is a commercially reasonable security procedure for Buyer's funds transfer requirement. Custodian will accept a facsimile from Buyer's Authorized Person indicating the dollar amount to be transferred to the account designated on **Schedule B**. Custodian will confirm the facsimile funds transfer request with an Authorized Person designated on **Schedule B** as authorized to confirm funds transfer instructions. The Authorized Person issuing the facsimile instruction and the Authorized Person confirming the instruction may not be the same person. Custodian will follow this procedure for all funds transfers unless Custodian otherwise elects to effect funds transfers upon written notice to Buyer.

Notices. Any notice authorized or required by this Agreement shall be sufficiently given if addressed to the receiving party and hand delivered or sent by mail, telecopy, or other facsimile machine to the individuals at the addresses specified herein or to such other person or persons as the receiving party may from time to time designate to the other parties in writing. Such notice shall be effective upon receipt or such later time as provided in this Agreement.

TO SELLER:

CDC Funding Corp.
9 West 57th Street
New York, New York 10019
Attention: Michael Frasco
Telephone: 212 891-6202
Facsimile: 212 891-3319

TO BUYER:

See **Schedule B**.

TO CUSTODIAN:

Bankers Trust Company
14 Wall Street
New York, New York 10005
Attention: Scott Habura
B/D Clearance Group
Telephone: (212) 618-2216
Facsimile: (212) 618-2444

(d) Amendments. Except as otherwise expressly provided hereunder, this Agreement may not be amended or modified in any manner except by a written agreement executed by an Authorized Person of all the parties. No waiver or acceptance of performance other than as provided herein on the part of any party shall constitute a waiver or acceptance of such performance in the future.

(e) Binding Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior oral or written agreements concerning the same. This Agreement shall extend to and shall be binding upon the parties hereto, and their respective successors and assigns (including any trustees, conservators or other officers of the court in any bankruptcy or insolvency proceeding); provided, however, that this Agreement shall not be assignable by any party without the written consent of the other parties hereto, and any such assignment shall be null and void, except that Buyer may assign its rights and obligations to a successor trustee appointed or succeeding in accordance with the terms of the Authorizing Document. In the event that any provision of this Agreement shall be inconsistent or conflict with any provision of the Repurchase Agreement, with respect to Transactions to be processed under this Agreement, the provisions of this Agreement shall control.

(f) Waiver of Immunity, etc. To the extent that in any jurisdiction any party may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution or attachment (before or after judgment) or other legal process, each party irrevocably agrees not to claim, and it hereby waives, such immunity in connection with this Agreement. In no event shall Custodian have any duty to determine whether the Securities held or disposed by it in accordance with this Agreement comply with any statutory or regulatory requirements of any jurisdiction or governmental body or any rules governing investments of Buyer or Seller.

(g) Survival. All releases and indemnifications provided in this Agreement shall survive the termination of this Agreement.

(h) APPLICABLE LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO CONFLICT OF LAWS PRINCIPLES.

(i) Heading and References. The headings and captions in this Agreement are for reference only and shall not affect the construction or interpretation of any of its provisions. Except as expressly provided herein, all references to Paragraphs, Subparagraphs, and Schedules refer to Paragraphs, Subparagraphs, and Schedules of this Agreement

(j) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one Agreement.

(k) WAIVER OF TRIAL BY JURY. THE PARTIES MUTUALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING RELATING TO THIS AGREEMENT OF ANY TRANSACTION REFERRED TO HEREIN.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective corporate officers, thereunto duly authorized, as of the 18th day of April, 2001.

**STATE STREET BANK AND
TRUST COMPANY OF MISSOURI,
N.A., as Trustee and Master Trustee**

By: AA Sengler

Title: ASSISTANT VICE PRESIDENT

CDC FUNDING CORP.

By: _____

Title: _____

By: _____

Title: _____

**BANKERS TRUST COMPANY, as
Custodian**

By: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective corporate officers, thereunto duly authorized, as of the 18th day of April, 2001.

**STATE STREET BANK AND
TRUST COMPANY OF MISSOURI,
N.A., as Trustee and Master Trustee**

By: _____

Title: _____

CDC FUNDING CORP.

By: Michael G. ...

Title: SVP

By: R. ...

Title: VP

**BANKERS TRUST COMPANY, as
Custodian**

By: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective corporate officers, thereunto duly authorized, as of the 18th day of April, 2001.

**STATE STREET BANK AND
TRUST COMPANY OF MISSOURI,
N.A., as Trustee and Master Trustee**

By: _____

Title: _____

CDC FUNDING CORP.

By: _____

Title: _____

By: _____

Title: _____

**BANKERS TRUST COMPANY, as
Custodian**

By: David F. Hays

Title: Director

SCHEDULE A

Percentage

- | | | |
|-----|---|------|
| (a) | Any bond or other obligations which as to principal and interest constitute direct general obligations of the United States of America, and obligations of, or fully guaranteed by, the Government National Mortgage Association. | 105% |
| (b) | Any bond, debenture, note, mortgage participation certificate, mortgage pass through certificate in physical or book-entry form, or other evidence of indebtedness issued by or the timely payment of which is guaranteed by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association. | 105% |
| (c) | Commercial Paper rated in the highest category by Moody's with maturities of 180 days or less, so long as the issuer thereof has assets of at least \$500,000,000 and not more than 5% of the Repurchase Price at any time is met with commercial paper from any one issuer. | 105% |
| (d) | Cash | 100% |

SCHEDULE B

CASH

- A. Buyer's Account
ABA: 021 001 033
Name: BTCO.
Account Name: CDC/State Street B&T MO A/T/F MO Water

DDA Account: 00-411-029
Polaris Account: 094464
Taxpayer ID#: 43-1745664
- B. Buyer's Delivery Instructions for Securities and Cash:
ABA: 001 000 028
Bank Name: State Street Bank and Trust Company
City: St. Louis, MO
Corporate Trust Division
Account Number: 1551-7584

BUYER'S AUTHORIZED PERSONS

- A. Authorized persons for all purposes, (except as specified), including issuing funds transfer instructions.

Name, Title, Purpose

LAURA S. ROBERSON

VICE PRESIDENT

Rebecca Dengler

Assistant Vice President

Daniel G. Dwyer

Assistant Vice President

BRIAN P. KRIPPNER

VICE PRESIDENT

SANDRA L. BATTAS

ASSISTANT. SECRETARY.

Specimen Signature

L. Roberson

Rebecca Dengler

Daniel G. Dwyer

B. Krippner

Sandra L. Battas

B. Authorized persons for the purpose of confirming funds transfer instructions.

Name and Title: Rebecca A. Dengler, AVP Tel No.: 314-206-3017

Name and Title: Daniel G. Dwyer, AVP Tel No.: 314-206-3012

Name and Title: Laura S. Roberson, VP Tel No.: 314-206-3026

Name and Title: Sheila A. Koetting, Asst Secretary Tel No.: 314-206-3011

NOTICE TO BUYER

For Buyer:

State Street Bank and Trust
Company of Missouri, N.A.
211 N. Broadway, Suite 3900
St. Louis, Missouri 63102
Attention: Becky Dengler
Telephone: (314) 206-3017
Facsimile: (314) 206-3055

SCHEDULE C

LIST OF BUYER'S CUSTOMERS

1. State Environmental Improvement and Energy Resources Authority of
Missouri

City of Advance

City of Conway

City of La Plata

City of Lawson

City of Osage Beach

City of Ozark

Consolidated Public Water Supply, District No. 2 of Ray County, Missouri

City of Richmond

Public Water Supply District #2 of Vernon County, Missouri

Conformed Copy
**GUARANTEE OF CAISSE DES
DÉPÔTS ET CONSIGNATIONS
OF CDC FUNDING CORP**

GUARANTY, dated as of January 15, 1997 by **CAISSE DES DÉPÔTS ET CONSIGNATIONS**, a special national legislative public instrumentality (*établissement public à statut légal spécial*) governed by French administrative law (the "**Guarantor**") in favor of each **Beneficiary** (as defined below) entering into any Transaction (as hereafter defined) with CDC FUNDING CORP., a corporation organized under the laws of the State of New York, all of the outstanding shares of capital stock of which are owned indirectly by the Guarantor (the "**Company**").

WHEREAS, the Company has developed a guaranteed investment contract and structured products program (the "**Muni Program**") that the Company intends to market to (i) state and local governments, other governmental instrumentalities and agencies and other issuers of taxable and tax exempt securities, and to the custodians and trustees acting in their behalf with respect to issuances of taxable or tax-exempt securities, including, without limitation, securities issued on a limited or non-recourse basis, whether backed by revenues or otherwise and (ii) other counterparty purchasers of swaps, structured notes, hedge instruments and other Muni Program products (each being a "**Beneficiary**"); and

WHEREAS, all Obligations (as hereafter defined) of the Company incurred by it under each Transaction entered into for its Muni Program will be guaranteed by the Guarantor pursuant to this Guarantee.

NOW, THEREFORE, in consideration of the foregoing, the Guarantor hereby agrees as follows:

1. **Guarantee.** FOR VALUE RECEIVED, receipt of which is hereby acknowledged, and to induce Beneficiaries to enter into Transactions with the Company under its Muni Program, the Guarantor hereby unconditionally and irrevocably guarantees to each Beneficiary, its successors, endorsees and permitted assigns, the prompt payment when due of all present and future obligations and liabilities of all kinds of the Company to such Beneficiary arising from any Transaction, whether incurred by the Company as maker, endorser, drawer, acceptor, guarantor, accommodation party or otherwise, and whether due or to become due, secured or unsecured, absolute or contingent, joint or several (collectively, "**Obligations**"). For purposes hereof, the term "**Transaction**" means any transaction, agreement or arrangement entered into by the Company with a Beneficiary for the Muni Program. Transactions may include investment contracts (including in the form of repurchase agreements) and other comparable investment and reinvestment products.

2. **Nature of Guarantee.** The Guarantor's obligations hereunder with respect to any Obligation shall not be affected by the existence, validity, enforceability, perfection, or extent of any collateral for such Obligation. No Beneficiary shall be obligated to file any claim relating to the Obligations owing to it in the event that the Company becomes subject to a bankruptcy, reorganization, insolvency or similar proceeding, and the failure of any party to so file shall not affect the Guarantor's obligations hereunder. This Guarantee shall remain in full force and effect or shall be reinstated (as the case may be) with respect to any Obligation if at any time such Obligation, in whole or in part, is rescinded or must otherwise be returned by a Beneficiary upon the insolvency, bankruptcy or reorganization of the Company or otherwise, all as though such payment had not been made.

The Guarantor hereby acknowledges that the Beneficiaries to Transactions are intended third-party beneficiaries of this Guarantee and may enforce this Guarantee directly against the Guarantor. This Guarantee is a guarantee of payment and not of collection.

3. **Consents, Waivers and Renewals.** The Guarantor agrees that a Beneficiary may at any time and from time to time, either before or after the maturity thereof, following written notice to the Guarantor, extend the time of payment of or renew any of the Obligations without impairing or affecting this Guarantee. The Guarantor agrees that a Beneficiary may resort to the Guarantor for payment of any of the Obligations, whether or not the Beneficiary shall have resorted to any collateral security (unless otherwise provided in the Transaction), or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Obligations.

4. **Subrogation; Set-Off.**

(a) Upon payment of all the Obligations owing to a Beneficiary, the Guarantor shall be subrogated to the rights of such Beneficiary against the Company. The Guarantor will not exercise any such subrogation rights until all Obligations and all other amounts payable under this Guarantee to such Beneficiary shall have been paid in full.

(b) No set-off, counterclaim, reduction or diminution of any liability or any defense of any kind or nature (other than payment and performance of an Obligation) which the Guarantor may have or assert against the Company with respect to any action arising out of a Transaction shall be available hereunder to, or shall be asserted by, the Guarantor against the Beneficiary of such Transaction.

5. **Representations and Warranties.** The Guarantor represents and warrants as of the date hereof to each Beneficiary as follows:

(a) The Guarantor is a special national legislative public instrumentality (*établissement public à statut légal spécial*) governed by French administrative law, validly existing under the laws of the French Republic and has full power and authority to execute, deliver and perform this Guarantee.

(b) The Guarantor has the requisite power to execute, deliver and perform the terms and provisions of this Guarantee and no further action is necessary to authorize the execution, delivery and performance by it of this Guarantee.

(c) The Guarantor has duly executed and delivered this Guarantee, and this Guarantee constitutes the legal, valid and binding direct obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject, as to enforceability to bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights generally and to equitable principles of general application.

(d) Neither the execution, delivery or performance by the Guarantor of this Guarantee, nor compliance by it with the terms and provisions hereof, (i) will contravene any provision of any law, statute, rule or regulation or any order, writ, injunction or decree of any court or governmental instrumentality applicable to the Guarantor, (ii) will conflict or be inconsistent with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance whatsoever, upon any of the property or assets of the Guarantor pursuant to the terms of any indenture, mortgage, deed of trust, credit agreement, loan agreement or any other agreement, contract or instrument to which the Guarantor is a party or by which it or any of its property or assets is bound or to which it may be subject or (iii) will violate any provision of the organizational documents of the Guarantor.

(e) No action by, and no notice to or filing with, any governmental authority or regulatory body is required in connection with the execution, delivery or performance of this Guarantee.

(f) The Guarantor owns indirectly 100% of the voting capital stock of the Company.

6. **Assignment.** Other than an assignment of this Guarantee by the Guarantor to a wholly-owned affiliate of the Guarantor which has a credit rating from Standard & Poor's Corporation ("S&P") and Moody's Investors Service, Inc. ("Moody's") of not less than the credit rating of the Guarantor immediately preceding such assignment, the Guarantor may not assign its rights, interests or obligations hereunder with respect to any Beneficiary without the prior written consent of such Beneficiary.

7. **Governing Law.** This Guarantee shall be governed by, and construed in accordance with, the laws of the State of New York.

8. **Continuing Guarantee.** This Guarantee shall continue in full force and effect with respect to any Obligations of the Company under any Transaction entered into while this Guarantee is in full force and effect until all such Obligations have been performed in full.


9. Submission to Jurisdiction; Immunity.

(a) The Guarantor hereby irrevocably submits to the jurisdiction of any New York State court in the Borough of Manhattan or Federal court sitting in the Southern District of New York in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State or Federal court in the Borough of Manhattan and irrevocably waives any objection they may now or hereafter have based upon improper venue or forum non conveniens with respect to any such action or proceeding in such court. The Guarantor agrees that a final unappealable judgment in any action or proceeding arising out of or relating to this Guarantee shall be conclusive and may be enforced in any other jurisdiction otherwise having jurisdiction over the Guarantor by suit on the judgment or in any other manner provided by law.

(b) To the extent that the Guarantor may have, or may hereafter become entitled to or have attributed to it (whether or not claimed), any right of immunity, on the grounds of sovereignty or otherwise, from any action, suit or proceeding, from setoff or counterclaim, from the jurisdiction of any court, from service of process upon it or any agent, or other legal process or proceeding for the giving of any relief or for the enforcement of judgments, in any jurisdiction, the Guarantor hereby irrevocably and unconditionally and to the fullest extent permitted by law waives, and agrees not to plead or claim any such immunity for itself with respect to its obligations, liabilities or any other matter under or arising out of or in connection with any Transaction, any Obligations or this Guarantee, in each case for the benefit of each Beneficiary, it being intended that the foregoing waiver and agreement shall be effective, irrevocable and not subject to withdrawal in any and all jurisdictions. Without limiting the generality of the foregoing, the Guarantor agrees that the waivers set forth herein shall be to the fullest extent permitted under the U.S. Foreign Sovereign Immunities Act of 1976, as amended, and are intended to be irrevocable for purposes of such Act. Notwithstanding the above, under French law, all assets of the Guarantor benefit from immunity of attachment or execution and the Guarantor is prohibited by French law from waiving such immunity from attachment or execution.

10. Appointment of Agent. The Guarantor hereby appoints CDC Capital Inc., with offices at 9 West 57th Street, New York, New York, 10019, and its successors as its agent for service of process in the State of New York. The Guarantor hereby agrees to take any and all action necessary to continue such designation in full force and effect and should CDC Capital Inc. (or its successors) become unavailable for this purpose for any reason, the Guarantor shall forthwith irrevocably designate a new process agent within the City of New York. Service may be made upon such agent or upon the Guarantor in person or by registered or certified mail, postage prepaid, addressed to such agent at the address set forth in this Section or to the Guarantor at the address set forth in Section 11 hereof, as the case may be. Nothing in Section 9 or in this Section 10 shall affect the right of a Beneficiary to serve legal process in any other manner permitted by law or affect the right of such Beneficiary to bring any action or proceeding against the Guarantor or its property in the courts of other jurisdictions otherwise having jurisdiction over the Guarantor.

11. Notices. All notices to or demands on the Guarantor shall be deemed made when given, and shall be in writing and sent by telecopier or telegram confirmed by registered mail, and addressed to the Guarantor at:





Caisse des Dépôts et Consignations
c/o CDC Capital Inc.
9 West 57th Street
New York, New York 10019
Attention: Chief Executive Officer

Telephone: (212) 891-6255
Telecopy: (212) 891-6295

with a copy to:

Caisse des Dépôts et Consignations
Service Juridique et Fiscal-FRJF
254, boulevard Saint-Germain
75007 Paris
France
Attention: Head of Legal and Tax Services of DABF
Legal and Tax Service Department

Telephone: 011-331-40.49.86.97
Telecopy: 011-331-40.49.65.96



12. **Payment in Dollars.** The obligation of the Guarantor to make payment in U.S. Dollars of any Obligations due hereunder shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment, which is expressed in or converted into any currency other than U.S. Dollars, except to the extent such tender or recovery shall result in the actual receipt by the Beneficiary of the full amount of U.S. Dollars expressed to be payable in respect of any such Obligations. The obligation of the Guarantor to make payment in U.S. Dollars shall be enforceable as an alternative or additional cause of action for the purpose of recovery in U.S. Dollars of the amount, if any, by which such actual receipt shall fall short of the full amount of U.S. Dollars expressed to be payable in respect of any such Obligations and shall not be affected by judgment being obtained for any other sums due under this Guarantee.

13. **Taxes.**

(a) Any and all payments made by the Guarantor hereunder shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all Obligations with respect thereto, excluding taxes imposed on net income and all income and franchise taxes of the United States and any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and Obligations being hereinafter referred to as "Taxes"). If the Guarantor shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) a Beneficiary receives an amount equal to the sum it would have received had no such deduction been made, (ii) the Guarantor shall make such deductions and (iii) the Guarantor shall pay the full amount deducted to the relevant taxation authorities in accordance with applicable law.

(b) In addition, the Guarantor agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Guarantee (hereinafter referred to as "Other Taxes").

(c) The Guarantor will indemnify a Beneficiary for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section) paid by the Beneficiary and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be executed in its corporate name by its duly authorized officer.

CAISSE DES DÉPÔTS ET CONSIGNATIONS

/s/ 

By: _____
Isabelle BOUILLOT, Deputy General
Manager

April 18, 2001

CDC Funding Corp.
9 West 57th Street
New York, New York 10019

Re: \$13,930,000 Water Pollution Control and Drinking Water
Revenue Bonds (State Revolving Funds Programs – Master Trust)
Series 2001A

Gentlemen:


This letter is delivered in connection with the Master Repurchase Agreement, dated as of April 18, 2001 (the "Agreement"), by and between CDC Funding Corp. ("CDCFC") and State Street Bank and Trust Company of Missouri, N.A. ("Buyer"), as Trustee under the Bond Indenture dated as of April 1, 2001 (the "Bond Indenture") between Buyer, as Trustee, and the State Environmental Improvement and Energy Resources Authority (the "Issuer") and as Master Trustee under the Amendment and Restated Master Trust Agreement dated as of October 1, 1998 (the "Master Trust Agreement"), amending and restating the Master Trust Agreement dated as of June 1, 1992, between the Issuer and Buyer, as Master Trustee.

Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement:

1. The Issuer represents, warrants and acknowledges that the Agreement qualifies as a permitted investment under the Authorizing Document.
2. The Issuer covenants and agrees that it will not cause or consent to any amendment of or waiver with respect to the Authorizing Document or take any other action (i) that causes the Agreement to fail to qualify as a permitted investment under the Authorizing Document or (ii) that causes a material change in the invested amounts and the timing of investments under the Authorizing Document, provided, that this subclause (ii) shall not prohibit Buyer from repurchasing Purchased Securities for any reason from and after January 1, 2007 subject to the conditions set forth in EXHIBIT A of the Agreement.
3. The Issuer hereby agrees that it will not include in any official statement, offering circular, information memorandum or other disclosure document prepared with respect to the Bonds, any information relating to CDCFC or the Guarantor including the name of CDCFC or the Guarantor, except as may be required by law; provided; that in connection with disclosure regarding the Agreement, (i) the names of the Guarantor and CDCFC may be disclosed, but only if the Guarantor is identified as "Caisse des Dépôts et Consignations, a special national legislative public entity (établissement public à statut légal spécial) governed by French

administrative law", (ii) the Pricing Rate and Final Repurchase Date hereunder may be disclosed, and (iii) information set forth in the monthly reports delivered pursuant hereto may be disclosed. This paragraph is not applicable to the Official Statement dated March 30, 2001, relating to the Bonds.

STATE ENVIRONMENTAL
IMPROVEMENT AND ENERGY
RESOURCES AUTHORITY

By: 
Name: Thomas C. Welch
Title: Director