

## REPURCHASE AGREEMENT

**THIS REPURCHASE AGREEMENT** (the "Agreement") dated as of June 3, 1999 is entered into by and between **WESTDEUTSCHE LANDESBANK GIROZENTRALE** ("Seller"), acting through its New York Branch, **NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION**, as Custodian (the "Custodian"), and **STATE STREET BANK AND TRUST COMPANY OF MISSOURI, N.A.** (the "Buyer") as Master Trustee (as defined in the Master Trust Agreement) under that Amended and Restated Master Trust Agreement dated as of October 1, 1998 (the "Master Trust Agreement") between the State Environmental Improvement and Energy Resources Authority (the "Issuer"), and the Master Trustee, and as Trustee (as defined in the Bond Indenture) under that Bond Indenture dated as of June 1, 1999 (the "Bond Indenture" together with the Master Trust Agreement are herein collectively referred to as the "Indenture") between the Issuer and Buyer providing for the issuance of \$47,970,000 principal amount of the Issuer's Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust) Series 1999A (the "Bonds"). Capitalized terms used herein and not otherwise defined shall have the meaning provided in Section 2 hereof.

### WITNESSETH:

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

WHEREAS, pursuant to the Indenture, the Issuer has directed Buyer to invest certain moneys received by Buyer under the Indenture with Seller pursuant to the terms and provisions of this Agreement;

WHEREAS, Seller is willing, on the terms and conditions set forth in this Agreement, to enter into the repurchase transaction described herein and accept the investment of certain moneys held by Buyer under the Indenture in the funds and accounts (the "Funds") identified in Exhibit A hereto; and

WHEREAS, the Custodian is willing to act as custodian of the Securities for the Buyer as provided herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein set forth, Seller, Custodian and Buyer hereby agree as follows:

### SECTION 1. APPLICABILITY

On June 3, 1999 ("Purchase Date"), Seller agrees to transfer to Custodian, as agent for the Buyer, Securities having a Market Value not less than the Valuation Amount, pursuant to Custodian's Delivery instructions set forth in Annex I hereto, against the transfer of \$31,309,700.27 by Buyer to Seller by wire transfer in immediately available funds to the Seller's

account with Bank of New York, New York, New York (ABA #021-000-018, Account No. IOC 111-569/WLB designating such funds as "Westdeutsche Landesbank Girozentrale, as Seller under Repurchase Agreement dated as of June 3, 1999, Reference: State Environmental Improvement and Energy Resources Authority, Series 1999A,") and such amounts shall be allocated to each Fund as provided in Exhibit A hereto. Seller further agrees to repurchase from Buyer and Buyer further agrees to cause the Custodian to transfer and sell to Seller all or a portion of the Securities on the applicable Repurchase Dates against the transfer of the applicable Repurchase Price by Seller, as provided herein. The Seller's delivery instructions are: Bank of New York, ABA #: 021-000-018, For the Account of: Westdeutsche Landesbank Girozentrale, New York Branch, Account: IOC 111-569/WLB, Ref.: EIERA, SRF99. The Seller further agrees to make payments of Price Differential applicable to each Fund to Buyer on the Price Differential Payment Dates specified in Exhibit A hereto. Buyer further agrees to make payments of Income, or cause the Custodian to make payments of Income, to the Seller as provided in Section 4 hereof. This transaction shall be referred to herein as a "Transaction" and shall be governed by this Agreement, including any supplemental terms or conditions contained in Annex I hereto, unless otherwise agreed in writing.

The Securities shall, during the term of this Agreement, have a Market Value of not less than Valuation Amount. The Securities shall be marked to market weekly (on Tuesday, or if not a Business Day, the next succeeding Business Day, of each week) by the Custodian or its agent. In the event the Market Value of the Securities falls below the Valuation Amount, the Custodian shall immediately notify the Buyer and the Seller of the deficiency and the Seller shall deliver to the Custodian within two (2) Business Days of the Seller's receipt of such notice such additional Securities as may be necessary to cause the Market Value of the Securities held by the Custodian pursuant to this Agreement to be not less than the Valuation Amount.

The Buyer may purchase from Seller additional Securities ("Additional Securities") upon two (2) Business Days' prior written notice to the Seller and the Seller hereby agrees to sell Additional Securities to Buyer with a simultaneous agreement by Seller to repurchase from Buyer and Buyer to transfer to Seller such Additional Securities (which transaction shall be referred to as a "Secondary Transaction" and shall be effected upon the same terms and conditions as the Transaction) and Seller, based upon the Buyer's designation in such written notice, shall allocate the Purchase Price paid for such Additional Securities to the Reserve Fund, provided, however, that the total amount of the Purchase Price held in the Reserve Fund (excluding the Restricted Accounts of the Debt Service Fund) at any one time shall not exceed \$32,784,686.

The Buyer may purchase from Seller additional Securities ("Additional Securities") upon two (2) Business Days' prior written notice to the Seller and the Seller hereby agrees to sell Additional Securities to Buyer with a simultaneous agreement by Seller to repurchase from Buyer and Buyer to transfer to Seller such Additional Securities (which transaction shall be referred to as a "Secondary Transaction" and shall be effected upon the same terms and conditions as the Transaction) and Seller, based upon the Buyer's designation in such written notice, shall allocate the Purchase Price paid for such Additional Securities to the Debt Service Fund, provided, however, that the total amount of the Purchase Price held in the Debt Service Fund at any one time shall not exceed \$4,500,000.

## SECTION 2. DEFINITIONS

*"Act of Insolvency"* shall mean, with respect to any party, (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law, or such party seeking the appointment of a receiver, trustee, custodian or similar official for such party or any substantial part of its property, (ii) the commencement of any such case or proceeding against such party, or seeking such an appointment by any other party, 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 (1) is consented to or not timely contested by such party, (2) results in the entry of an order for relief, such an appointment, the issuance of such a protective decree or the entry of an order having similar effect, or (3) is not dismissed within fifteen (15) days, (iii) the making by a party of a general assignment for the benefit of creditors, or (iv) the admission in writing by a party of such party's inability to pay such party's debts as they become due.

*"Business Day"* shall mean any day other than a Saturday, Sunday or other day on which commercial banks are required or authorized to be closed in New York, New York, Boston, Massachusetts, or St. Louis, Missouri or, with respect to establishing Repurchase Dates and any other date on which Securities are to be transferred hereunder, Minneapolis, Minnesota (or the principal office of any successor Custodian).

*"Early Repurchase Date"* shall have the meaning assigned in Exhibit A with respect to each Fund.

*"Income"* shall mean all amounts payable on or with respect to the Securities, including, all principal, interest, dividends or other distributions made with respect thereto.

*"Market Value"* shall mean, with respect to the 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 Section 4 hereof) as of such date (unless contrary to market practice for such Securities).

*"Price Differential"* shall mean, as of any date, the aggregate amount obtained by daily application of the Pricing Rate applicable to the amount allocated to each Fund, as specified in Exhibit A hereto, to the Purchase Price allocated to each Fund, computed on the basis of a 360-day year consisting of twelve 30-day months and, for each computation period, shall commence on (but exclude) the first day of such period and end on (and include) the last day of such period, and shall be paid to the Buyer semiannually on the Business Day preceding each January 1 and July 1 commencing the Business Day preceding January 1, 2000.

*"Pricing Rate"* shall mean the per annum rate of interest specified for each Fund in Exhibit A hereto.

*"Prime Rate"* shall mean the prime rate of U.S. money center commercial banks as published in *The Wall Street Journal*.

*"Purchase Date"* shall mean June 3, 1999.

*"Purchase Price"* shall mean, on any date, the aggregate price at which Securities (including that paid for any Repurchased Securities or any Additional Securities) have been sold from time to time on or prior to such date by the Seller to the Buyer pursuant to this Agreement, together with all amounts accrued thereon at the Price Differential which have not yet been paid to the Buyer, less the aggregate Repurchase Price at which Securities have been repurchased from time to time on or prior to such date by the Seller from the Buyer pursuant to Sections 3 or 11 hereof. The amount of Purchase Price on the Purchase Date shall equal \$30,703,147.96.

*"Repurchase Date"* shall mean, as the context may require, (i) with respect to each portion of Securities specified in Annex I to this Agreement, each of the dates specified therefor in Annex I of this Agreement, or (ii) an Early Repurchase Date; provided, however, that the final Repurchase Date with respect to each Fund shall be the date specified in Exhibit A hereto.

*"Repurchase Price"* shall mean the price at which all or a portion of the Securities are to be transferred from Buyer to Seller upon a Repurchase Date, which will be determined as the sum of the pro rata portion of the Purchase Price allocable to the Securities to be transferred on such Repurchase Date exclusive of Price Differential.

*"Securities"* shall mean securities of the types described in Exhibit B hereto.

*"Securities Account"* shall have the meaning assigned in U.C.C. Rev. Art. 8 Section 8-501(a).

*"U.C.C."* shall mean the Uniform Commercial Code as adopted by the State of Minnesota.

*"U.C.C. Rev. Art. 8"* shall mean the Uniform Commercial Code, Revised Article 8, Investment Securities (with Conforming and Miscellaneous Amendments to Articles 1, 3, 4, 5, 9 ("U.C.C. Rev. Art. 9") and 10), 1994 Official Text, as adopted by the National Conference on Uniform Laws.

*"Valuation Amount"* shall mean an amount equal to the Purchase Price multiplied by the applicable Valuation Percentage(s).

*"Valuation Percentage"* shall mean, with respect to each Security, the applicable valuation percentages as specified on Exhibit B hereto.

### **SECTION 3. INITIATION; REPURCHASES AND TERMINATION**

(a) On the Purchase Date and on the date of any Secondary Transaction, the Seller shall transfer the Securities, Repurchased Securities or Additional Securities, as applicable, to the Custodian as agent of the Buyer against the transfer of the Purchase Price to the account of Seller described in Section 1 hereof.

(b) On each Repurchase Date, (i) the Seller shall repurchase all or a portion of the Securities as specified in the notice from the Buyer to the Seller as set forth in Exhibit D

hereto by transferring the applicable Repurchase Price to the account of the Buyer set forth in Annex I and (ii) the Custodian shall transfer to the Seller the Securities (or portion thereof) specified in such notice.

(c) Repurchases may only be made in accordance with the purposes set forth therefor in the Indenture and as set forth in Exhibit A; however, Buyer must give seven (7) days prior written notice in connection with any refunding or optional redemption of the Bonds, two (2) Business Days prior written notice in order to preserve the tax-exempt status of the Bonds, or one (1) Business Day to avoid payment default on the Bonds, but otherwise not for reinvestment purposes. Any notice of an early repurchase shall be in writing delivered to the Seller and the Custodian and shall be in the form of Exhibit D hereto.

(d) In the event the Buyer elects to terminate this Transaction in accordance with the terms hereof, such election shall be made by Buyer in written notice to the Seller and the Custodian, in the form specified in Exhibit D hereto, delivered to Seller at least two (2) Business Days prior to the requested Early Repurchase Date. On the date specified in such notice, termination of the Transaction will be effected by transfer to Seller or its agent of all Securities not previously repurchased and any Income received by Buyer or Custodian against the transfer of the applicable Repurchase Price to the account of Buyer set forth in Annex I.

(e) Exhibit E attached hereto is the Issuer's good faith estimate (based solely on information provided by the participants) of the anticipated Repurchase Dates for Securities purchased by the Trustee with amounts allocated to the Construction Loan Fund and the anticipated Repurchase Price payable by the Seller on each such Repurchase Date. The Trustee shall be permitted, however, to designate other Repurchase Dates and other Repurchase Prices in accordance with Section 3(c).

(f) Exhibit F attached hereto is the Issuer's good faith estimate (based solely on information provided by the participants) of the anticipated Repurchase Dates for Securities purchased by the Trustee with amounts allocated to the Reserve Fund and the anticipated Repurchase Price payable by the Seller on each such Repurchase Date. The Trustee shall be permitted, however, to designate other Repurchase Dates and other Repurchase Prices in accordance with Section 3(c).

#### **SECTION 4. INCOME PAYMENTS**

If the Transaction's term extends over an Income payment date on the Securities subject to the Transaction, the Buyer or the Custodian, whichever receives any Income, shall, on the date such Income is received, transfer to or credit to the account of Seller specified in Section 1 hereof an amount equal to such Income payment or payments with respect to the Securities subject to the Transaction, provided that the Market Value is equal to or greater than the Valuation Amount.

#### **SECTION 5. SECURITY INTEREST**

Although the parties intend that the Transaction hereunder be a sale and purchase and not a loan, in the event the Transaction is deemed to be a loan, Seller hereby grants and pledges to

Buyer as security for the performance by Seller of its obligations under this Agreement a security interest in all of the Securities hereunder and all proceeds thereof.

## SECTION 6. PAYMENT AND TRANSFER

(a) **Method of Transfer.** All transfers of funds hereunder shall be in immediately available funds. All transfers of Securities made pursuant to this Agreement (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 delivery versus payment on the book-entry system of a Federal Reserve Bank or the PTC, as applicable, pursuant to the Required Transfer Actions, or (iii) shall be transferred by any other method mutually acceptable to the Seller, the Trustee and the Custodian.

(b) **Required Transfer Actions.** For purposes of this Agreement, Required Transfer Actions shall, as applicable, be as follows:

(i) **Transfers of Non-GNMA Securities.** When effecting transfers of Securities constituting book-entry obligations issued by the United States of America or any agency thereof other than the Government National Mortgage Association described in paragraph (ii) of this Section, the Trustee, the Custodian and the Seller covenant that each will (A) effect such transaction in accordance with applicable federal regulations, and the U.C.C., directly with the FRB or through a depository institution which is a "Participant" as defined in the applicable federal regulations; (B) if effected directly with the FRB, such obligations shall be credited to the Custodian's Securities Account at the FRB; (C) if effected through such a depository institution, cause such depository institution (1) to have credited to such institution's Securities Account at the FRB such book-entry obligations, (2) to confirm to the Custodian the purchase thereof and (3) by book-entry, to credit such book-entry obligations to the Trustee's Securities Account at such depository institution; and (D) by book-entry, identify such obligations as belonging to the Trustee in a trust capacity under the Agreement. In addition, the Custodian shall confirm to the Trustee each transfer of a Purchased Security to the Custodian.

(ii) **Transfers of GNMA Securities.** Where the Securities constitute a security issued by the Government National Mortgage Association which is subject to the control of PTC, the Custodian shall (A) determine (1) if such is a certificated security in the custody of PTC or a custodian bank or a nominee of PTC, that it is in bearer form or endorsed in blank by an appropriate person or registered in the name of PTC or such other entity or (2) if such is not a certificated security, that it is registered in the name of PTC or a custodian bank or a nominee of PTC, (B) cause appropriate entries to be made on the books of PTC, decreasing the account of the transferor by the amount of such securities and increasing the account of the Custodian maintained at PTC by the amount of such securities and (C) by book-entry, identify such securities as belonging to the Trustee subject to this Agreement.

## **SECTION 7. SEGREGATION OF PURCHASED SECURITIES**

All Securities in the possession of Custodian 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 intermediary or a clearing corporation. Title to all Securities shall pass to Buyer (or to the Custodian as agent for the Buyer) and shall revert to Seller upon each Repurchase Date with respect to that portion of the Securities repurchased on such Repurchase Date; provided, however, that Buyer and Custodian shall be precluded from engaging in repurchase transactions with the Securities or otherwise pledging or hypothecating the Securities, and, in any event, neither Buyer nor Custodian shall be relieved of its obligations to transfer Securities to Seller pursuant to Section 3 or 10 hereof, or of Buyer's or Custodian's obligation to credit or pay Income to Seller pursuant to Section 4 hereof.

## **SECTION 8. WITHDRAWALS AND SUBSTITUTION**

(a) The Seller may, from time to time by delivery of written notice to the Buyer and Custodian, withdraw Securities held by the Custodian so long as immediately after such withdrawal the Market Value of the Securities held by Custodian shall be equal to or greater than the Valuation Amount. Such notice shall state the Securities to be withdrawn, the date of withdrawal and the Market Value of the Securities held by Custodian following such withdrawal. Upon receipt of such notice, the Custodian shall deliver the Securities identified in such notice as provided in Section 6 hereof so long as the Market Value of all Securities held by Custodian pursuant to the terms hereof after such transfer to the Seller is equal to or greater than the Valuation Amount.

(b) Seller may substitute other Securities ("Substitute Securities") for any Securities. Such Substitute Securities shall be limited to securities meeting the description of Securities set forth in Exhibit B hereto. Such substitution shall be made by delivery of written notice from the Seller to the Buyer stating the Securities being substituted for, the Substitute Securities, the date of substitution and the Market Value of all Securities and Substitute Securities held by Custodian after such substitution and delivery of such Substitute Securities. Upon receipt of such notice and Substitute Securities, the Custodian shall deliver the Securities being substituted for to the Seller as provided in Section 6 hereof so long as the Market Value of all Securities and Substitute Securities held by Custodian pursuant to the terms hereof after such transfer to the Seller is equal to or greater than the Valuation Amount. After substitution, the Substitute Securities shall be deemed to be Securities hereunder.

## **SECTION 9. REPRESENTATIONS**

Each of Buyer, Custodian and Seller represents and warrants to the other that (a) it is duly authorized to execute and deliver this Agreement, to enter into the Transaction contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance, (b) it will engage in such Transaction as principal, (c) the person signing this Agreement on its behalf is duly authorized to do so on its behalf, (d) it has obtained all authorizations of any governmental body required in connection

with this Agreement and the Transaction hereunder and such authorizations are in full force and effect and (e) the execution, delivery and performance of this Agreement and the Transaction 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. The Seller hereby represents and warrants that, (i) on the Purchase Date, its long-term and short-term senior unsecured debt obligations will be rated "Aa2"/"P1" and "AA/F1", respectively, by Moody's Investors Service ("Moody's") and Fitch IBCA, Inc. ("Fitch") and (ii) the Securities delivered to the Custodian hereunder shall be free and clear of all liens and encumbrances other than those created hereunder. On the Purchase Date, Buyer, Custodian and Seller shall each be deemed to repeat all the foregoing representations made by it.

## **SECTION 10. EVENTS OF DEFAULT AND REMEDIES**

**10.1. Seller Event of Default.** Upon the occurrence of any of the following events:

- (a) the Seller fails to repurchase any Securities upon the applicable Repurchase Date, and such failure continues for one Business Day following receipt by the Seller of written notice thereof from the Buyer;
- (b) the Seller fails to pay any Price Differential due and owing on any Price Differential Payment Date as set forth herein, and such failure continues for one (1) Business Day following receipt by the Seller of written notice thereof from the Buyer;
- (c) the Seller fails to deliver Securities at the times and in the amounts required by the second paragraph of Section 1 hereof;
- (d) an Act of Insolvency occurs with respect to the Seller;
- (e) the Seller fails to perform any of its other obligations under this Agreement, and such failure continues for 30 days following receipt by the Seller of written notice thereof from the Buyer or the Custodian; or
- (f) any representation or warranty of the Seller contained herein proves to have been false in some material respect when made;

then the Buyer may, at its option, exercise any or all of the following remedies:

- (i) Declare an immediate Repurchase Date for all remaining Securities held hereunder, and the Seller shall be obligated immediately to repurchase all such Purchased Securities at a Repurchase Price equal to the amount of the Purchase Price plus any accrued but unpaid Price Differential;
- (ii) Sell any or all Securities and apply the proceeds thereof (and any Income) to the aggregate unpaid Repurchase Price owing by the Seller and return any excess, if any, to the Seller. Any such sale shall be in a recognized market conducted in a commercially reasonable manner at such price or prices as the Buyer may reasonably deem satisfactory. The Buyer may, in lieu of so selling all or a portion of such Purchased Securities, elect to give the Seller credit for such



Securities in an amount equal to the prevailing prices therefor in a recognized market against such aggregate unpaid Repurchase Price; or

(iii) Exercise such other rights or remedies which may be available to it at law or in equity.

If upon the occurrence of a Seller Event of Default the Buyer elects to declare an immediate Repurchase Date for all of the Securities and, upon receipt of such Repurchase Price, the Buyer is able to reinvest such funds (and any additional funds which would have been delivered to the Seller pursuant to this Agreement) at yields not less than the Price Differential for each Fund and the terms and conditions and creditworthiness of which investment are substantially identical to this Agreement, the Buyer shall terminate this Agreement by delivery of the notice described in Section 3(d) hereof. If upon the occurrence of a Seller Event of Default the Buyer declares an immediate Repurchase Date for all of the Securities and upon receipt of such Repurchase Price is not able to reinvest such amounts in a manner as described in the preceding sentence, the Buyer shall invest such Funds (and any additional funds which would have been delivered to the Seller pursuant to this Agreement) at the written direction of the Issuer upon the best terms and conditions which it may obtain through the exercise of reasonable efforts, in which case the Seller shall pay to the Buyer on the termination date such present valued amount as the Issuer shall in good faith determine as shall be sufficient to provide, together with amounts payable under such substitute investment, the anticipated future cash flow payments of the Funds under this Agreement plus any reasonable increased costs and fees incurred by the Buyer and the Issuer in connection with such substitution.

**10.2. Buyer Event of Default.** Upon the occurrence of any of the following events:

(a) the Buyer shall fail to instruct the Custodian to deliver Securities or Income as required hereunder or shall instruct the Custodian not to deliver Securities or Income to the Seller in contravention of the terms hereof and any such failure or contravention continues for one Business Day following receipt by the Buyer and the Custodian of written notice thereof from the Seller;

(b) an Act of Insolvency occurs with respect to the Issuer or the Buyer and, as the result of which, the Custodian is prohibited from delivering Securities or Income to the Seller at the times provided herein and which continues for 30 days after receipt by the Buyer of written notice thereof from the Seller;

(c) the Buyer fails to perform any of its obligations under this Agreement, and such failure continues for 30 days following receipt by the Buyer of written notice thereof from the Seller; or

(d) any representation or warranty of the Buyer contained herein proves to have been false in some material respect when made;

then, upon the occurrence of an event described in 10.2(a) or (b), the Seller may, at its option, exercise any or all of the following remedies:

(i) Declare an immediate Repurchase Date for all remaining Securities held hereunder, and the Buyer shall be obligated to cause the Custodian immediately to transfer all Securities to the Seller for a Repurchase Price equal to the amount of the Purchase Price plus any accrued but unpaid Price Differential then held by the Seller;

(ii) Require that the Buyer or the Custodian immediately deliver to the Seller all Income held by the Buyer or the Custodian, as the case may be;

(iii) Purchase additional Securities ("Replacement Securities") of the same class and amount as the Securities that were not transferred to it as required hereunder. Such purchases may be made in any recognized market at such prices as the Seller may reasonably deem satisfactory. The Buyer shall be liable to the Seller for any excess of the price paid for such Replacement Securities (which price shall include accrued interest) by the Seller over the Repurchase Price which would have been applicable to the Purchased Securities if properly transferred. The Seller may, in lieu of so purchasing Replacement Securities, be deemed to have purchased Replacement Securities at the price therefor obtained from any recognized market on such date as the Seller may deem reasonably satisfactory; or

(iv) Refuse to sell any additional Securities to the Buyer pursuant to the provisions of the last two paragraphs of Section 1 hereof.

In addition, upon the occurrence of any of the events described in 10.2(a) through (d), the Seller may exercise such other rights or remedies which may be available to it at law or in equity.

Notwithstanding any provisions of Section 10.2 to the contrary, upon the occurrence of the events described in Section 10.2(b), the Seller's recourse to the Buyer shall be limited to the "Trust Estate" as defined in the Indenture.

Notwithstanding the provisions of Section 10.1 or 10.2 above, if the Custodian fails to comply with the terms hereof, the Buyer or the Seller may pursue any remedy available at law or in equity against Custodian, including the termination of the Custodian as custodian hereunder but neither Buyer nor Seller shall have the right to pursue any other remedy described under this Agreement.

## **SECTION 11. NOTICES AND OTHER COMMUNICATIONS**

Unless another address is specified in writing by the respective party to whom any notice or other communication is to be given hereunder, all such notices or communications shall be in writing or confirmed in writing and delivered at their respective addresses set forth in Annex I attached hereto and may be given by facsimile transmission. All notices hereunder shall be effective upon their receipt.

## **SECTION 12. ENTIRE AGREEMENT; SEVERABILITY**

This Agreement shall supersede any existing agreements between the parties containing general terms and conditions for repurchase transactions with respect to the Funds. 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.

## **SECTION 13. SUCCESSORS AND ASSIGNS**

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors, assigns and beneficiaries. Notwithstanding the foregoing, this Agreement, and the obligations arising out of this Agreement or any part hereof, shall not be sold, pledged, assigned or otherwise transferred by the Seller, Custodian or the Buyer without the prior written consent of the other party hereto and any such attempted sale, pledge, assignment or transfer shall be void *ab initio*; provided, however, that any successor to the Buyer as trustee under the Indenture shall be considered a successor in interest to the Buyer with respect to this Agreement without the necessity of obtaining the prior written consent of the Seller.

## **SECTION 14. GOVERNING LAW**

**THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.**

## **SECTION 15. AMENDMENTS AND WAIVERS**

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 amendment, modification or waiver of any provision of this Agreement and no consent by any party to a departure here from shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto.

## **SECTION 16. INTENT**

(a) The parties recognize that the 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 the 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.

(b) It is understood that either party's right to liquidate Securities delivered to it in connection with the Transaction hereunder or to exercise any other remedies pursuant to Section 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.

## SECTION 17. DISCLOSURE RELATING TO CERTAIN FEDERAL PROTECTIONS

The parties acknowledge that they have been advised that:

(a) if 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 the Transaction hereunder;

(b) if 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 the Transaction hereunder; and

(c) if one of the parties is a financial institution, funds held by the financial institution pursuant to the 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.

## SECTION 18. DOWNGRADE

(a) If the rating assigned by Moody's or Fitch to the Seller's long-term senior unsecured debt obligations during the term of this Agreement falls below "Aa2" or "AA", respectively, or is withdrawn or suspended, the Seller shall provide written notice of such downgrade, withdrawal or suspension to the Buyer within 10 Business Days after the Seller's receipt of written notice of such event. Following such downgrade, withdrawal or suspension, the Buyer may either (i) direct the Seller to transfer to the Custodian additional Securities having a Market Value which, when added to the Market Value of the Securities then held by the Seller is sufficient to satisfy the requirements of Moody's and Fitch necessary to qualify this Agreement for a rating of "Aa2" and "AA", respectively, assuming a non-investment grade issuer, and the Seller shall so deliver such Securities within 10 days of Seller's receipt of written notice of such direction, (ii) continue investing with the Securities previously delivered pursuant to this Agreement, so long as the rating on the Bonds would not be adversely affected, or (iii) provide written notice to the Seller to immediately terminate the Agreement in accordance with the procedures for termination set forth in Section 3(d) hereof.

(b) In the event this Agreement is terminated as provided in (iii) above, and the Buyer is not able to reinvest such funds (and any additional funds which would have been delivered to the Seller pursuant to this Agreement) at yields not less than the Price Differential for the Funds and pursuant to an investment, the terms, conditions and creditworthiness of which are substantially identical to this Agreement, the Buyer shall invest such funds (and any additional funds which would have been delivered to the Seller pursuant to this Agreement) upon the best terms and conditions which it may obtain through the exercise of reasonable efforts, in which case the Seller shall pay to the Buyer on the termination date such present valued amount as the Issuer shall in good faith determine as shall be sufficient to provide, together with amounts payable under such substitute

investment, the anticipated future cash flow payments of the Funds under this Agreement plus any reasonable increased costs and fees incurred by the Buyer and the Issuer in connection with such substitution.

#### **SECTION 19. COUNTERPARTS**

This Agreement may be executed in two or more counterparts and each such counterpart shall be deemed to be an original.

#### **SECTION 20. NOTICE TO SELLER OF REFUNDING**

In the event of a partial or complete refunding of the Bonds, the Buyer shall provide written notice thereof to Seller on or prior to the date on which notice thereof is given to the owners of any of the Bonds.

#### **SECTION 21. CONSENT TO JURISDICTION AND VENUE, ETC.**

The Buyer, the Custodian and the Seller irrevocably (a) agree that any suit, action or other legal proceeding arising out of or relating to this Agreement may be brought in a court of record in the State of New York or in the Courts of the United States of America located in such state, (b) consent to the jurisdiction of each such court in any such suit, action or proceeding and (c) waive any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. The Buyer, the Custodian and the Seller also irrevocably consent to the service of any and all process in any such action or proceeding by mailing of copies of such process to the Buyer, the Custodian or the Seller, as applicable, at its respective address provided in Exhibit A attached hereto. The Buyer, the Custodian and the Seller agree that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. All mailings under this Section 21 shall be by certified mail, return receipt requested.

#### **SECTION 22. ROLE OF CUSTODIAN**

The Custodian is acting solely as custodian of the Securities for the Buyer hereunder in accordance with the terms hereof. The Custodian is a member bank of the Federal Reserve System. The Custodian shall mark its records to show that all Securities delivered to it pursuant to this Agreement are held by it as agent for the Buyer. Upon receipt of any such Securities, the Custodian shall deliver to the Buyer a confirmation of the type and value of the Securities delivered by the Seller. The Custodian may be removed at any time by written notice from the Buyer (with or without cause). A replacement Custodian may be appointed by the Buyer, with the prior written consent of the Seller, which consent shall not be unreasonably withheld. Upon such removal or if for any reason the Custodian ceases to or is unable to act as Custodian hereunder, the Custodian shall deliver all Securities and any Income held by Custodian to the Buyer or to a successor Custodian. If no successor Custodian is so appointed, Buyer shall be the Custodian hereunder. The reasonable fees and expenses of the Custodian (or the Buyer acting as Custodian) shall be borne by the Seller. In addition, the Custodian represents, warrants, and covenants to those matters set forth in Exhibit C.

## **SECTION 23. MONTHLY REPORTS**

The Seller shall provide (i) monthly account statements for the Funds (all accounting for each Fund shall separately account for principal and interest) to the Issuer, the Custodian and the Buyer by the 10th day of the succeeding month, (ii) a quarterly investment earnings accrual report for the Funds to the Issuer, the Custodian and the Buyer no later than the 15th day following the end of such quarter, (iii) at the request of the Buyer, within five Business Days of the receipt of such request (such request to be made no more frequently than once a month), projected investment earnings on the Funds (based on then current balances) for each Price Differential Payment Date to and including maturity of the Bonds, (iv) no later than July 20 of each year, to the Buyer and the Issuer, a summary of all transactions for the one year period ending on the next preceding June 30, the first such report due July 20, 1999 for the period of June 3, 1999 through June 30, 1999, and (v) monthly statement of collateral substitutions.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date and year first written above.

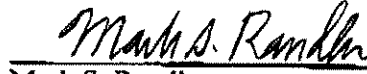
WESTDEUTSCHE LANDESBANK  
GIROZENTRALE

By



Peter R. Chabot  
Vice President

By



Mark S. Randles  
Vice President

[Signatures continued on following page]

[Signature page to the Repurchase Agreement]

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

By RA Kult  
Rebecca A. Kult  
Assistant Vice President

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

By RA Kult  
Rebecca A. Kult  
Assistant Vice President

NORWEST BANK MINNESOTA,  
NATIONAL ASSOCIATION, as Custodian

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_



[Signature page to the Repurchase Agreement]

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

By \_\_\_\_\_  
Rebecca A. Kult  
Assistant Vice President

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

By \_\_\_\_\_  
Rebecca A. Kult  
Assistant Vice President

NORWEST BANK MINNESOTA,  
NATIONAL ASSOCIATION, as Custodian

By Scott R. Rice  
Name Scott R. Rice  
Title Trust Officer

## ANNEX I

Seller's Address: Westdeutsche Landesbank Girozentrale  
New York Branch  
1211 Avenue of the Americas  
New York, NY 10036  
Attention: Investment Contract Department  
Telephone: (212) 852-6045  
Facsimile: (212) 852-6369

Buyer's Address: State Street Bank and Trust  
Company of Missouri, N.A.  
Suite 3900  
One Metropolitan Square  
211 North Broadway  
St. Louis, MO 63102  
Attention: Ms. Rebecca A. Kult  
Telephone: (314) 206-3017  
Facsimile: (314) 206-3055

Buyer's Wire Instructions: State Street Bank and Trust Company  
ABA #: 011-000-028  
Corporate Trust Department  
A/C #: 9903-962-0  
Ref.: EIERA SRF 99A

Buyer's Delivery  
Instructions: Treasuries/Agencies:

State Street BOS/CUST/BC99  
ABA #: 011-000-028  
Ref.: CM#2848  
Attention: Ernie McGray

### GNMAs:

State Street Bank and Trust, N.A.  
Contra Code - SSFND  
Account #: BC99  
Ref.: CM# 2848  
Attention: Ernie McGray

Custodian's Address:	Norwest Bank Minnesota, National Association Suite 700 Midwest Plaza, West Tower 801 Nicollet Mall Minneapolis, MN 55479-0065 Attention: Mr. Scott Rice Master Trust and Custody Telephone: (612) 667-6647 Facsimile: (612) 667-6075
Custodian's Delivery Instructions:	Minneapolis Federal Reserve NW Mpls/Trust ABA #: 091-000-019 Acct #: 1818-7 Trust Clearing Compass Acct #: 133-444-85 Ref.: State Environmental Improvement, Series 1999A
Issuer's Address:	State Environmental Improvement and Energy Resources Authority 325 Jefferson Street Jefferson City, MO 65101 Attention: Ms. Debbie Schnedler Telephone: (573) 751-4919 Facsimile: (573) 635-3486
Description of Securities:	See Exhibit B.
Price Differential Payment Dates:	See Exhibit A.
Pricing Rate Calculation Basis:	See Exhibit A.
Repurchase Dates:	See Exhibit A.

## EXHIBIT A

Name of Bonds: \$47,970,000 State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 1999A

**Fund:** **Construction Loan Fund**

WLB Account Number: 708-00886

Initial Principal Amount: \$31,297,274.62

Early Repurchase Dates: Any Business Day and the 10th and the 25th of each month, or if such day is not a Business Day, the next succeeding Business Day provided that the Seller has received at least two (2) Business Days' prior written notice from the Buyer in the form of Exhibit D hereto demanding that Seller repurchase all or a portion of the Securities.

Pricing Rate: 9.07% per annum

Price Differential Payment Dates: The Business Day preceding each January 1 and July 1, commencing on the Business Day preceding January 1, 2000.

Pricing Rate Calculation Basis: A 360-day year consisting of twelve 30-day months.

Repurchase Dates: None other than Early Repurchase Dates and the Final Repurchase Date and as otherwise provided in Section 3(c) hereof.

Final Repurchase Date:

Repurchase Date	Portion of Securities to be Repurchased
January 1, 2003	All Securities purchased by the Buyer with amounts held in this Fund and then held by Buyer pursuant to this Agreement.

**Fund:** **Reserve Fund** (consisting of the Reserve Fund, the Restricted Accounts of the Debt Service Fund and the Dedicated Reserve Fund held by the Master Trustee)

WLB Account  
Number: 708-00887

Initial Principal  
Amount: \$0

Early Repurchase Dates: Any Business Day if the Seller has received at least one Business Day's prior written notice from Buyer in the form of Exhibit D hereto demanding that Seller repurchase all or a portion of the Securities.

Pricing Rate: 4.8407% per annum

Price Differential  
Payment Dates: The Business Day preceding each January 1 and July 1, commencing on the Business Day preceding January 1, 2000.

Pricing Rate  
Calculation Basis: A 360-day year consisting of twelve 30-day months.

Repurchase Dates: None other than Early Repurchase Dates and the Final Repurchase Date and as otherwise provided in Section 3(c) hereof.

Final Repurchase Date:

Repurchase Date	Portion of Securities to be Repurchased
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January 1, 2020	All Securities purchased by the Buyer with amounts held in this Fund and then held by Buyer pursuant to this Agreement.
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**Fund:** **Debt Service Fund** (consisting of the Debt Service Fund (other than the Restricted Accounts) and the Repayment Fund)

WLB Account  
Number: 708-00888

Initial Principal  
Amount: \$12,425.65

Early Repurchase Dates: The Business Day preceding each January 1 and July 1, commencing the Business Day preceding January 1, 2000 (or on such other date as may be necessary for payment of debt service on the Bonds) if the Seller has received at least two (2) Business Days (or one (1) Business Day in the event of repurchase to avoid payment default) prior written notice from Buyer in the form of Exhibit D hereto demanding that Seller repurchase all or a portion of the Securities.

Pricing Rate: 5.47% per annum

Price Differential  
Payment Dates: The Business Day before each January 1 and July 1, commencing on the Business Day preceding January 1, 2000.

Pricing Rate  
Calculation Basis: A 360-day year consisting of twelve 30-day months.

Repurchase Dates: None other than Early Repurchase Dates and the Final Repurchase Date and as otherwise provided in Section 3(c) hereof.

Final Repurchase Date:

Repurchase Date	Portion of Securities to be Repurchased
January 1, 2020	All Securities purchased by the Buyer with amounts held in this Fund and then held by Buyer pursuant to this Agreement.

## EXHIBIT B

Securities	Required Percentage
1. U.S. Treasury Securities (including obligations issued or held in book-entry form on the books of the Department of the Treasury)	As provided below
2. Securities/Certificates of the following federal agencies (subject to the Assumptions below):	
Government National Mortgage Association (GNMA)	As provided below
Federal Home Loan Mortgage Corporation (FHLMC)	As provided below
Federal National Mortgage Association (FNMA)	As provided below
3. Cash	100%
The Securities described in 1 and 2 above shall have the following Required Percentage:	

### U.S. TREASURY SECURITIES

Frequency of <u>Valuation</u>	<u>0* - 1 yrs.</u>	<u>1* - 5 yrs.</u>	<u>5* - 10 yrs.</u>	<u>10* - 15 yrs.</u>	<u>15* - 30 yrs.</u>
Daily	102%	105%	106%	108%	114%
Weekly	103%	111%	112%	114%	120%

\*not inclusive

### OTHER SECURITIES

Frequency of <u>Valuation</u>	<u>GNMA Certificates</u>	<u>FNMA/FHLMC Certificates</u>
Daily	120%	127%
Weekly	123%	130%

## ASSUMPTIONS

- a. U.S. Treasury Securities either mature in less than one year or pay interest periodically and pay principal at maturity or call.
- b. GNMA Certificates are guaranteed by GNMA for the full and timely payment of principal and interest; evidence fractional undivided interests in pools of level payment, fixed, variable or adjustable rate, fully amortizing mortgage loans (not backed by pools of graduated payment mortgages) that are secured by first liens on one-to-four family residences.
- c. FNMA Certificates are guaranteed by FNMA for the full and timely payment of principal and interest; evidence fractional undivided interests in pools of level payment, fixed, variable or adjustable rate, fully amortizing mortgage loans that are secured by first liens on one-to-four family residences.
- d. FHLMC Certificates are guaranteed by FHLMC for the timely payment of interest and ultimate payment of principal; evidence fractional undivided interests in or participation interests in pools of level payment, fixed, variable or adjustable rate, fully amortizing mortgage loans that are secured by first liens on one-to-four family residences.
- e. Collateral shall not include stripped mortgage securities which are purchased at prices exceeding their principal amounts or structured notes.



## EXHIBIT C

The Custodian represents, warrants and covenants the following:

1. With respect to any Securities delivered to the Custodian: (w) the Custodian will comply with all obligations imposed on it under the Agreement and comply with all transfer actions set forth in the Agreement and on Annex A to the opinion of Kutak Rock dated June 3, 1999 delivered in connection with the Agreement ("Annex A"), including, without limitation, any obligations with respect to the registration, book-entry, custody, earmarking, segregation or the identification and preservation of any Securities; (x) the Custodian will take possession of the Securities in good faith; (y) the Custodian will take delivery and possession of the Securities in the ordinary course of its business and without notice or knowledge of any adverse claim; and (z) except as contemplated under the Agreement, the Custodian has not and will not pledge, hypothecate, grant a security interest in, sell, transfer or otherwise encumber the Securities.

2. The Custodian is a "Member Bank" (within the meaning of 31 C.F.R. § 306.115(g)) of the Federal Reserve Bank of Minneapolis, Minnesota (the "FRB") and will maintain a book-entry Securities Account with the FRB and not through any financial intermediary. The Custodian will cause book entries to be made by the FRB with respect to each Security deposited into such account with the FRB pursuant to this Agreement in accordance with applicable federal regulations for credit to the account maintained by the Custodian in the name of the Trustee.

3. The Custodian is a participant in Participants Trust Company ("PTC"), a clearing corporation for securities issued by the Government National Mortgage Association ("GNMA"), and maintains a securities account with PTC and not through any financial intermediary. Transfers by PTC with respect to each Security that is a security of GNMA will be made in conformity with the Agreement and the transfer actions on Annex A.

4. The Custodian is a bank which in the ordinary course of its business maintains security accounts for its customers and is acting in that capacity under the Agreement. The Custodian will maintain an account in Minnesota on its books for all Securities, which account (i) is and at all relevant times will be segregated and separately accounted for from assets the Custodian holds in its individual capacity or for others (ii) is not subject to any security interest, lien or right to setoff by the Custodian and (iii) is maintained as a custody account and administered in the same manner the Custodian administers similar accounts established for the same purpose.

5. The Custodian will cause Government Obligations and Agency Obligations to be transferred over the Federal Reserve System to the account maintained by the Custodian (or its nominee) with the FRB and the Custodian will cause GNMA securities to be transferred through PTC to the account maintained by the Custodian with PTC.

6. The Custodian will (a) cause Government Obligations and Agency Obligations to be registered in the book-entry system of the FRB and maintained in the Custodian's account; (b) confirm to the Buyer the purchase thereof by the Trustee and by book-entry or other equivalent means to identify such Government Obligations or Agency Obligations, as applicable, as belonging to the Trustee; and (c) identify on the Custodian's books in Minnesota the capacity in which the Custodian holds the Securities under the Agreement.

7. The Custodian will cause Securities which are GNMA securities to be registered with PTC and maintained in the Custodian's account and will identify on the Custodian's books in Minnesota the capacity in which the Custodian holds the Securities.

**EXHIBIT D**  
**DEMAND FOR REPURCHASE**

[DATE]

Westdeutsche Landesbank Girozentrale  
New York Branch  
1211 Avenue of the Americas  
New York, NY 10036  
Attention: Investment Contract Department

\$47,970,000  
State Environmental Improvement  
and Energy Resources Authority  
(State of Missouri)  
Water Pollution Control and Drinking Water Revenue Bonds  
(State Revolving Funds Programs – Master Trust)  
Series 1999A

Dear Sirs:

Pursuant to Section 3(c) of the Repurchase Agreement (the "Agreement") dated as of June 3, 1999, by and among State Street Bank and Trust Company of Missouri, N.A., as Trustee, the Custodian named therein and Westdeutsche Landesbank Girozentrale, acting through its New York Branch (the "Seller"), demand is hereby made that the Seller repurchase Purchased Securities (which shall have a Market Value equal to the Repurchase Price multiplied by the Required Percentage) on [REPURCHASE DATE] for the Repurchase Price of \$\_\_\_\_\_, which amount is not greater than the amount of the Invested Funds held by the Seller pursuant to the Agreement.

The Repurchase Price shall be paid by the Seller from the funds allocated to the following Funds in the following amounts [SPECIFY FUND AND AMOUNT FROM WHICH REPURCHASE PRICE IS TO BE PAID].

Fund	Amount
Construction Loan Fund WLB Acct. # 708-00886	\$ _____
Reserve Fund WLB Acct. # 708-00887	\$ _____
Debt Service Fund WLB Acct. # 708-00888	\$ _____

The purpose for which this repurchase is requested is [SPECIFY PURPOSE], which purpose is permitted under the Indenture and the Agreement. The Repurchase Price paid by the Seller shall be used for the foregoing purpose and shall not be used for reinvestment purposes.

This demand is made in accordance with the provisions of the Agreement. Capitalized terms used herein shall have the meanings given to such terms in the Agreement.

Sincerely,

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

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

cc: Norwest Bank Minnesota, National Association