
MASTER TRUST AGREEMENT

Dated as of November 1, 2013

between

ILLINOIS FINANCE AUTHORITY

and

AMALGAMATED BANK OF CHICAGO
as Master Trustee

relating to

Illinois Public Water Supply Loan Program

and

Illinois Water Pollution Control Loan Program

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MASTER TRUST AGREEMENT

THIS MASTER TRUST AGREEMENT (this "Master Trust Agreement"), entered into as of November 1, 2013, between the ILLINOIS FINANCE AUTHORITY, a body politic and corporate, duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), and AMALGAMATED BANK OF CHICAGO, an Illinois State banking corporation duly organized and authorized to accept and execute trusts, with its principal office located in Chicago, Illinois (the "Master Trustee").

WITNESSETH:

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois (the "State"), and particularly the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.* (the "Act"), the Authority is authorized to issue its revenue bonds to finance the cost of "public purpose projects," as defined in the Act, and "industrial projects," as defined in the Act, to purchase "local government securities," as defined in the Act, and to finance the costs of "environmental facilities," as defined in the Act; and

WHEREAS, the federal Water Quality Act of 1987, 33 U.S.C. Section 1381 *et seq.* (the "Water Quality Act"), and the federal Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.* (the "Safe Drinking Water Act"), authorize the Administrator of the United States Environmental Protection Agency (the "EPA") to make capitalization grants to states for deposit in state revolving funds to provide assistance for constructing publicly owned wastewater treatment facilities and publicly and privately owned drinking water treatment facilities and for certain other purposes; and

WHEREAS, in accordance with the Water Quality Act and the Safe Drinking Water Act, and Title IV of the Illinois Environmental Protection Act, 415 ILCS 5/19.1 *et seq.* (the "IEPA Act") the Illinois Environmental Protection Agency ("IEPA") has heretofore established a clean water state revolving fund as part of the Water Pollution Control Loan Program (the "Clean Water Program") and a safe drinking water state revolving fund as part of the Public Water Supply Loan Program (the "Drinking Water Program") (the Clean Water Program and the Drinking Water Program are sometimes hereinafter collectively referred to as the "SRF Program") and the Authority has issued its bonds to finance projects pursuant to the Clean Water Program and the Drinking Water Program, said bonds being payable from the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, pursuant to the Master Trust Agreement dated as of May 1, 2002 (the "Prior Master Trust Agreement") between the Authority and Amalgamated Bank of Chicago, as master trustee (the "Prior Master Trustee"), as amended, the Illinois Development Finance Authority (as legal predecessor to the Authority) has previously issued its State of Illinois Revolving Fund Revenue Bonds, Series 2002 (Master Trust) (the "Series 2002 Bonds") and the Authority has issued its State of Illinois Revolving Fund Revenue Bonds, Series 2004 (Master Trust) (the "Series 2004 Bonds" and together with the Series 2002 Bonds, the "Prior Bonds"), for the purpose of financing projects under the Clean Water Program and the Drinking Water Program; and

WHEREAS, the Authority desires to refund the Prior Bonds in order to realize debt service savings and to be bound by less onerous covenants under the Master Trust Agreement than were the case under the Prior Master Trust Agreement; and

WHEREAS, the federal Departments of Veteran Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 (Public Law 105-65) authorizes each state to cross-collateralize the assets of the state's revolving funds as security for bond issues to enhance the lending capacity of one or both state revolving funds; and

WHEREAS, the IEPA Act requires that all moneys received from the EPA capitalization grant programs and state matching funds be deposited in the wastewater treatment revolving loan fund or the drinking water revolving loan fund (as defined in the IEPA Act) and be used for the purposes set forth in the Water Quality Act or the Safe Drinking Water Act, respectively, and be accounted for separately; and

WHEREAS, the Prior Bonds are payable from the revenues and receipts derived by the Authority pursuant to obligations issued by borrowers in connection with such projects; and

WHEREAS, this Master Trust Agreement shall constitute the master trust agreement of the Clean Water Program and the Drinking Water Program; and

WHEREAS, the IEPA Act authorizes the IEPA to combine the financial administration of the revolving loan funds created under the Clean Water Program and the Drinking Water Program; and

WHEREAS, IEPA has made loans from the Clean Water Program and the Drinking Water Program, which loans are currently outstanding; and

WHEREAS, at the request of the IEPA, the Authority has determined that it is necessary and desirable to issue its various bonds (the "*Bonds*") to finance and refinance loans in connection with the Clean Water Program and the Drinking Water Program, fund reserves, if deemed necessary to secure a particular series of bonds, and to pay costs of issuance, and to finance other permissible purposes; and

WHEREAS, all acts and conditions have been done and performed which are necessary to make this Master Trust Agreement a valid and binding agreement.

GRANTING CLAUSES

In consideration of the premises and the acceptance by the Master Trustee of the trusts and duties hereby created and of the purchase and acceptance by the Owners of each Series of Bonds issued from time to time and secured by this Master Trust Agreement; and in order to secure the payment of the principal and Redemption Price of and interest on any and all Series of Bonds at any time issued by the Authority and secured under this Master Trust Agreement, according to the tenor and effect thereof, and the payment of all other sums, if any, from time to time due to the Owners of all Series of Bonds issued by the Authority and secured under this Master Trust Agreement and for the purpose of securing the performance and observance by the Authority of all the covenants and conditions herein contained, the Authority does hereby

convey, transfer, assign, confirm, pledge and grant a security interest in the following described properties, rights, interest and benefits (whether tangible or intangible) which are collectively called the "Master Trust Estate", to the Master Trustee, and its successor or successors in trust, as Master Trustee for the benefit of the Owners of all Series of Bonds issued by the Authority and secured under this Master Trust Agreement:

A. All Pledged Agreements (defined herein) which may from time to time be assigned to or held by the Master Trustee under the terms of this Master Trust Agreement (other than Loan Support Fees due under the Pledged Agreements) or the Assignment Agreement;

B. All moneys, securities and earnings thereon in all funds, sub-funds, accounts and sub-accounts established under this Master Trust Agreement or any Supplemental Master Trust Agreement, except for moneys deposited in the Loan Support Fee Subaccount of the Revenue Fund or the Rebate Fund and moneys deposited with or paid to the Master Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, and except that moneys representing the repayment of principal of the Pledged Agreements or the Grant Proceeds shall not be pledged to or used for the payment of the State Match Portion of any Bonds issued hereunder; and

C. Any and all other moneys and securities furnished from time to time to the Master Trustee by the Authority or on behalf of the Authority or by any other persons to be held by the Master Trustee under the terms of this Master Trust Agreement;

SUBJECT, HOWEVER, to the right of the Authority to withdraw or otherwise cause to be substituted for or released from the Master Trust Estate any Pledged Agreements and other assets pursuant to Article VIII.

SUBJECT, FURTHER, HOWEVER, to the qualification that the lien on and pledge of amounts on deposit in any fund or account shall not secure any Bonds for which a Supplemental Master Trust Agreement expressly waives the lien on and pledge of amounts on deposit in such fund or account.

TO HAVE AND TO HOLD all and singular the Master Trust Estate, whether now owned or hereafter acquired, unto the Master Trustee and its respective successors in said trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of the Owners of each Series of Bonds issued by the Authority and secured by this Master Trust Agreement, and except as otherwise provided in this Master Trust Agreement or a Supplemental Master Trust Agreement, without privilege, preference, priority or distinction as to lien or otherwise, of any of such Bonds over any other of the Bonds by reason of priority in their issuance or of principal over interest or interest over principal.

PROVIDED, HOWEVER, that if the Authority, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds issued by the Authority and secured under this Master Trust Agreement and the redemption premium, if any, and interest due or to

become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, or shall provide for the payment thereof and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Master Trust Agreement to be kept, performed and observed by it, and shall pay or cause to be paid to the Master Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then this Master Trust Agreement and the rights granted to the Master Trustee pursuant to this Master Trust Agreement by the Authority shall cease, determine and be void, otherwise this Master Trust Agreement shall be and remain in full force and effect.

THIS MASTER TRUST AGREEMENT FURTHER WITNESSETH, and it is expressly declared, that the Master Trust Estate is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed and the Authority has agreed and covenanted, and does hereby agree and covenant, with the Master Trustee and with the respective Owners, from time to time, of the Bonds secured under this Master Trust Agreement, or any part thereof, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 101. Definitions. The terms defined in this Section shall for-all purposes of this Master Trust Agreement have the meanings herein specified, unless the context clearly requires otherwise:

“Act” means collectively, the Illinois Finance Authority Act 20 ILCS 3501/801-1 *et seq.*, and the Illinois Environmental Facilities Financing Act, 20 ILCS 2000/1 *et seq.*, and all future acts supplemental thereto and amendatory thereof.

“Additional Indebtedness” means all Indebtedness of the Authority to be secured by the Revenues and, unless otherwise provided in a Supplemental Master Trust Agreement, all funds, accounts and subaccounts held pursuant to this Master Trust Agreement.

“Agreement(s)” means, individually or collectively, as applicable, the Loan Agreements between the IEPA and each of the Participants receiving a Loan under the Clean Water Program or Drinking Water Program, dated their respective dates of execution, and any amendments and supplements thereto, including without limitation, the related Local Obligations.

“Annual Debt Service” means the projected amount of annual Debt Service for all Outstanding Bonds computed for the then current Bond Year and any future Bond Year.

“Assignment Agreement” means the Assignment of Loans dated as of December 5, 2013 from the IEPA to the Authority, as the same shall be supplemented and amended.

“Authority” means the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under the laws of the State of Illinois.

"Authorized Denominations" shall have the meaning with respect to a series of Bonds as set forth in the related Supplemental Master Trust Agreement.

"Authorized Officer" means in the case of the Authority, the Chairperson, Vice Chairperson, Executive Director, General Counsel or Chief Financial Officer of the Authority or any other person designated as such by a resolution of the members of the Authority.

"Balloon Indebtedness" means long-term Indebtedness, 25% or more of the original principal of which matures during any consecutive 12-month period, if such maturing principal amount is not required to be amortized below such percentage, by mandatory redemption or prepayment prior to such 12-month period. Balloon Indebtedness does not include Indebtedness which otherwise would be classified hereunder as Put Indebtedness.

"Beneficial Owner" has the meaning set forth in Section 212 hereof.

"Bond" or *"Bonds"* means any bond or bonds or all the bonds, as the case may be, of the Authority, in one or more series, relating to the Clean Water Program or the Drinking Water Program, or both, issued and secured pursuant to this Master Trust Agreement.

"Bond Counsel" means an attorney or firm of attorneys approved by the Authority that is nationally recognized in the area of municipal law and matters relating to the exclusion of interest on state and local government bonds from gross income under federal tax law.

"Bond Fund" means the trust fund described in Section 305 of this Master Trust Agreement.

"Bond Registrar" means the Master Trustee.

"Bond Register" means the registration record maintained by the Bond Registrar under Section 208 hereof.

"Bondholder" or *"holder"* or *"owner"* means the Registered Owner of any Bond.

"Bond Year" means, for purposes of this Master Trust Agreement and the tests set forth herein, each twelve-month period ending on July 1 of any year in which Bonds are Outstanding.

"Business Day" means any day which is not a Saturday or Sunday and which is not a legal holiday on which federally chartered savings banks, banks or trust companies located in Chicago, Illinois are authorized or required by law to close.

"Capitalization Grant Agreement" means any EPA Assistance Agreement/Amendment between the IEPA and the EPA, pursuant to which the IEPA becomes the recipient of Grant Proceeds for the purpose of providing additional financing for the Clean Water Program or the Drinking Water Program, as applicable.

"Cede" has the meaning set forth in Section 210 hereof.

"Clean Water Participant(s)" means, individually or collectively, as applicable, Participants whose Loans are funded under the Clean Water Program.

"Clean Water Program" means the Illinois Water Pollution Control Loan Program established and administered by the IEPA to carry out the purposes set forth in the Act and the Water Quality Act.

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"Costs of Issuance" means any and all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, sale and issuance of the Bonds, including, but not limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Master Trustee, legal fees and charges, professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of the Bonds, underwriting or placement fees, and other costs, charges and fees in connection with the issuance of the Bonds.

"Credit Enhancement" means with respect to any Bonds, any insurance policy, surety bond, letter of credit, line of credit or other form of credit enhancement issued by a bank, trust company, national banking association, insurance company or other credit provider in favor of the Bondowners of such Bonds for the purpose of providing a source of funds for the payment of all or a portion of the Bonds secured by such credit enhancement.

"CWSRF Loan" means a Loan made to a Participant under the Clean Water Program.

"CWSRF Reserve Account" means the account created in the Equity Fund with respect to the Clean Water Program.

"CWSRF Revenue Account" means the account created in the Revenue Fund for the deposit of investment earnings and Loan repayments made by the Participants with respect to the Clean Water Program.

"Debt Service" means, for any period of time for which calculated, the aggregate of the scheduled payments required to be made during such period in respect of principal (whether at maturity or as a result of scheduled mandatory redemption or scheduled mandatory prepayment) and interest on Outstanding Indebtedness; provided that to the extent cash or other funds are on deposit in an escrow or trust account or in the funds, accounts or subaccounts of this Master Trust Agreement such funds may be taken into account as to be applied to pay such principal or interest. Calculation of Debt Service with respect to balloon Indebtedness, short-term bonds or notes or Variable Rate Bonds shall be made as follows:

- (a) For purposes of computing the interest payable on any Variable Rate Bonds that are not subject to a Swap Agreement, the rate of interest shall be assumed to equal, as applicable, either (i) if such Variable Rate Bonds have been or are to be issued as obligations exempt from federal income taxation, the monthly average SIFMA Municipal Swap Index during the 5 years (i.e. most recent 60 complete months) preceding the date of such calculation or (ii) if such Variable Rate Bonds have been or

are to be issued as obligations subject to federal income taxation, the monthly average LIBOR during the 5 years (60 complete months) preceding the date of such calculation.

(b) For purposes of computing the interest payable on any Bonds that are subject to a Swap Agreement, (i) if, pursuant to the terms of the applicable Supplemental Master Trust Agreement, the Authority's variable rate liability on all or a portion of any Variable Rate Bonds has been swapped to a fixed rate liability, or capped pursuant to an interest rate cap agreement or similar agreement, interest payable with respect to said Bonds shall be calculated as if the Bonds bear interest at said fixed swap rate or cap "strike rate," as appropriate, (ii) if, pursuant to the terms of the applicable Supplemental Master Trust Agreement, the Authority's fixed rate liability on all or a portion of any Bonds has been swapped to a variable rate liability, interest payable with respect to said Bonds shall be calculated as if the Bonds bear interest at a variable rate, pursuant to (a) above.

(c) For purposes of computing the principal and interest due on any Balloon Indebtedness, Put Indebtedness or short-term obligations, including but not limited to bond anticipation notes, the Authority shall assume that the principal on such obligations is amortized on a substantially level debt service basis over a term of not more than thirty years, with interest on such amounts calculated at a rate or rates, as applicable, equal to the then applicable rates for comparable maturities of municipal bonds of comparable credit rating as set forth in a nationally recognized municipal market publication, including, without limitation, interest rate scales published by Municipal Market Data, a divisions of Thomson Reuters, any successor or any other similar nationally recognized service, plus 1.00%.

"*Default*" and "*Event of Default*" mean any occurrence or event specified in and defined by Section 901 hereof.

"*Director*" means the Director of the IEPA.

"*Drinking Water Participant(s)*" means, individually or collectively, as applicable, Participants whose Loans are funded under the Drinking Water Program.

"*Drinking Water Program*" means the Illinois Drinking Water State Revolving Fund Program established and administered by the IEPA to carry out the purposes of the Act and the Safe Drinking Water Act.

"*DTC*" has the meaning set forth in Section 210 hereof.

"*DTC Participant*" has the meaning set forth in Section 210 hereof.

"*DWSRF Loan*" means a Loan made to a Participant under the Drinking Water Program.

"*DWSRF Reserve Account*" means the account created in the Equity Fund with respect to the Drinking Water Program.

"DWSRF Revenue Account" means the account created in the Revenue Fund for the deposit of investment earnings and Loan repayments made by the Participants with respect to the Drinking Water Program.

"EPA" means the United States Environmental Protection Agency or any successor entity which may succeed to the administration of the programs established by the Water Quality Act or the Safe Drinking Water Act.

"Equity Fund" means the trust fund described in Section 306 of this Master Trust Agreement.

"Executive Director" means the Executive Director of the Authority.

"Federal Environmental Laws" means the Water Quality Act and the Safe Drinking Water Act, each as amended, and any other federal statutes related or supplemental thereto, as well as any written guidance, policies, procedures, questions and answers, regulations and rules of the EPA relating to such acts, other statutes or the SRF Programs.

"Federal Securities" means (a) bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest, and (b) bonds, notes, debentures and similar obligations of the United States of America, federal land banks, federal intermediate credit banks, banks for cooperatives, federal farm credit banks, federal home loan banks and the Federal Home Loan Mortgage Corporation.

"Governmental Obligations" means non-callable direct general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein.

"Grant Proceeds" means the funds received under a capitalization grant award made to the IEPA by the EPA under the terms of a Capitalization Grant Agreement.

"Granting Clause" means the Granting Clause of this Master Trust Agreement, pursuant to which the Master Trust Estate is established for Bondholders.

"IEPA" means the Illinois Environmental Protection Agency, or any successor to the duties and functions of such Agency.

"Indebtedness" means all debt or obligations payable from the Revenues of the SRF Program and the funds, accounts and subaccounts held pursuant to this Master Trust Agreement.

"Independent Counsel" means any lawyer or firm of lawyers not in the regular employ of the Authority or the IEPA, duly admitted to practice law before the highest court of the State and approved by the Authority.

"Interest Payment Date" means any date on which an installment of interest is payable on a Series of Bonds, which shall be, unless otherwise provided in a Supplemental Master Trust Agreement, each January 1 and July 1.

"Leveraged CWSRF Portion" shall mean that portion of a Series of Bonds described in the applicable Supplemental Master Trust Agreement.

"Leveraged DWSRF Portion" shall mean that portion of a Series of Bonds described in the applicable Supplemental Master Trust Agreement.

"Leveraged Portions" shall mean, individually or collectively, as applicable, the Leveraged CWSRF Portion and the Leveraged DWSRF Portion of a Series of Bonds.

"LIBOR" shall mean the interest rate per annum which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which US dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by the Bank which has been approved by the British Bankers' Association as an authorized information vendor for the purpose of displaying rates at which US dollar deposits are offered by leading banks in the London interbank deposit market (an "Alternate Source"), at approximately 11:00 a.m., London time, as the one (1) month London interbank offered rate for U.S. Dollars commencing on such Reset Date (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a comparable replacement rate determined by the Master Trustee at such time (which determination shall be conclusive absent manifest error)).

"Loan" means the principal amount of moneys loaned to any Participant under an Agreement.

"Loan Origination Fund" means the trust fund described in Section 302 of this Master Trust Agreement.

"Loan Support Fees" means the loan support fees charged to Participants under the Agreements.

"Local Obligation" means the bond, note or other obligation issued by a Participant to evidence the Loan made to such Participant.

"Master Trust Agreement" means this Master Trust Agreement, as from time to time amended and supplemented in accordance with terms hereof.

"Master Trust Estate" means the property pledged and conveyed to the Master Trustee pursuant to the Granting Clauses hereof.

"Master Trustee" means Amalgamated Bank of Chicago, an Illinois State banking association, and any successor master trustee pursuant to Section 1005 or Section 1008 hereof at the time serving as Master Trustee under this Master Trust Agreement.

“Memorandum of Agreement” means the Memorandum of Agreement dated as of November 1, 2013 by and between the Authority and the IEPA, as from time to time amended and supplemented in accordance with its terms.

“Notice Record Date” has the meaning set forth in Section 210 hereof.

“Officer’s Certificate” means a certificate signed by an Authorized Officer of the Authority, as may be required hereunder, in the form attached as Exhibit A hereto, with such changes as are needed from time to time in connection with delivery of such Officer’s Certificate.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel addressed to the Authority and the Master Trustee.

“Outstanding Bonds” or *“Bonds Outstanding”* mean all Bonds which have been authenticated and delivered by the Master Trustee under this Master Trust Agreement, except:

(a) Bonds canceled after purchase in the open market or because of payment at, or redemption prior to, maturity;

(b) Bonds for which moneys shall have been theretofore deposited with the Master Trustee for the payment or redemption thereof (whether upon or prior to the maturity or redemption date of any such Bonds) in satisfaction of the requirements of Article VIII hereof; provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Master Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Master Trustee shall have been filed with the Master Trustee; and

(c) Bonds in lieu of which others have been authenticated under Section 207 hereof.

“Owner” or *“Bondowner”* means any *“Bondholder”*, *“holder”* or *“owner”* of any Bond, as provided in a Supplemental Master Trust Agreement.

“Participant” means the unit of local government that is the obligor under the applicable Agreement with respect to a Loan.

“Paying Agent” means the Master Trustee and any commercial bank or trust company at any time designated pursuant to this Master Trust Agreement to serve in addition to the Master Trustee as the paying agencies or places of payment for the Bonds, and successors designated pursuant to this Master Trust Agreement.

“Pledged Agreement” or *“Pledged Agreements”* means, individually or collectively, as applicable, the Loan Agreements between the IEPA and each of the Participants which are assigned to the Authority and pledged to the repayment of the Bonds, including without limitation, the related Local Obligations.

“Program Assets” means (i) Revenues, (ii) all additional moneys on hand within the Master Trust Agreement which may be available to pay Debt Service on the Bonds, and (iii) all other moneys received by the Authority and designated by the Authority as such in any Officer’s Certificate. The designation by the Authority of any moneys as Program Assets shall specify in which fund, account or subaccount the moneys shall be deposited.

“Project” shall have the meaning set forth in the Act.

“Projected Asset Coverage Ratio” means, for any future period, the ratio determined by dividing (a) a numerator equal to the projected Program Assets for the current and each future Bond Year, and (b) a denominator equal to the Debt Service for the Indebtedness secured by the Master Trust Agreement and the Additional Indebtedness proposed to be incurred for the current and each future Bond Year.

“Projected Debt Service Coverage Ratio” means, for any future period, the ratio determined by dividing (a) a numerator equal to the projected Revenues for the current and each future Bond Year, and (b) a denominator equal to the Debt Service for the Indebtedness secured by the Master Trust Agreement and the Additional Indebtedness proposed to be incurred for the current and each future Bond Year in which Bonds shall be Outstanding.

“Put Indebtedness” means Indebtedness which is (a) payable or required to be purchased or redeemed by or on behalf of the underlying obligor, at the option of the owner thereof, prior to its stated maturity date or (b) payable or required to be purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration.

“Qualified Investments” means any of the following securities which, at the time of purchase, are legal for the investment of funds of the Authority held hereunder:

- (a) Government Obligations.
- (b) Obligations issued or guaranteed by any of the following:
 - (i) Federal Home Loan Bank System;
 - (ii) Export-Import Bank of the United States;
 - (iii) Federal Financing Bank;
 - (iv) Government National Mortgage Association;
 - (v) Farmers Home Administration;
 - (vi) Federal Home Loan Mortgage Corporation;
 - (vii) Federal Housing Administration;

- (viii) Private Export Funding Corp;
- (ix) Federal National Mortgage Association; and
- (x) Federal Farm Credit Bank;

or any indebtedness issued or guaranteed by any instrumentality or agency of the United States.

(c) Pre-refunded municipal obligations meeting the following conditions:

(i) such obligations are (a) not to be redeemed prior to maturity or the Trustee has been given irrevocable instructions concerning their calling and redemption and (b) the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(ii) such obligations are secured by Government Obligations that may be applied only to interest, principal, and premium payments of such obligations;

(iii) the principal of and interest on such Government Obligations (plus any cash in the escrow fund with respect to such pre-refunded obligations) are sufficient to meet the liabilities of the obligations;

(iv) the Government Obligations serving as security for the obligations are held by an escrow agent or trustee; and

(v) such Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent.

(d) Direct and general long-term obligations of any state of the United States of America, to the payment of which the full faith and credit of such state is pledged and that at the time of purchase are rated in either of the two (2) highest rating categories by, or are otherwise acceptable to, the Rating Agencies.

(e) Direct and general short-term obligations of any state, to the payment of which the full faith and credit of such state is pledged and that at the time of purchase are rated in the highest rating category by, or are otherwise acceptable to, the Rating Agencies.

(f) Interest-bearing demand or time deposits with, or interests in money market portfolios rated AAA-m by Standard & Poor's issued by, state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation ("FDIC"). Such deposits or interests must be (i) continuously and fully insured by FDIC, (ii) if they have a maturity of one (1) year or less, with or issued by banks that at the time of purchase are rated in one of the two (2) highest short term rating categories by, or are otherwise acceptable to, the Rating Agencies, (iii) if they have a maturity longer than one (1) year, with or issued by banks that at the time of purchase are rated in one of the two highest rating categories by, or are otherwise acceptable to, the

Rating Agencies, or (iv) fully secured by Government Obligations. Such Government Obligations must have a market value at all times at least equal to the principal amount of the deposits or interests. The Government Obligations must be held by a third party (who shall not be the provider of the collateral), or by any Federal Reserve Bank or depository, as custodian for the institution issuing the deposits or interests. Such third party should have a perfected first lien in the Government Obligations serving as collateral, and such collateral is to be free from all other third party liens.

(g) Repurchase agreements, (i) the maturities of which are thirty (30) days or less or (ii) the maturities of which are longer than thirty (30) days and not longer than one (1) year provided the collateral subject to such agreements are marked to market daily, entered into with financial institutions such as banks or trust companies organized under State law or national banking associations, insurance companies, or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and a member of the Security Investors Protection Corporation, or with a dealer or parent holding company that is rated at the time of purchase investment grade by, or is otherwise acceptable to, the Rating Agencies. The repurchase agreement should be in respect of Government Obligations or obligations described in paragraph (b) of this definition. The repurchase agreement securities and, to the extent necessary, Government Obligations or obligations described in paragraph (b) exclusive of accrued interest, shall be maintained in an amount at least equal to the amount invested in the repurchase agreements. In addition, the provisions of the repurchase agreement shall meet the following additional criteria:

(A) the third party (who shall not be the provider of the collateral) has possession of the repurchase agreement securities and the Government Obligations;

(B) failure to maintain the requisite collateral levels will require the third party having possession of the securities to liquidate the securities immediately; and

(C) the third party having possession of the securities has a perfected, first priority security interest in the securities.

(h) Prime commercial paper of a corporation, finance company or banking institution at the time of purchase rated in the highest short-term rating category by, or otherwise acceptable to, the Rating Agencies.

(i) Public housing bonds issued by public agencies. Such bonds must be: fully secured by a pledge of annual contributions under a contract with the United States of America; temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States of America; or state or public agency or municipality obligations at the time of purchase rated in the highest credit rating category by, or otherwise acceptable to, the Rating Agencies.

(j) Shares of a diversified open-end management investment company, as defined in the Investment Company Act of 1940, or shares in a regulated investment company, as defined in Section 851(a) of the Code, that is a money market fund that at the time of purchase has been rated in the highest rating category by, or is otherwise acceptable to, the Rating Agencies.

(k) Money market accounts of any state or federal bank, or bank whose holding parent company is, at the time of purchase rated in one of the top two short-term or long-term rating categories by, or is otherwise acceptable to, the Rating Agencies, including, without limitation any mutual fund for which the Master Trustee or an affiliate of the Master Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Master Trustee or an affiliate of the Master Trustee receives fees from funds for services rendered and (ii) the Master Trustee collects fees for services rendered pursuant to this Master Trust Agreement, which fees are separate from the fees received from such funds.

(l) Investment agreements, the issuer of which is at the time of purchase rated in one of the two highest rating categories, by, or is otherwise acceptable to, the Rating Agencies.

(m) Any debt or fixed income security, the issuer of which is at the time of purchase rated in the highest rating category by, or is otherwise acceptable to, the Rating Agencies.

(n) Investment agreements or guaranteed investment contracts that are fully secured by obligations described in items (a) or (b) of the definition of Qualified Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

(o) Any other type of investment consistent with Authority policy in which an Authorized Officer of the Authority directs the Trustee to invest and there is delivered to the Trustee a certificate of an Authorized Officer of the Authority stating that each of the Rating Agencies has been informed of the proposal to invest in such investment and each Rating Agency has confirmed that such investment will not adversely affect the rating then assigned by such Rating Agency to any of the Bonds.

"Rating Agency" means each of the nationally recognized securities rating services that shall have assigned a rating that is then in effect with respect to a Series of Bonds upon application of the Authority.

"Rebate Fund" means the escrow fund described in Section 307 of this Master Trust Agreement.

“Record Date” means the day which is the 15th day of the month preceding any Interest Payment Date.

“Redemption Price” means, when used with respect to a Bond or portion thereof to be redeemed, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Master Trust Agreement and the Supplemental Master Trust Agreement pursuant to which the Bond was issued.

“Registered Owner” means the person or persons in whose name or names a Bond shall be registered in the Bond Register.

“Representations Letter” means the Blanket Authority Letter of Representations from the Authority to DTC, as amended and supplemented from time to time, with respect to such matters as are necessary to initially qualify the Bonds pursuant to Section 210 hereof.

“Revenue Fund” means the trust fund described in Section 304 of this Master Trust Agreement.

“Revenues” means (i) all amounts payable to the Authority pursuant to the Pledged Agreements which may be applied to the payment of principal of, premium, if any, and interest on the Bonds (i.e., not including Loan Support Fees) and (ii) all investment earnings on moneys which may be available to pay Debt Service on the Bonds.

“Safe Drinking Water Act” means the federal Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., as amended from time to time, or any successor provisions.

“Securities Depository” means DTC or any other entity that is registered as a clearing agency under Section 17A of the Securities Exchange Act of 1934 or whose business is confined to the performance of the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of such act for the purposes of Section 17A thereof.

“Series,” “Series of Bonds” or “Bonds of a Series” or words of similar meaning means the Series of Bonds authorized by a Supplemental Master Trust Agreement, as applicable, and secured under this Master Trust Agreement.

“Series Certificate” means, with respect to any Series of Bonds, the related Officer’s Certificate delivered pursuant to Section 202(a) of this Master Trust Agreement, as such certificate may be amended from time to time.

“SIFMA Municipal Index” means the SIFMA Municipal Swap IndexTM announced by Municipal Market Data and based upon the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specified criteria established by the Securities Industry and Financial Markets Association. The SIFMA Municipal Swap Index shall be based upon current yields of high-quality weekly adjustable variable rate demand bonds which are subject to tender upon seven days’ notice, the interest on which under the Code, is excludable from gross income for federal income tax purposes. The SIFMA Municipal Swap Index shall not include any bonds the interest on which is subject to any personal “alternative minimum tax” or similar tax unless all tax exempt bonds are subject to such

tax; provided, however, that if such index is no longer produced by Municipal Market Data, Inc. or its successor, then "SIFMA Municipal Index" means such other reasonably comparable index selected by the Authority.

"Sinking Fund Installment" means the amount so designated for any particular due date required by or pursuant to a Supplemental Master Trust Agreement to be paid by the Authority on a particular due date toward the retirement of any particular Term Bonds prior to their respective stated maturities.

"SRF Programs" means, collectively, the Drinking Water Program and the Clean Water Program.

"State" means the State of Illinois.

"State Match" means the amount of matching State funds required under the Clean Water Act and the Safe Drinking Water Act, which presently equals not less than twenty percent (20%) of the amount of funds available under the applicable Capitalization Grant Agreement issued to IEPA.

"State Match CWSRF Portion" shall mean the State Match Portion of a Series of Bonds issued for the Clean Water Program, described in the applicable Supplemental Master Trust Agreement.

"State Match DWSRF Portion" shall mean the State Match Portion of a Series of Bonds issued for the Drinking Water Program, described in the applicable Supplemental Master Trust Agreement.

"State Match Portion" means that portion of a Series of Bonds issued to fund the State Match for one or more Capitalization Grant Agreements.

"Supplemental Master Trust Agreement" means any supplement to or amendment of this Master Trust Agreement duly executed and delivered in accordance with the provisions of this Master Trust Agreement.

"Swap Agreement" means, with respect to any Series of Bonds, an interest rate exchange agreement between the Authority and a Swap Counterparty, as amended or supplemented, or other interest rate hedge agreement between the Authority and a Swap Counterparty, as amended or supplemented, entered into pursuant to the terms of this Master Trust Agreement or an applicable Supplemental Master Trust Agreement, for the purpose of converting, in whole or in part, (i) the Authority's fixed interest rate liability on all or a portion of any Series of Bonds to a variable rate liability, (ii) the Authority's variable rate liability on all or a portion of any Series of Bonds to a fixed rate liability or (iii) the Authority's variable rate liability on all or a portion of any Series of Bonds to a different variable rate liability.

"Swap Counterparty" means any Person with whom the Authority shall from time to time enter into a Swap Agreement, as specified in a Supplemental Master Trust Agreement.

"Tax Exemption Certificate" means the certification of the Authority executed at the time of issuance of the Bonds with respect to the Authority's reasonable expectations as to the use of the proceeds of the Bonds.

"Term Bonds" means the Bonds so designated in a Supplemental Master Trust Agreement.

"Variable Rate Bonds" means any Bond that bears interest at a variable rate of interest.

"Water Quality Act" means the federal Water Quality Act of 1987, 33 U.S.C. Section 1381 et seq., as amended from time to time, or any successor provisions.

Section 102. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Master Trust Agreement:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the feminine, masculine and neuter genders shall each include correlative words of the other genders.

ARTICLE II

ISSUANCE OF BONDS; SECURITY FOR BONDS

Section 201. Issuance of Bonds. In order to provide sufficient moneys for the Authority to conduct the SRF Program and to make the deposits to certain funds and accounts specified in this Master Trust Agreement or in any Supplemental Master Trust Agreement and to refund Bonds and other Additional Indebtedness of the Authority, there are hereby authorized to be issued from time to time without limitation as to amount except as provided in this Master Trust Agreement or by law, Bonds of the Authority, in one or more Series, as hereinafter provided, to be known and designated as "State Revolving Fund Revenue Bonds" or "State Revolving Fund Revenue Refunding Bonds". The Bonds shall be issued subject to the terms, conditions and limitations established in this Master Trust Agreement, and secured by the pledge of the Master Trust Estate as provided in the Granting Clause. Each Series of Bonds shall bear the designations, be in the form, have the terms and provisions, be issued upon the conditions, be secured and in all other respects be as set forth in the related Supplemental Master Trust Agreement.

Section 202. Conditions to Securing Bonds Under Master Trust Agreement. In order for any Series of Bonds to be secured by this Master Trust Agreement, and in addition to the requirements of Section 411 hereof, prior to or simultaneously with the authentication and delivery of the Series of Bonds, the Master Trustee shall receive the following:

(a) an original executed Officer's Certificate, referred to herein as a "Series Certificate":

(i) stating that the Series of Bonds is entitled to the benefits of this Master Trust Agreement; and

(ii) directing the Master Trustee as to the creation of any funds and accounts to be established for the Series of Bonds which are in addition to those established under Article III herein, and stating whether or not any of such funds or accounts are to be held as part of the Master Trust Estate.

(b) an original executed counterpart or a copy, certified by an Authorized Officer, of the Master Trust Agreement.

(c) a copy of the applicable Authorizing Resolution, duly certified by the Secretary of the Authority;

(d) an original executed counterpart of the applicable Supplemental Master Trust Agreement;

(e) an Officer's Certificate, containing a written request and authorization to the Master Trustee on behalf of the Authority, to authenticate and deliver the Bonds to the purchaser or purchasers therein identified upon payment to the Master Trustee of the sum therein specified including accrued interest on the Bonds to the date of delivery, if any, and setting forth instructions as to the delivery and application of the proceeds of the Bonds; and

(f) an Opinion of Bond Counsel to the effect that the Bonds are valid and legally binding limited obligations of the Authority and that the interest on the Bonds is excludable from gross income for federal income tax purposes (unless such bonds are intended to be issued as bonds the interest on which is includable in gross income for federal income tax purposes).

Section 203. Supplemental Master Trust Agreements. Each Supplemental Master Trust Agreement authorizing the issuance of a Series of Bonds shall be accompanied by the written report of an Authorized Officer required by Section 411 hereof and shall include a determination by the Authority to the effect that the principal amount of said Series of Bonds is necessary to provide sufficient funds to reimburse the IEPA for money previously spent or to be used and expended for the SRF Program and shall specify and determine:

(a) The authorized principal amount of such Series;

(b) In each case, if any, and as applicable, the expected State Match CWSRF Portion, State Match DWSRF Portion, Leveraged CWSRF Portion and Leveraged DWSRF Portion;

(c) The purposes for which such Series of Bonds are being issued, which shall be to finance the State Match Portion or Leveraged Portions of Loans, to refund all or a portion of a Series of Bonds or other Indebtedness of the Authority, or to do any combination thereof, and, as and for such acquisition or refunding (i) to make any required deposits to any escrow account and to make deposits to the funds and accounts

(if such accounts are established pursuant to the Supplemental Master Trust Agreement in accordance with the provisions of this Master Trust Agreement), in the amounts, if any, required by this Master Trust Agreement or any Supplemental Master Trust Agreement, (ii) to pay the Costs of Issuance of such Series of Bonds, and (iii) to pay capitalized interest, if any;

(d) The maturity dates, the amounts of each maturity and the interest payment dates of the Bonds of such Series and regular record dates relating thereto (which record dates shall be the 15th day of the month preceding each interest payment date unless otherwise provided in the Supplemental Master Trust Agreement);

(e) The interest rate or rates of the Bonds of such Series or, if any Bonds are Variable Rate Bonds, the manner in which the interest rate thereon shall be determined;

(f) The authorized denomination or denominations of the Bonds of such Series and the manner of dating, numbering and lettering Bonds of such Series;

(g) In the case of Term Bonds, if any, for which Sinking Fund Installments are to be provided, provision for Sinking Fund Installments payable on such dates and in such amounts which, together with the principal amounts remaining unpaid on the maturity date or dates thereof, will, in the aggregate, equal the aggregate principal amount of all of such Term Bonds of such Series;

(h) The Redemption Price or Redemption Prices, if any; and subject to Article V of this Master Trust Agreement, the time or times and the terms and conditions upon which the Bonds of such Series may or must be redeemed or tendered prior to their maturity;

(i) The amounts to be deposited or otherwise applied from the proceeds of such Series of Bonds or other moneys in the Funds and Accounts created and established by this Master Trust Agreement and the Supplemental Master Trust Agreement;

(j) The forms of Bonds of such Series and forms of the Master Trustee's certificate of authentication, which form of Bonds and the Master Trustee's certificate of authentication may be wholly or partially incorporated by reference;

(k) If applicable, such covenants, elections or determinations as are deemed necessary or appropriate to assure the tax exemption of interest on the Bonds;

(l) If applicable, such provision as may be necessary or desirable for any Credit Enhancement; and

(m) Any other provisions deemed advisable by the Authority and permitted by or not in conflict with the provisions of this Master Trust Agreement.

Section 204. Execution and Authentication.

(a) The Bonds shall be executed on behalf of the Authority with the official manual or facsimile signature of its Chairperson or Vice Chairperson and attested with the official manual or facsimile signature of its Secretary or Assistant Secretary, and shall have affixed, impressed, imprinted or otherwise reproduced thereon the official seal of the Authority or a facsimile thereof. In case any officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes with the same force and effect as if such officer had remained in office until delivery.

(b) No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Master Trust Agreement unless and until a certificate of authentication substantially in the form set forth in the applicable Supplemental Master Trust Agreement shall have been duly executed by a duly authorized signatory of the Master Trustee, and such executed certificate of the Master Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Master Trust Agreement. The Master Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Master Trustee, but it shall not be necessary that the same authorized signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 205. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request, the Master Trustee may authenticate a new Bond of the same principal amount and series and of like tenor as the mutilated, lost, stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Master Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Master Trustee evidence of the ownership thereof and of such loss, theft or destruction in form satisfactory to the Authority and the Master Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured or been called for redemption, instead of issuing a substitute Bond the Authority may authorize the payment of the same. The Authority and the Master Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses in connection with such matters. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original contractual obligation on the part of the Authority, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Master Trust Agreement together with all other Bonds in substitution for which such Bonds were issued.

Section 206. Registration of Bonds.

(a) All the Bonds issued under this Master Trust Agreement shall be negotiable, subject to the provisions for registration and transfer contained in this Master Trust Agreement and in the Bonds. The Master Trustee shall be the Bond Registrar for the Bonds. So long as any of the Bonds shall remain Outstanding, there shall be

maintained and kept for the Authority, at the designated payment office of the Master Trustee, the Bond Register for the registration and transfer of the Bonds.

(b) Each Bond shall be transferable only upon the Bond Register at the designated payment office of the Master Trustee at the written request of the registered owner hereof or his legal representative duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his legal representative duly authorized in writing. Upon the transfer of any Bond, the Authority shall issue in the name of the transferee, in authorized Denominations, one or more Bonds of the same series and aggregate principal amount and with the same maturity as the surrendered Bonds.

(c) The Authority or the Master Trustee may levy a charge against a Bondowner sufficient to reimburse it for any governmental charge required to be paid in the event such Bondowner fails to provide a correct taxpayer identification number to the Master Trustee. Such charge may be deducted from an interest payment due to such Bondowner.

Section 207. Persons Treated as Bondholders.

(a) Subject to the provisions of any applicable Supplemental Master Trust Agreement governing the payment of interest on any Bond transferred after a Record Date and prior to an Interest Payment Date, for the purpose of receiving payment of, or on account of, the principal of and interest on any fully registered Bond and for all other purposes, the Authority, the Master Trustee, the Bond Registrar and any Paying Agent may deem and treat the person in whose name such Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether or not such Bond is overdue, and neither the Authority, the Master Trustee, the Bond Registrar nor any Paying Agent shall be affected by any notice to the contrary.

(b) Payment made to the person deemed to be the owner of any Bond for the purpose of such payment in accordance with the provisions of this Section shall be valid and effectual, to the extent of the sum or sums so paid, to satisfy and discharge the ability upon such Bond in respect of which such payment was made.

Section 208. Exchange and Transfer of Bonds.

(a) As long as any of the Bonds remain Outstanding, the exchange of Bonds shall be permitted at the designated payment office of the Master Trustee.

(b) Any Bond or Bonds, upon surrender thereof at the designated payment office of the Master Trustee with a written instrument of transfer satisfactory to the Master Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and interest rate and of any other Authorized Denominations.

(c) In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Master Trustee shall deliver Bonds in accordance with the provisions of this Master Trust Agreement. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Master Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

Section 209. Cancellation and Destruction of Surrendered Bonds. Upon the surrender to the Master Trustee of any temporary or mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds paid at maturity by the Authority, the same shall forthwith be cancelled and periodically destroyed by the Master Trustee.

Section 210. Book-Entry System.

(a) Except as provided in subsection (c) of this Section or as otherwise set forth in a Supplemental Master Trust Agreement with respect to a series of Bonds, the Bonds shall be registered in the name of Cede & Co. ("Cede"), as nominee of the Depository Trust Company ("DTC"). Payment of interest for any Bond shall be made by transfer of immediately available funds to the account of Cede on the Interest Payment Date for the Bonds at the address indicated for Cede in the Bond Register.

(b) The Bonds shall be initially issued in the form of a separate single fully registered bond in the amount of each separate stated maturity and interest rate of the Bonds. Upon initial issuance, the Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC. With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the Authority and the Master Trustee shall have no responsibility or obligation to any participant of DTC (a "DTC Participant") or to any person for whom a DTC Participant acquires an interest in Bonds (a "Beneficial Owner"). Without limiting the immediately preceding sentence, the Authority and the Master Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or a DTC Participant with respect to any ownership interest in Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner or any other person of any other notice of redemption, or (iii) the payment to any DTC Participant, any Beneficial Owner or any other person, other than DTC, of any amount with respect to the principal of or redemption premium, if any, or interest on the Bonds. The Authority and the Master Trustee may treat and deem DTC as the absolute owner of each Bond for the purpose of payment of principal or purchase price of and redemption premium, if any, and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for purpose of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Master Trustee shall pay all principal or purchase price of and redemption premium, if any, and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal or purchase price of and redemption premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Payments of principal may be

made without requiring surrender of the Bonds, and the Authority and the Master Trustee shall not be liable for the failure of DTC or any successor thereto to properly indicate on the Bonds the payment of such principal. No person other than DTC shall receive a Bond evidencing the obligation of the Authority to make payments of principal of and redemption premium, if any, and interest pursuant to this Master Trust Agreement. Upon delivery by DTC to the Master Trustee of written notice the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of this Master Trust Agreement, the word "Cede" in this Master Trust Agreement shall refer to such new nominee of DTC.

(c) (i) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Authority and discharging its responsibilities with respect thereto under applicable law.

(ii) The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Authority determines that: (A) DTC is unable to discharge its responsibilities with respect to the Bonds; or (B) a continuation of the requirement that all of the Outstanding Bonds be registered in the Bond Register in the name of Cede, as nominee of DTC, is not in the best interest of the Beneficial Owners of the Bonds. In the event that no substitute securities depository is found by the Authority, Bond certificates will be delivered to the Beneficial Owners thereof.

(iii) Upon the termination of the services of DTC with respect to the Bonds pursuant to subparagraph (c)(ii)(B) of this Section, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subparagraph (c)(i) or subparagraph (c)(ii)(A) of this Section after which no substitute Securities Depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Bonds shall designate. The Master Trustee may rely on information from DTC or any successor Securities Depository and its participants as to the names of the beneficial owners of Bonds and the amounts so owned. The cost of printing physical bond certificates and expenses of the Master Trustee shall be paid for by the Authority.

(iv) Notwithstanding any other provision of this Master Trust Agreement to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal amount of and redemption premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(v) In connection with any notice or other communication to be provided to Bondholders pursuant to this Master Trust Agreement by the

Authority or the Master Trustee with respect to any consent or other action to be taken by the Bondholders, the Authority or the Master Trustee, as the case may be, the Master Trustee shall establish a record date (the "Notice Record Date") for such consent or other action and give DTC notice of such Notice Record Date not less than 15 calendar days in advance of such Notice Record Date to the extent possible.

Section 211. Non-Presentment of Bonds. Except as otherwise provided in Section 212 hereof, in the event any Bonds shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bonds shall be held by the Master Trustee for the benefit of the holder or holders thereof, all liability of the Authority to the holder or holders thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged and thereupon it shall be the duty of the Master Trustee to hold such funds without liability for interest thereon, for the benefit of the holder or holders of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Master Trust Agreement or on, or with respect to, such Bonds.

Section 212. Unclaimed Moneys. All moneys which the Master Trustee shall have withdrawn from the Bond Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds hereby secured shall be held in trust for the respective holders of such Bonds, but any moneys which shall be so set aside or deposited by the Master Trustee and which shall remain unclaimed by the holders of such Bonds for a period of four years after the date on which such Bonds shall have become due and payable shall be paid to the Authority; provided, however, that the Master Trustee, before making any such payment shall send a letter to the last known address for such Bondholders that said moneys have not been claimed and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Authority and thereafter the holders of such Bonds shall look only to the Authority for payment and then only to the extent of the amount so received without any interest thereon, and the Master Trustee shall have no responsibility with respect to such moneys.

Section 213. Leveraged and State Match Portions. The Bonds may be comprised of a State Match CWSRF Portion, a State Match DWSRF Portion, a Leveraged CWSRF Portion and a Leveraged DWSRF Portion, all as specified in the applicable Supplemental Master Trust Agreement, and subject to adjustment as set forth in an Officer's Certificate. The State Match CWSRF Portion represents that portion of the Bonds issued to provide the State Match for the Clean Water Program. The State Match DWSRF Portion represents that portion of the Bonds issued to provide the State Match for the Drinking Water Program. The Leveraged CWSRF Portion represents that portion of the Bonds issued to provide the Leveraged Portion for the Clean Water Program. The Leveraged DWSRF Portion represents that portion of the Bonds issued to provide the Leveraged Portion for the Drinking Water Program.

The establishment of the funds and accounts as set forth in Article III hereof, and the deposit and disbursement of moneys held hereunder are intended to ensure that the principal repayments of Loans made under the Clean Water Program and the Drinking Water Program shall be used only to pay amounts due on the Leveraged CWSRF Portion and the Leveraged DWSRF Portion of the Bonds, respectively. Interest payments on Loans and investment

earnings shall be used first to pay amounts due on the State Match CWSRF Portion and State Match DWSRF Portion of the Bonds, and then to pay any remaining amounts due on the Leveraged CWSRF Portion and the Leveraged DWSRF Portion of the Bonds, respectively.

Section 214. Master Trust Agreement to Constitute a Contract. In consideration of the purchase and acceptance of Bonds by those who shall hold the same from time to time, the provisions of this Master Trust Agreement and any Supplemental Master Trust Agreement shall be a part of the contract of the Authority with the Owners of the Bonds and shall be deemed to be and shall constitute a contract between the Authority, the Trustee and the Owners from time to time of the Bonds. The Authority hereby agrees that it will faithfully perform all of the covenants and agreements contained in this Master Trust Agreement and in the Bonds.

Pursuant to Section 801-50 of the Act, the State pledges and agrees with the holders of Bonds that the State will not limit or restrict the rights vested in the Authority pursuant to the Act to purchase, acquire, hold, sell, or dispose of investments or to establish and collect Loan payments or other charges as may be convenient or necessary to produce sufficient revenues to fulfill the terms of this Master Agreement with the holders of the Bonds or in any way impair the rights or remedies of the holders of the Bonds until such Bonds are fully paid and discharged or provision for their payment has been made.

ARTICLE III

ESTABLISHMENT AND APPLICATION OF FUNDS AND ACCOUNTS

Section 301. Establishment of Funds and Accounts.

(a) The Authority hereby creates and establishes the following funds, accounts and subaccounts, each of which shall be held in trust by the Master Trustee:

(i) Loan Origination Fund, consisting of a CWSRF State Match Loan Account, a CWSRF Leveraged Loan Account, a DWSRF Leveraged Loan Account and a DWSRF State Match Loan Account;

(ii) Costs of Issuance Fund, consisting of a CWSRF Account and a DWSRF Account;

(iii) Revenue Fund, consisting of a CWSRF Revenue Account and a DWSRF Revenue Account and within each such account a Principal Subaccount, an Interest Subaccount, a Loan Support Fee Subaccount and a Redemption Subaccount;

(iv) Bond Fund, consisting of a CWSRF Account and a DWSRF Account and within each such account a State Match Portion Subaccount and a Leveraged Portion Subaccount;

(v) Equity Fund, consisting of a CWSRF Account and a DWSRF Account and within each such account a principal Subaccount, an Interest

Subaccount and a Reserve Subaccount; and

(vi) Rebate Fund, consisting of a CWSRF Account and a DWSRF Account.

(b) Each fund, account and subaccount created from time to time under this Master Trust Agreement shall have such further designations as the Master Trustee and the Authority deem appropriate in order to properly account for all moneys subject to this Master Trust Agreement.

(c) The Authority may, by a Supplemental Master Trust Agreement, Series Certificate or other Officer's Certificate, establish one or more additional funds, accounts or subaccounts under this Master Trust Agreement. All other funds, accounts and subaccounts established hereunder by the Authority will be held by the Master Trustee and, subject to the following sentence, for the benefit of the Clean Water Program or the Drinking Water Program, as applicable. The Supplemental Master Trust Agreement, Series Certificate or other Officer's Certificate establishing any other fund, account or subaccount shall set forth the extent, if any, to which such fund, account or subaccount shall be available for and pledged and assigned for the payment of Bonds, and shall state to which fund, account or subaccount investment earnings shall be deposited.

(d) The pledge and assignment effected by this Master Trust Agreement will be valid and binding from the date of execution and delivery of this Master Trust Agreement and the related Series Certificates, the moneys so pledged and assigned and hereafter received by the Authority will be subject to the lien of such pledge and assignment, and such lien will be a continuing, irrevocable and exclusive first lien and will be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. Pursuant to Section 801-50 of the Act, the Master Trust Estate and the other moneys and securities hereby pledged shall immediately be subject to the lien and pledge hereof without any physical delivery or further act, and the lien and pledge hereof shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice hereof.

(e) All funds, accounts and subaccounts shall be held by the Master Trustee in trust for application only in accordance with the provisions of this Master Trust Agreement and any applicable Supplemental Master Trust Agreement.

(f) The Existing Clean Water Accounts established within the funds described in paragraph (a) hereof (other than the Loan Support Fee Subaccount) will be deemed to be within the Clean Water Program for purposes of compliance with the Water Quality Act, the Act and regulations promulgated thereunder restricting the use of moneys within the Clean Water Program. The existing Drinking Water Accounts established within the funds described in paragraph (a) hereof (other than the Loan Support Fee Subaccount) will be deemed to be within the Drinking Water Program for purposes of compliance with the Safe Drinking Water Act, the Act and regulations promulgated thereunder restricting the use of moneys within the Drinking Water Program.

(g) Notwithstanding anything in this Section 301 to the contrary, nothing herein shall preclude the Authority from pledging certain reserve funds established under a Supplemental Master Trust Agreement for the benefit of only one or more specified Series of Bonds.

Section 302. Loan Origination Fund.

(a) The Master Trustee shall deposit in the applicable accounts and subaccounts of the Loan Origination Fund, such amounts as shall be stated in each Supplemental Master Trust Agreement, and subject to final allocation as set forth in an Officer's Certificate. Moneys in the Loan Origination Fund shall be disbursed by the Master Trustee for Loans made pursuant to Agreements to finance Projects being undertaken by Participants and to reimburse the IEPA for Loans pursuant to existing Agreements entered into with Participants and funded from other moneys and assets of the SRF Program upon receipt of Officer's Certificate signed by the Authority requesting such disbursement and setting forth and depositing the Pledged Agreements related to such Loans.

(b) Pending application as provided herein, moneys in the Loan Origination Fund shall be invested pursuant to Article VII herein or as otherwise directed pursuant to the applicable Supplemental Master Trust Agreement. Investment earnings on all moneys held in the Loan Origination Fund shall be deposited into the applicable Interest Subaccount of the Revenue Fund.

(c) Any moneys remaining in an account of the Loan Origination Fund for a particular Series of Bonds shall be transferred to redeem Bonds of the same Series as required by, and in the manner set forth in, the extraordinary mandatory redemption provisions contained in any related Supplemental Master Trust Agreement.

Section 303. Costs of Issuance Fund. The Master Trustee shall deposit in the applicable Series account of the Costs of Issuance Fund such amounts as shall be stated in a corresponding Supplemental Master Trust Agreement or in an Officer's Certificate signed by the Authority. Monies in the applicable Series account of the Costs of Issuance Fund shall be expended and disbursed by the Master Trustee solely for the payment of the Costs of Issuance in accordance with the instructions set forth in the corresponding Officer's Certificate. Any balance remaining in the Costs of Issuance Fund on the 180th day following the issuance of the applicable Series of Bonds (or, if sooner, after the payment of all Costs of Issuance relating to the Bonds) shall be transferred to the Bond Fund or to another fund or account in each case as may be specified in an Officer's Certificate or in a Supplemental Master Trust Agreement. Unless otherwise provided by the applicable Supplemental Master Trust Agreement, investment earnings on all moneys held in the Costs of Issuance Fund shall be deposited on the first Business Day of each month into the applicable Interest Subaccount of the Revenue Fund.

Section 304. Revenue Fund. The Revenue Fund shall be used to collect Revenues paid to the Authority under the Pledged Agreements plus investment income from the investment of moneys within certain funds and accounts created under this Master Trust Agreement. The

Revenue Fund shall consist of a CWSRF Revenue Account and a DWSRF Revenue Account, each of which shall have the following subaccounts:

- (a) Principal Subaccount;
- (b) Interest Subaccount;
- (c) Redemption Subaccount; and
- (d) Loan Support Fee Subaccount.

That portion of each payment under the Pledged Agreements which represents the scheduled repayment of principal shall be deposited into the applicable Principal Subaccount upon receipt in accordance with the invoice attached to each such payment. That portion of each payment under the Pledged Agreements which represents interest on the Loan shall be deposited into the applicable Interest Subaccount upon receipt. That portion of each payment under the Pledged Agreements identified on the accompanying invoice as Loan Support Fees on the Loan shall be deposited as received in the Loan Support Fee Subaccount and shall not be subject to the lien hereof. As set forth in Article VII hereof, all investment income earned on various funds and accounts created under this Master Trust Agreement (except for the Rebate Fund and the Loan Support Fee Subaccount and unless otherwise directed by a Supplemental Master Trust Agreement), shall be transferred into or credited to the applicable Interest Subaccount upon receipt.

All principal amounts received from Participants pursuant to an optional prepayment of all or a portion of their Pledged Agreements, other than any initial payments deemed received by the Authority in connection with Loan sizing at the conclusion of construction of each Project, shall be deposited in the applicable Redemption Subaccount upon receipt.

At the times set forth in Section 305 and Section 306 hereof, the Master Trustee shall transfer the required amounts from the applicable Principal Subaccounts and Interest Subaccounts of the Revenue Fund to the appropriate accounts of the Bond Fund or Equity Fund. The Master Trustee thereafter shall transfer all excess amounts remaining on deposit in the Principal Subaccounts and Interest Subaccounts of the Revenue Fund attributable to the Bonds to the appropriate subaccounts of the Equity Fund.

On the first Business Day of each month, the Master Trustee shall: (i) transfer all amounts held in the Loan Support Fee Subaccounts to the IEPA and (ii) transfer all amounts held in the Redemption Subaccounts to the applicable principal subaccount of the Equity Fund.

Section 305. Bond Fund.

(a) There shall be deposited into the applicable State Match Portion Subaccount of the Bond Fund all accrued interest received, if any, at the time of the issuance and delivery of the Bonds. In addition, there shall be deposited into the applicable State Match Portion Subaccounts of the Bond Fund (i) first from the moneys on deposit in the applicable Interest Subaccounts of the Revenue Fund, and (ii) second from moneys on deposit in the applicable Interest Subaccounts of the Equity Fund, on

each Interest Payment Date, an amount which when aggregated shall be sufficient to pay the principal of the State Match Portions of the Bonds due on such Interest Payment Date, including the sinking fund installments due on such date, plus the interest due on such Interest Payment Date on the State Match Portions of the Bonds Outstanding.

(b) There shall be deposited into the applicable Leveraged Portion Subaccounts of the Bond Fund all accrued interest received, if any, at the time of the issuance and delivery of the Leveraged CWSRF Portion and the Leveraged DWSRF Portion of the Bonds. In addition, there shall be deposited into the Leveraged Portion Subaccount of the Bond Fund, on each Interest Payment Date, an amount which when aggregated shall be sufficient to pay the principal of the Leveraged CWSRF Portion and the Leveraged DWSRF Portion of the Bonds due on such Interest Payment Date, including the sinking fund installments due on such date, plus the interest due on such Interest Payment Date on the Leveraged CWSRF Portion and the Leveraged DWSRF Portion of the Bonds Outstanding, from the following sources and in the following order of priority: (i) moneys on deposit in the applicable Principal Subaccounts of the Revenue Fund, (ii) moneys on deposit in the applicable Interest Subaccounts of the Revenue Fund (it being the intent hereof that the Leveraged Portion Subaccount of the Bond Fund receive these moneys only after the State Match Portion Subaccounts of the Bond Fund have received sufficient funds to meet their debt service payment requirements), and (iii) moneys on deposit in the Equity Fund.

(c) If on any Interest Payment Date there shall be a deficiency in any account or subaccount of the Bond Fund remaining after the foregoing transfers from the Revenue Fund have been made, with the result that the full amount of principal of and interest on the Bonds due on said Interest Payment Date cannot be so paid in full from the Bond Fund, the Master Trustee shall promptly transfer from the applicable account of the Equity Fund to the Bond Fund the amount necessary to make the debt service payment on said Interest Payment Date.

(d) The transfers described in this Section ensure that no moneys representing the repayment of principal of any Loans or Grant Proceeds shall be used for the payment of the State Match Portions of the Bonds. The Authority covenants and agrees that, should there be a default under the Pledged Agreements, the Authority shall fully cooperate with the Master Trustee and with the Bondholders to fully protect the rights and security of the Bondholders and shall diligently proceed in good faith and use its best efforts so that at all times sufficient amounts will be available to promptly meet and pay the principal of and interest on the Bonds as the same become due and payable. Nothing herein shall be construed as requiring the Authority to use any funds or Revenues from any source other than amounts pledged hereunder.

(e) Investment earnings on all moneys held in the Bond Fund shall be deposited on the first Business Day of each month to the applicable Interest Subaccount of the Revenue Fund.

Section 306. Equity Fund. The Master Trustee shall deposit in the Equity Fund such amounts as shall be stated in a Supplemental Master Trust Agreement or an Officer's Certificate signed by the Authority.

(a) Subject to the uses permitted by this Section 306, funds, securities and other investments, loans, Pledged Agreements and other property held from time to time in the Equity Fund are available for, and pledged to, the payment of the debt service on the Bonds when due and the payment of any other amounts required to be paid from time to time from the funds and accounts established pursuant to this Master Trust Agreement or any Supplemental Master Trust Agreement. Funds on deposit in the Equity Fund shall be used to make up any deficiencies in the Bond Fund, or Rebate Fund and shall be transferred to the Bond Fund if required on any Interest Payment Date or other payment date prior to any transfer otherwise required herein. Unless otherwise specified in a Supplemental Master Trust Agreement or other resolution of the Authority, the Authority shall not be required to maintain any minimum balance in the Equity Fund and the Authority makes no covenant to Bondholders or any other party that funds or other assets will be available in the Equity Fund in the event of a deficiency in the Bond Fund on any payment date. Available funds on deposit in the Equity Fund not used to make up such deficiencies may be used to make Loans and to reimburse the IEPA for Loans pursuant to Agreements funded from moneys and assets of the SRF Program, provided that the related Agreements will become Pledged Agreements.

(b) Pursuant to the applicable Supplemental Master Trust Agreement or upon receipt of an Officer's Certificate, the Master Trustee shall deposit in the applicable account or subaccount of the Equity Fund any funds, securities or other investments, loans or other property provided by the Authority and not otherwise pledged hereunder. The Master Trustee may deposit Grant Proceeds identified as such by the Authority in the applicable account or subaccount of the Equity Fund, as directed by the Authority from time to time. In addition, the Equity Fund shall hold surplus funds transferred to the Equity Fund pursuant to the provisions of this Master Trust Agreement.

(c) In addition to the uses described in paragraph (a), amounts on deposit in the Equity Fund may be withdrawn from the Equity Fund and used to pay fees and expenses of the Master Trustee and to pay the annual management fee of the Authority set forth in Section II of the Memorandum of Agreement. Additionally, provided that there is first delivered to the Master Trustee a written report of an Authorized Officer stating that the Projected Asset Coverage Ratio for each subsequent Bond Year is not less than 1.20: 1.00, taking into account the proposed transfer from the Equity Fund, funds in the Equity Fund may be withdrawn from the Equity Fund and used to make grants, and deposits, provide other subsidies and assistance in connection with the SRF Program or used for any lawful purpose by the IEPA upon such terms as the Authority may determine in accordance with the Memorandum of Agreement.

(d) Any moneys held in the Equity Fund may be invested or reinvested in Qualified Investments as may be authorized by law and as may be directed by an Authorized Officer in accordance with the provisions of Article VII hereto. Any interest

or income earned with respect to any said securities, loans or other property shall likewise be retained in the Equity Fund.

Section 307. Rebate Fund. The Master Trustee shall deposit into the applicable Series subaccount of the Rebate Fund the amounts required by an Officer's Certificate from the applicable Interest Subaccounts of the Revenue Fund. Amounts on deposit in the Rebate Fund may be used solely to make payments to the United States of America under Section 148 of the Code and to pay or reimburse allowable costs related to the calculation of the amounts due, or if amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, the Master Trustee shall transfer such excess amounts to the applicable Interest Subaccounts of the Revenue Fund as directed in an Officer's Certificate. The Rebate Fund and all amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Bondholders or any other person and shall not constitute part of the Master Trust Estate.

Section 308. Establishment of Other Funds or Accounts. The Master Trustee may, but shall have no duty to, establish such other funds, accounts or subaccounts which are necessary for the Bonds authorized hereby and which shall be in addition to the funds, accounts or subaccounts already established by this Master Trust Agreement.

Section 309. State Revolving Funds.

(a) The following funds and accounts are a part of the "state revolving fund" within the meaning of the Water Quality Act:

- (i) the CWSRF Account of the Bond Fund;
- (ii) the CWSRF Leveraged Loan Account and the CWSRF State Match Loan Account of the Loan Origination Fund;
- (iii) the CWSRF Revenue Account of the Revenue Fund; and
- (iv) the Clean Water Account of the Equity Fund maintained by the Master Trustee.

All funds, accounts and subaccounts created herein which are a part of the "state revolving fund" for purposes of the Water Quality Act are intended to be used and expended in a manner consistent with the IEPA Act, the Water Quality Act and all lawfully promulgated regulations thereunder.

(b) The following funds and accounts are a part of the "state revolving fund" within the meaning of the Safe Drinking Water Act:

- (i) the DWSRF Account of the Bond Fund;
- (ii) the DWSRF Leveraged Loan Account and the DWSRF State Match Loan Account of the Loan Origination Fund;

- (iii) the DWSRF Revenue Account of the Revenue Fund; and
- (iv) the Drinking Water Account of the Equity Fund maintained by the Master Trustee.

All funds, accounts and subaccounts created herein which are a part of the "state revolving fund" for purposes of the Safe Drinking Water Act are intended to be used and expended in a manner consistent with the Water Quality Act, the Safe Drinking Water Act and all lawfully promulgated regulations thereunder.

Section 310. Cross-Collateralization of the Drinking Water Accounts and Clean Water Accounts; Payment of Debt Service. The Authority may deliver at any time to the Master Trustee an Officer's Certificate pursuant to which the Authority can direct the transfer of funds or the allocation of liabilities within a Drinking Water Account to a Clean Water Account of any Fund, or funds or the allocation of liabilities within a Clean Water Account to a Drinking Water Account of any Fund. The only limitation on the transfer of funds from Drinking Water Accounts to Clean Water Accounts or Clean Water Accounts to Drinking Water Accounts shall be as set forth by the Act, the Water Quality Act and the Safe Drinking Water Act. In addition, any moneys, funds, revenues or other assets in any funds, accounts or subaccounts created herein may be used to pay debt service with respect to any Bonds outstanding pursuant to this Master Trust Agreement (except as limited by this Master Trust Agreement) as permitted by the Act, the Water Quality Act and the Safe Drinking Water Act.

ARTICLE IV

GENERAL COVENANTS

Section 401. Source of Payment of Bonds. The Bonds and all debt service payments by the Authority hereunder are not general obligations of the Authority but are limited obligations payable solely from Revenues and other amounts pledged hereunder. As authorized by the Act and as further provided herein, the Bonds are secured by said Revenues, except that, as provided in Article III hereof, the State Match Portions of the Bonds will not be paid from moneys derived from the repayment of Principal of any Loan or Grant Proceeds. The Bonds shall never constitute an indebtedness of the Authority within the meaning of any constitutional provision or statutory limitation and shall not constitute nor give rise to a pecuniary liability of the Authority or a charge against its general credit.

Section 402. Payment of Principal, Premium, if any, and Interest. The Authority covenants that it will promptly pay the principal of, premium, if any, and interest on every Bond issued under this Master Trust Agreement at the place, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof, but solely from amounts pledged therefor pursuant to the Granting Clause in this Master Trust Agreement, other than the Loan Support Fee Subaccount of the Revenue Fund and the Rebate Fund, and nothing in the Bonds or in this Master Trust Agreement shall be construed as pledging any other funds or assets of the Authority. Neither the State nor the Authority nor any political subdivision of the

State shall in any event be liable for the payment of the principal of, premium, if any, or interest in any of the Bonds except to the extent of the pledge herein contained.

Section 403. Authority for Master Trust Agreement. This Master Trust Agreement is executed and delivered by the Authority by virtue of and pursuant to the Act. The Authority has ascertained and hereby determines and declares that the execution and delivery of this Master Trust Agreement is necessary to meet the public purposes and obligations of the Authority, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes and to carry out its powers and is in furtherance of the public benefit, safety and welfare and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and are contract or agreements necessary, useful or convenient to carry out and effectuate the corporate purposes of the Authority. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Master Trust Agreement and in the Pledged Agreements and in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Authority covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to execute this Master Trust Agreement, to pledge the Loan repayments under the Pledged Agreements and any other amounts hereby pledged in the manner and to the extent herein set forth; and that all action on its part for the execution and delivery of this Master Trust Agreement has been duly and effectively taken.

Section 404. Right to Payments Under Pledged Agreements. The Authority covenants that it will defend its right to the payment of amounts due under the Pledged Agreements, for the benefit of the holders and owners of the Bonds against the claims and demands of all persons whomsoever.

Section 405. Instruments of Further Assurance. The Authority will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such resolutions, indentures supplemental hereto and such further acts, instruments and transfers as may reasonably be required for assuring, transferring, conveying, pledging, assigning and confirming unto the Master Trustee all and singular the rights in property pledged and assigned hereby to the payment of the principal of, premium, if any, and interest on the Bonds. The Authority, except as herein and in the Pledged Agreements provided, will not sell, convey, mortgage, encumber or otherwise dispose of the Loan repayments pursuant to the Pledged Agreements or any part thereof, together with any additions thereto and substitutions therefor.

Section 406. Recording and Filing. The Authority covenants that it will cause this Master Trust Agreement, and all supplements thereto, and the Pledged Agreements and all supplements thereto, as well as such other security agreements, financing statements and all supplements thereto and other instruments as may be required from time to time to be kept, to be filed in such manner and in such places as may from time to time be required by law, including without limitation Section 801-50 of the Act, in order to preserve and protect fully the security of the holders and owners of the Bonds and the rights of the Master Trustee hereunder, and to take or cause to be taken any and all other action necessary to perfect the security interest created by this Master Trust Agreement.

Section 407. Inspection of Books. All books and records in the Authority's, the IEPA's or the Master Trustee's possession relating to this Master Trust Agreement and the Loan repayments and other amounts derived pursuant to the Pledged Agreements shall at all reasonable times be open to inspection by such employed accountants, auditors, arbitrage consultants, or other agents as the Master Trustee or the Authority may from time to time designate.

Section 408. List of Bondholders. The Paying Agent will keep on file a list of names and addresses of all holders of Bonds, together with the principal amount, series, maturity date and CUSIP numbers of such Bonds. At reasonable times and under reasonable regulations and in accordance with applicable laws, said list may be inspected and copied by the Authority or by holders or owners (or a designated representative thereof) of twenty-five percent (25%) or more in principal amount of Bonds then outstanding, such possession or ownership and the authority of such designated representative to be evidenced to the satisfaction of the Master Trustee.

Section 409. Rights Under Pledged Agreements. The Pledged Agreements, duly executed counterparts of which shall be filed with the IEPA in accordance with the Memorandum of Agreement, set forth the covenants and obligations of the IEPA and each of the Participants, including provisions that subsequent to the issuance of Bonds and prior to payment of the Bonds in full or provision for payment thereof in accordance with the provisions hereof, the Pledged Agreements may not be effectively amended, changed, modified, altered or terminated without the written consent of the Authority, and reference is hereby made to the same for a detailed statement of said covenants and obligations of each of the Participants thereunder, and the Authority agrees that the Master Trustee in its name or in the name of the Authority, without further consent of the Authority but with notice to the Authority, may enforce all rights of the Authority and all obligations of each of the Participants under and pursuant to the Pledged Agreements for and on behalf of the Bondholders, whether or not the Authority is in default hereunder.

Section 410. Tax Covenants of the Authority.

(a) To the extent applicable for each Series of Bonds, the Authority shall not use or permit the use of any proceeds of the Bonds or any other funds of the Authority pledged under this Master Trust Agreement, directly or indirectly, to acquire any "higher yielding investments" when a "temporary period" is not applicable, as such terms are defined in Section 148 of the Code. To the extent applicable for each Series of Bonds, the Authority shall not use, or permit the use of, any amounts held under this Master Trust Agreement in any manner, and shall not take or permit to be taken any other action or actions, which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or any successor provision, or which would otherwise cause interest on the Bonds to become includable as gross income of the owners thereof for purpose of federal income taxation.

(b) To the extent applicable for each Series of Bonds, the Authority covenants and agrees that it will take all necessary and appropriate actions reasonably within its control, including (i) rebating any excess investment earnings to the United States and (ii) taking all necessary steps to satisfy any exceptions to arbitrage rebate requirements

contained in the Code under Section 148(f)(4)(B)(i) and (C), as hereafter may be required to assure the continuing exclusion of interest on the Bonds from the gross income of the owners thereof for the purposes of federal income taxation. To the extent applicable for each Series of Bonds, the Authority further covenants and agrees not to act in any other manner which would adversely affect the exemption of interest on any Bonds from gross income for purposes of federal income taxation.

Section 411. Issuance of Additional Indebtedness. The Authority may not incur Additional Indebtedness, other than the \$141,700,000 aggregate principal amount of the Authority's State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013, on a parity with the Bonds unless there is first delivered to the Master Trustee a written report of an Authorized Officer stating that either (i) the Projected Debt Service Coverage Ratio for each subsequent Bond Year is not less than 1.05: 1.00 taking into account all Outstanding Bonds and other Outstanding Additional Indebtedness, including the proposed Additional Indebtedness or (ii) the Projected Debt Service Coverage Ratio for each subsequent Bond Year would be higher taking into account all Outstanding Bonds and other Outstanding Additional Indebtedness, including the proposed Additional Indebtedness, than the Projected Debt Service Coverage Ratio for each subsequent Bond Year if no Additional Indebtedness was issued. The Authority may issue Additional Indebtedness that is subordinate to Outstanding Bonds if there is first delivered to the Master Trustee a written report of an Authorized Officer stating the Projected Debt Service Coverage Ratio for each subsequent Bond Year is not less than 1.00: 1.00, including the proposed Additional Indebtedness. The Authority may consider all expected revenues to the Authority from the issuance of the Additional Indebtedness including at the time of issuance any and all moneys held in the funds, accounts and subaccounts of this Master Trust Agreement, except moneys in the Loan Support Fee Subaccount of the Revenue Fund or the Rebate Fund.

ARTICLE V

REDEMPTION OF BONDS

Section 501. Authorization of Redemption. Bonds subject to redemption prior to maturity pursuant to a Supplemental Master Trust Agreement, by Sinking Fund Installment or otherwise, shall be redeemable, in accordance with this Article V at such times, at such Redemption Price and upon such terms as may otherwise be specified in such Supplemental Master Trust Agreement.

Section 502. Authority's Election to Redeem. Bonds of any Series may be subject to redemption in whole or in part on any date at the option of the Authority prior to maturity pursuant to the provisions of the Supplemental Master Trust Agreement. The Authority shall give notice to the Master Trustee of each optional redemption, which notice shall specify the date fixed for redemption, the applicable Series of Bonds to be redeemed, the aggregate principal amount of such Series to be redeemed and the Sinking Fund Installments or maturities of Serial Bonds against which the par value of the Bonds of such Bonds so redeemed shall be credited. Such notice shall be given at least thirty-five (35) days prior to the date fixed for redemption, or such lesser number of days as shall be acceptable to the Master Trustee.

Section 503. Redemption Other Than at Authority's Election. Whenever by the terms of this Master Trust Agreement or a Supplemental Master Trust Agreement the Master Trustee is required to redeem Bonds in whole or in part other than at the election of the Authority or on a pro rata basis, the Master Trustee shall select the Bonds of the Series to be redeemed, give the notice of redemption and apply any available funds to the payment of the Redemption Price thereof and the accrued interest thereon to the redemption date in accordance with the terms of this Article V.

Section 504. Notice of Redemption.

(a) When any Bonds, or portions thereof, are to be redeemed, by Sinking Fund Installments or otherwise, the Master Trustee shall give notice of the redemption of the Bonds in the name of the Authority to the Holders of such Bonds which are to be redeemed specifying (i) the applicable Series to be redeemed; (ii) the redemption date and whether or not such redemption is conditioned on the deposit of sufficient funds with the Master Trustee; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds, or portions thereof, to be redeemed (unless all the outstanding Bonds of any Series or maturity within a series are to be redeemed); (v) the place or places where amount due upon such redemption will be payable; and (vi) such other information as the Master Trustee shall deem necessary or appropriate to facilitate the redemption of such Bonds. Such notice shall further state that on such date there shall become due and payable upon each Bond, or portion thereof, to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest on any such Bonds, or portions thereof, shall cease to accrue unless such notice was conditional and the conditions had not been satisfied in which case the notice of redemption shall be void. Such notice shall be given by the Master Trustee by mailing a copy of such notice by first class or certified mail, postage prepaid, to the registered Holders of any Bonds or portions thereof to be redeemed at their last address appearing upon the registration books, such notice to be given not less than thirty (30) days or more than sixty (60) days before the redemption date unless otherwise specified in the applicable Supplemental Master Trust Agreement. The obligation of the Master Trustee to give the notice required by this Section 504 shall not be conditioned upon the prior payment to the Master Trustee of moneys or Investment Obligations sufficient to pay the Redemption Price to which such notice relates or the interest thereon to the redemption date.

(b) Notice of redemption having been given as provided in subsection (a) hereof, the Bonds or portions thereof so to be redeemed shall become due and payable on the date fixed for redemption at the Redemption Price specified therein plus accrued interest to the redemption date and, upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date. On and after the redemption date (unless the Authority shall default in the payment of the Redemption Price and accrued interest) (i) such Bonds or portions thereof shall cease to bear or accrue interest and (ii) such Bonds or portions thereof shall no longer be considered as Outstanding hereunder. If moneys sufficient to pay the Redemption Price and accrued interest have not been made available by the Authority to the Master Trustee on the redemption date,

such bonds or portions thereof shall continue to bear or accrue interest until paid at the respective rate or rates specified thereon.

Section 505. Selection by Master Trustee of Bonds to be Redeemed.

(a) If less than all of the Bonds of like maturity of any Series are to be redeemed, the particular Bonds or portions of Bonds to be redeemed shall be selected prior to the date fixed for redemption, by the Master Trustee by lot unless this Master Trust Agreement or a Supplemental Master Trust Agreement provides for a pro rata redemption with respect to any Series of Bond.

(b) In making such selection, the Master Trustee shall treat each Bond to be redeemed as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of any authorized denomination.

(c) The Master Trustee shall promptly notify the Authority in writing of the Bonds so selected for redemption.

Section 506. Deposit of Redemption Price. On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of Investment Obligations maturing or redeemable at the option of the holder thereof not later than the date fixed for redemption in an amount that, will be sufficient to provide cash to pay the Redemption Price and the accrued interest on all Bonds or portions thereof to be redeemed on such date, shall be deposited with the Master Trustee unless such amount previously shall have been deposited with the Master Trustee pursuant to this Master Trust Agreement or the Supplemental Master Trust Agreement.

Section 507. Partial Redemption. In case part but not all of an Outstanding Bond shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the Authority or the Master Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Master Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing) to the Master Trustee, the Authority shall execute and the Master Trustee shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the fully registered Bond so surrendered, a fully registered Bond, in the denomination of the unredeemed outstanding principal amount of the Bond and of like tenor. Fully registered Bonds so presented and surrendered shall be cancelled in accordance with Section 209 of this Master Trust Agreement.

Section 508. Purchase in Lieu of Redemption. The Authority may purchase or direct the Master Trustee to purchase Bonds of any particular Series or maturity in lieu of redemption of such Bonds. Such purchases shall be made at any time prior to the giving of notice of redemption to bondholders by the Master Trustee; provided, however, that the Authority may not purchase nor direct the Master Trustee to purchase the State Match Portions of the Bonds from moneys derived from the repayment of Principal of any Loan or Grant Proceeds.

Notwithstanding the preceding paragraph, the Authority will not redeem, purchase or direct the purchase or redemption by the Master Trustee of any Bonds in whole or in part at a cost or price (including any brokerage fee or commission and other charges) which (i) exceeds the Redemption Price then applicable thereon plus accrued interest to the redemption date if such Bonds are then redeemable, or (ii) would adversely affect the ability of the Authority to pay any other Bonds when due.

ARTICLE VI

PLEDGED AGREEMENTS

The Authority may at any time release specified Pledged Agreements from the lien of this Master Trust Agreement, or substitute and add new Pledged Agreements to the lien of this Master Trust Agreement, in each case by preparing and filing with the Master Trustee and each Rating Agency then maintaining a rating on the Bonds, an Officer's Certificate (i) describing the specific Pledged Agreements to be released or, if applicable, substituted therefore or added thereto, and the extent to which the Officer's Certificate referred to in Section 202 hereof should be deemed modified as a result of such release, substitution or addition; (ii) stating, on the basis of such supporting schedules as shall be attached, that after the release of any such Pledged Agreements from the lien of this Master Trust Agreement, and taking into account the principal and interest payment which the Authority reasonably expects will be received under the Pledged Agreements, if any, which are to be substituted therefore or added thereto upon the release and the other Revenues available for the payment of the principal of and interest on the Bonds, the resulting Revenues are reasonably expected to be sufficient to pay the State Match CWSRF Portion, State Match DWSRF Portion, Leveraged CWSRF Portion and Leveraged DWSRF Portion of the principal of and interest due on the Bonds on each Interest Payment Date and at maturity thereof; and (iii) stating that the Projected Debt Asset Coverage Ratio for each subsequent Bond Year is not less than 1.20:1.00, taking into account the proposed release or substitution, as applicable.

ARTICLE VII

INVESTMENT OF MONEYS

Any moneys held as part of the funds or accounts created or authorized hereunder shall be invested and reinvested by the Master Trustee, at the written direction of the Authority, in Qualified Investments. All investment earnings in the Loan Support Fee Subaccount of the Revenue Fund shall be deposited in such Subaccount. Any moneys held as a part of the Rebate Fund shall be invested and reinvested (including any investment income thereon) by the Master Trustee at the written direction of the Authority in accordance with the provisions of the Tax Exemption Certificate executed and delivered by the Authority in connection with the issuance of the Bonds hereunder and shall be held by or under the control of the Master Trustee. Except as may be set forth in a Supplemental Master Trust Agreement or as otherwise specifically provided herein, any money invested in respect to a particular fund or account shall be deemed at all times a part of the fund or account for which such investment was made and the interest

accruing thereon and any profit realized or loss resulting from such investment shall be credited or charged to the Interest Subaccount of the Revenue Fund, except with respect to the Rebate Fund and the Loan Support Fee Subaccount of the Revenue Fund.

The Master Trustee may conclusively rely upon the Authority's written instructions as to both the suitability and the legality of the directed investments. Ratings of Qualified Investments shall be determined at the time of purchase of such permitted investments and without regard to ratings subcategories. The Master Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including investment maintenance fees. In the absence of specific investment instructions from the Authority, the Master Trustee shall invest funds in standard investments in accordance with standing written instructions provided to the Master Trustee by the Authority. In the absence of written standing instructions regarding standard investments, the Master Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Qualified Investments. The Master Trustee shall not be responsible or liable for losses on investments made in accordance with the provisions of this Master Trust Agreement.

Although the Authority recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Authority hereby agrees that confirmations of permitted investments are not required to be issued by the Master Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

ARTICLE VIII

DISCHARGE OF LIENS

If the Authority shall pay or cause to be paid, or there shall be otherwise paid or provisions for payment made to or for the holders and owners of the Bonds, the principal of, premium, if any, and interest due or to become due thereon at the times and in the manner stipulated therein, and if the Authority shall not then be in default in any of the other covenants and promises in the Bonds and in this Master Trust Agreement expressed as to be kept, performed and observed by it or on its part, and shall pay or cause to be paid to the Master Trustee and any Paying Agents all sums of money due or to become due according to the provisions hereof, then these presents and the Trust Estate and rights hereby granted shall cease, determine and be void with respect to the Bonds, whereupon the Master Trustee shall cancel and discharge the lien of this Master Trust Agreement with respect to the Bonds and release, assign and deliver unto the Authority any and all instruments as shall be requisite to cancel and discharge the lien of this Master Trust Agreement with respect to the Bonds and release, assign and deliver any and all of the Trust Estate, right, title and interest in and to any and all rights assigned to the Master Trustee or otherwise subject to the lien of this Master Trust Agreement with respect to the Bonds except moneys or securities otherwise held by the Master Trustee for the payment of the principal of, premium, if any, and interest on the Bonds.

Any Bond or Series of Bonds shall be deemed to be paid within the meaning of this Article VIII and for all purposes of this Master Trust Agreement when (a) payment of the principal of and the applicable redemption premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Master Trust Agreement, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Master Trustee in trust, and the Master Trustee shall have irrevocably set aside exclusively for such payment, (1) moneys and/or (2) Governmental Obligations maturing as to principal and interest in such amount and at such times as collectively will insure that moneys are available in an amount sufficient to make such payment; and (b) all necessary and proper fees, compensation and expenses of the Master Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Master Trustee. In determining the sufficiency of the moneys and/or Government Obligations deposited pursuant to clause (a)(ii) of this paragraph, the Master Trustee shall be entitled to receive, at the expense of the Authority, and may rely on a verification report of a firm of nationally recognized independent certified public accountants. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Master Trust Agreement, except for the purposes of any such payment from such moneys or Governmental Obligations.

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until: (a) proper notice of redemption of such Bonds shall have been previously given in accordance with Article V of this Master Trust Agreement, or in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, until the Authority shall have given the Master Trustee, in form satisfactory to the Master Trustee, irrevocable instructions to notify, as soon as practicable, the owners of the Bonds in accordance with Article V hereof, that the deposit required by (a)(ii) above has been made with the Master Trustee and that said Bonds are deemed to have been paid in accordance with this Article VIII and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds; or (b) the maturity of such Bonds.

Any moneys so deposited with the Master Trustee as provided in this Article may at the direction of the Authority be invested and reinvested in Governmental Obligations, maturing in the amounts and times as hereinbefore set forth. All income from all Governmental Obligations in the hands of the Master Trustee pursuant to this Article VIII which, in the opinion of the Authority set forth in an Officer's Certificate, is not required for the payment of the Bonds and interest and premium thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund.

To the extent applicable, the Authority hereby covenants that no deposit will be made or accepted hereunder and no use made of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code and the regulations promulgated or proposed thereunder, or in any way affect the tax-exempt status of interest on any of the Bonds.

Notwithstanding any provision of any other Article of this Master Trust Agreement which may be contrary to the provisions of this Article VIII, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including interest and premium thereon, if any) with respect to which such moneys and Governmental Obligations have been so set aside in trust.

Anything in Article XI hereof to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Master Trustee pursuant to this Article VIII for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article VIII shall be made without the consent of the holder of each Bond affected thereby.

ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES OF MASTER TRUSTEE AND BONDHOLDERS

Section 901. Defaults; Events of Default. If any one or more of the following events occur, subject to the provisions of Section 902 hereof, it is hereby defined as and declared to constitute an "Event of Default":

- (a) Default in the due and punctual payment of interest of any Bond.
- (b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond, whether at the stated maturity or redemption date thereon.
- (c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Authority in this Master Trust Agreement and failure to remedy the same after notice thereto pursuant to Section 911 hereof. The term "Default" hereunder means default by the Authority in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Master Trust Agreement exclusive of any period of grace required to constitute a Default or an "Event of Default" as hereinabove provided.

If an Event of Default shall occur, the Master Trustee shall, within five (5) Business Days after knowledge of such Event of Default, give written notice, by registered or certified mail, of such Event of Default to the Authority and each known Bondholder.

Section 902. Other Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default, the Master Trustee may proceed to pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then outstanding; provided, however, that with respect to Bonds, there is no remedy of acceleration under this Master Trust Agreement.

If an Event of Default shall have occurred, and if requested to do so by the holders of twenty-five percent (25%) in aggregate principal amount of Bonds then outstanding and if

indemnified as provided in Section 1001 hereof, Master Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Article IX, as the Master Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No remedy by the terms of this Master Trust Agreement conferred upon or reserved to the Master Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Master Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Default or Event of Default or acquiescence therein; and such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any Default or Event of Default hereunder, whether by the Master Trustee or by the Bondholders, shall extend to or shall affect any subsequent Default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 903. Rights of Bondholders to Direct Proceedings. Anything in this Master Trust Agreement to the contrary notwithstanding, the holders of a majority in aggregate principal amount of the Bonds then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Trust Agreement, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Trust Agreement.

Section 904. Appointment of Receivers. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Master Trustee and of the Bondholders under this Master Trust Agreement, the Master Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the payments, including any earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 905. Waiver. Upon the occurrence of an Event of Default, to the extent that such rights may then lawfully be waived, neither the Authority, nor anyone claiming through or under it shall set up, claim, or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Master Trust Agreement and the Authority, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of the State.

Section 906. Application of Moneys. All moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of this Article IX (other than

moneys in the Costs of Issuance Fund, the Loan Support Fee Subaccount of the Revenue Fund and the Rebate Fund) shall, after payment of the reasonable fees, costs, expenses, advances and liabilities incurred, including those incurred, made or assumed by the Master Trustee, in connection with the proceedings resulting in the collection of such moneys, be deposited in the appropriate accounts of the Bond Fund, taking into account the proportions to which the State Match Portions of the Bonds and the Leveraged Portions of the Bonds, respectively, bear to the total Outstanding Bonds, and be applied as follows, provided that no moneys derived from funds known to the Master Trustee, by identification or otherwise, to be Grant Proceeds or the repayment of the principal of any Loan shall be, used for the payment of any State Match Portion of the Bonds. All moneys so deposited in the Bond Fund shall be applied as follows:

(a) Unless the principal of all Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST – To the payment to the persons entitled thereto of all installments of interest due and payable on the Bonds, in the order in which such installments of interest became due and payable, with interest thereon at the rate or rates specified in the respective Bonds to the extent permitted by law, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND – To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held by the Master Trustee pursuant to the provisions of this Master Trust Agreement), in the order of their due dates, with interest on such principal from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full such principal due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD – To the Authority to the extent of any amounts owed to it under the Pledged Agreements, which amounts shall be set forth in an Officer's Certificate; and

FOURTH – The balance to the Authority for deposit to the Equity Fund held by the Master Trustee.

(b) If the principal of all the Bonds shall become due, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due in the aggregate for principal and interest, to the persons entitled thereto without any discrimination or

privilege, plus interest on overdue installments of interest or principal at the highest rate of interest borne by the Bonds.

(c) Whenever moneys are to be applied pursuant to the provisions of this Section 906, such moneys shall be applied at such times, and from time to time, as the Master Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Master Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any Bond until such Bond shall be presented to the Master Trustee for appropriate endorsement or for cancellation if fully paid.

(d) Whenever the principal of, premium, if any, and interest on all Bonds have been paid under the provisions of this Section 906 and all expenses and, charges of the Master Trustee have been paid, any balance remaining in the Bond Fund shall be paid to the Authority for deposit in the Equity Fund held by the Authority and related to the SRF Programs.

Section 907. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Master Trust Agreement or under any of the Bonds may be enforced by the Master Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Master Trustee shall be brought in its name as the Master Trustee without the necessity of joining as plaintiffs or defendants any holders of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the holders of the Outstanding Bonds (except with respect to the distinctions between the Leveraged CWSRF Portion, Leveraged DWSRF Portion, State Match CWSRF Portion and State Match DWSRF Portion of the Bonds).

Section 908. Rights and Remedies of Bondholders. No holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Master Trust Agreement or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a Default has occurred of which the Master Trustee has been notified as provided in Section 911 hereof, or of which by said subsection the Master Trustee is deemed to have notice, nor unless also such Default shall have become an Event of Default and the holders of twenty-five percent (25%) in aggregate principal amount of Bonds then outstanding shall have made written request to the Master Trustee and shall have offered the Master Trustee reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in the Master Trustee's own name or names, nor unless also they have offered to the Master Trustee indemnity as provided in Section 1001 hereof, nor unless the Master Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Master Trustee to be conditions precedent to the execution of the powers and trusts of this

Master Trust Agreement, and to any action or cause of action for the enforcement of this Master Trust Agreement, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Master Trust Agreement by its, his, her or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the holders of all Bonds then Outstanding. However, nothing contained in this Master Trust Agreement shall affect or impair the right of any Bondholder to enforce the payment of the principal, premium, if any, and interest on any Bond at and after the maturity thereof.

Section 909. Termination of Proceedings. In case the Master Trustee shall have proceeded to enforce any right under this Master Trust Agreement by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Authority, Master Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Master Trust Agreement, and all rights, remedies and powers of the Master Trustee shall continue as if no such proceedings had been taken.

Section 910. Waivers of Events of Default. The Master Trustee may, at its discretion, waive any other Event of Default hereunder and its consequences, and shall do so upon the written request of the holders of (a) 100% in aggregate principal amount of all the Bonds then outstanding in respect to which default in the payment of principal or interest, or both, exists, or (b) at least a majority in principal amount of all Bonds then outstanding in the case of any other default; provided, however, that there shall not be waived (i) any Event of Default in the payment of the principal of any Outstanding Bonds at the date of maturity specified therein, or (ii) any default in the payment when due of the interest on any Bonds, unless prior to such waiver or rescission, all arrears of interest and principal, as the case may be, and all expenses of the Master Trustee, in connection with such Default shall have been paid or provided for, and in cases of any such waiver or rescission, or in the case any proceeding taken by the Master Trustee on account of any such Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Master Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent other default, or impair any right consequent thereon.

Section 911. Notice of Defaults Under Section 901; Opportunity of the Authority to Cure Such Defaults. No Default under Section 901 hereof shall constitute an Event of Default until actual notice of such Default by registered or certified mail shall be given to the Authority by the Master Trustee or by the holders of not less than twenty-five percent (25%) in aggregate principal amount of all Bonds outstanding, and, in the case of defaults under Section 901(c) hereof, the Authority shall have had sixty (60) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an

Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected.

With regard to any default concerning which notice is given to the Authority under the provisions of this Section 911, the Authority hereby grants the Master Trustee full authority for account of the Authority to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts and with power of substitution.

ARTICLE X

THE MASTER TRUSTEE

Section 1001. Acceptance of Trusts. The Master Trustee hereby accepts the trusts imposed upon it by this Master Trust Agreement, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Master Trustee, prior to the occurrence of an Event of Default and after curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Master Trust Agreement. In case an Event of Default has occurred (which has not been cured or waived), the Master Trustee shall exercise such of the rights and powers vested in it by this Master Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person under reasonably similar circumstances would exercise or use under the circumstances.

(b) The Master Trustee may exercise any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, custodians or nominees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning its duties hereunder, and may in all cases pay reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Master Trustee may act upon the opinion or advice of Independent Counsel or any attorney approved by the Master Trustee in the exercise of reasonable care. The Master Trustee shall not be responsible for any loss or damage resulting from any action or inaction in good faith in reliance upon such opinion or advice. Notwithstanding the foregoing, the Master Trustee shall not be responsible for any willful misconduct or negligence on the part of any agent, custodian or nominee appointed by the Master Trustee with due care and with the written consent of the Authority.

(c) The Master Trustee shall not be responsible for any recital by the Authority herein or in the Bonds or for the validity of the execution by the Authority of this Master Trust Agreement, or for the validity of execution by the Authority of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, and the Master

Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Authority except as hereinafter set forth; but the Master Trustee may require of the Authority full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property herein conveyed. The Master Trustee shall, however, be responsible for any representation contained in its certificate on the Bonds.

(d) The Master Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder, for the use of the proceeds of the Bonds paid out in accordance with the provisions of this Master Trust Agreement or for the application of funds that are in fact administered in accordance with the provisions hereof. The Master Trustee may become the owner of Bonds secured hereby with the same rights which it would have if it were not the Master Trustee.

(e) The Master Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Master Trustee pursuant to this Master Trust Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Master Trustee shall be entitled to rely upon an Officer's Certificate signed by an Authorized Officer of the Authority as sufficient evidence of the facts therein contained and prior to the occurrence of a Default, of which the Master Trustee has been notified as provided in Section 901(c) hereof, or of which by Section 901(c) the Master Trustee is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or advisable, but shall in no case be bound to secure the same. The Master Trustee may accept a certificate of the Chairperson or the Executive Director of the Authority under the seal of the Authority to the effect that a resolution in the form therein set forth has been adopted by the Authority as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(g) The permissive right of the Master Trustee to do things enumerated in this Master Trust Agreement shall not be construed as a duty and the Master Trustee shall not, except as provided in subsection (a) of this Section 1001 in connection with the occurrence and continuance of an Event of Default, be answerable for other than its negligence or willful misconduct in connection with the performance of any of its duties under this Master Trust Agreement. The immunities and exceptions from liability of the Master Trustee shall extend to its officers, directors, employees and agents.

(h) The Master Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder except failure by the Authority to cause to be made any of the payments to the Master Trustee required to be made hereunder or failure by the

Authority to file with the Master Trustee any document required by this Master Trust Agreement to be so filed subsequent to the issuance of the Bonds, unless the Master Trustee shall be specifically notified in writing of such Default by the Authority or by the holders of at least twenty-five percent (25%) in aggregate principal amount of Bonds then outstanding and all notices or other instruments required by this Master Trust Agreement to be delivered to the Master Trustee must, in order to be effective, be delivered at the principal office of the Master Trustee, and in the absence of such notice so delivered the Master Trustee may conclusively assume there is no Default except as aforesaid.

(i) At any and all reasonable times the Master Trustee, its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the property herein conveyed, including all books and records of the Authority pertaining to the Bonds, and to take such memoranda from and with regard thereto as may be desired.

(j) The Master Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Master Trust Agreement with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Master Trust Agreement, the Master Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, by the Master Trustee deemed desirable for the purpose of establishing the right of the Authority to the authentication of any Bonds, and withdrawal of any cash, or the taking of any other action by the Master Trustee.

(l) Before taking the action referred to in Sections 902, 908 or 1004 hereof, the Master Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action.

(m) All moneys received by the Master Trustee shall, until used or applied or invested as herein provided, be held in trust or escrow (in segregated accounts) for the purposes for which they were received but need not be segregated from other funds for purposes of investment except to the extent required by law.

(n) None of the provisions of this Master Trust Agreement shall require the Master Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or if indemnity satisfactory to it against such risk or liability is not assured to it.

(o) The Master Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Master Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. Under no circumstances shall the Master Trustee assume any responsibility or liability for the issuance of the Bonds as obligations the interest on which is excludable from gross income for purposes of Federal income taxation or for the maintenance of such tax-exempt status subsequent to the date of issuance of the Bonds.

(p) The Master Trustee shall have the right to accept and act upon instructions or directions pursuant to this Master Trust Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Authority shall provide to the Master Trustee an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Authority elects to give the Master Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Master Trustee in its discretion elects to act upon such instructions, the Master Trustee's reasonable understanding of such instructions shall be deemed controlling. The Master Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Master Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Master Trustee, including without limitation the risk of the Master Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Master Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by the Authority; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

Section 1002. Fees, Charges and Expenses of the Master Trustee. The Authority shall pay to the Master Trustee, any Bond Registrar and to any Paying Agent reasonable compensation for all services performed by the Master Trustee, the Bond Registrar or the Paying Agent, respectively, hereunder in accordance with terms agreed to from time to time by the Authority and shall reimburse the Master Trustee upon request for the reasonable expenses, charges and other disbursements of the Master Trustee or the Paying Agent, respectively, and those of their respective attorneys, agents, employees and other professionals as may be reasonably necessary incurred in and about the administration and execution of the trusts hereby created and performance of their powers and duties hereunder; provided that all such liability of the Authority for payments under this Section 1002 shall be limited to the Master Trust Estate and the Loan and Support Fees held by the Authority. If and only if an Event of Default has occurred and is continuing, the Master Trustee shall have a first lien upon the Master Trust Estate (other than the Loan Support Fee Subaccount of the Revenue Fund or the Rebate Fund)

with right of payment, prior to payment of principal of or interest on any Bond, for all reasonable charges and expenses incurred by or on behalf of the Master Trustee as described in this Section 1002.

Section 1003. Notice to Bondholders if Default Occurs. If a Default occurs of which the Master Trustee is required to take notice or if notice of Default be given to the Master Trustee as therein provided, then the Master Trustee shall give written notice thereof within thirty (30) days by first class mail to the Registered Owner of each Bond shown by the Bond Register.

Section 1004. Intervention by the Master Trustee. In any judicial proceedings to which the Authority is a party and, which in the opinion of the Master Trustee and its counsel, has a substantial bearing on the interests of owners of the Bonds, the Master Trustee may intervene on behalf of Bondholders and shall do so if requested in writing by the owners of at least twenty-five percent (25%) of the aggregate principal amount of Bonds then outstanding and, if requested by the Master Trustee provided with an indemnity bond satisfactory to the Master Trustee.

Section 1005. Successor Master Trustee. Any corporation or association into which the Master Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Master Trustee hereunder and fully vested with all of the title to the Master Trust Estate and all the trusts, estates, properties, rights, powers, discretions, immunities, privileges, duties and obligations of its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 1006. Resignation by Master Trustee. The Master Trustee and any successor Master Trustee may at any time resign from the trusts hereby created by giving sixty (60) days written notice by first class mail to the Authority and the owner of each Bond as shown by the Bond Register, and such resignation shall take effect at the end of such sixty (60) days (provided a successor Master Trustee has been appointed, approved and has accepted such appointment) or upon the earlier appointment of a successor Master Trustee by the Bondholders or by the Authority.

Section 1007. Removal of the Master Trustee. The Master Trustee may be removed at the option of the Authority (provided no Event of Default has occurred and is continuing) or by the holders and owners of a majority in aggregate principal amount of the Bonds then Outstanding, in each case by an instrument or concurrent instruments in writing delivered to the Master Trustee, and, in the event of a removal by the Bondholders, to the Authority.

Section 1008. Appointment of Successor Trustee by the Authority or the Bondholders. In case the Master Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Authority (in the case of

removal by the Authority under Section 1007 hereof) or by the owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact duly authorized, a copy of which shall be delivered personally or sent by registered mail to Authority; provided, however, that in case of any such vacancy, the Authority by an Officer's Certificate executed by its Chairperson and attested by its Executive Director or Secretary under its seal, may appoint a temporary trustee to fill such vacancy until a successor trustee shall be appointed by the Bondholders in the manner above provided; and such temporary trustee so appointed by the Authority shall immediately and without further act be superseded by the Master Trustee appointed by the Bondholders. Every such Master Trustee appointed pursuant to the provisions of this Section 1008 shall be a trust company or bank in good standing having a reported capital and surplus of not less than \$50,000,000 if there be such an institution willing, qualified and able to accept the trust upon customary terms. If no successor Master Trustee shall have been so appointed and accepted appointment within sixty (60) days of such resignation, removal, incapability or the occurrence of a vacancy in the office of Master Trustee in the manner herein provided, the Master Trustee or any Bondholder may petition any court of competent jurisdiction for the appointment of a successor Trustee until a successor shall have been appointed as above provided.

Section 1009. Concerning Any Successor Master Trustee. Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and to the Authority an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested of the title to the Master Trust Estate and all the trusts, estates, properties, rights, powers, discretions, immunities, privileges, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the Authority, or of its successor, execute and deliver an instrument transferring to such successor all of the title to the Master Trust Estate and all the trusts, estates, properties, rights, powers, discretion, immunities, privileges, duties and obligations of such predecessor hereunder; and every predecessor Master Trustee shall deliver all securities and moneys held by it as Master Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Master Trustee for more fully and certainly vesting in such successor all of the title to the Master Trust Estate and all the trusts, estates, properties, rights, powers, discretions, immunities, privileges, duties and obligations intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. The resignation of any Master Trustee and the instrument or instruments removing any Master Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article X, shall be filed or recorded by the successor Master Trustee in each recording office where this Master Trust Agreement shall have been filed or recorded.

Section 1010. Master Trustee Protected in Relying Upon Resolutions, etc. The resolutions, opinions, certificates and other instruments provided for in this Master Trust Agreement may be accepted by the Master Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Master Trustee for the withdrawal of cash hereunder and the taking or omission of any other action permitted by this Master Trust Agreement.

Section 1011. Successor Trustee as Trustee, Paying Agent and Bond Registrar. In the event of a change in the office of Master Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Paying Agent for payment of principal of and interest on the Bonds and Bond Registrar, and the successor Trustee shall become such Paying Agent and Bond Registrar.

Section 1012. Interest Reporting. On behalf of the Authority, the Master Trustee shall file such forms and reports concerning the payment of interest on Bonds as are required under Section 6049 of the Code, including "Form 1099-INT, Interest Income."

ARTICLE XI

SUPPLEMENTAL MASTER TRUST AGREEMENTS

Section 1101. Supplemental Master Trust Agreements Not Requiring Consent of Bondholders. The Authority and the Master Trustee may, without consent of, or notice to any of the Bondholders, enter into supplements or amendments to this Master Trust Agreement which shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Master Trust Agreement.
- (b) To grant to or confer upon the Master Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Master Trustee.
- (c) To evidence the appointment of a Co-Trustee or the succession of a new Master Trustee hereunder.
- (d) To subject to the lien of this Master Trust Agreement additional revenues, properties or collateral or to confirm, as further assurance, any pledge of or lien upon the Master Trust Estate or any other moneys, securities or funds.
- (e) To preserve the exclusion from federal gross income of the interest on the Bonds.
- (f) To modify any of the provisions set forth in Section 210 hereof to conform to current practices or procedures of DTC or other applicable Securities Depository.
- (g) To make any other change, which in the judgment of the Master Trustee, does not materially adversely affect the interests of the Bondholders. In exercising such judgment, the Master Trustee may rely on the opinion of Independent Counsel.
- (h) To specify, determine or authorize by Supplemental Master Trust Agreement any and all matters and things relative to the Bonds of a Series or the

proceeds thereof which are not contrary to or inconsistent with this Master Trust Agreement as theretofore in effect.

(i) To make any other change which in the judgment of the Master Trustee does not materially adversely affect the Bondholders; provided that (i) the Master Trustee, in connection with such judgment, may rely conclusively upon the respective opinions or reports of each of the Rating Agencies then rating the Bonds stating that the underlying ratings of the Bonds, without regard to credit enhancement or insurance, will not be adversely affected after such change to conclusively establish whether the change does not materially adversely affect the Bondholders and (ii) the Authority shall provide such written opinions or reports to the Trustee as a precondition to such change.

Section 1102. Supplemental Master Trust Agreements Requiring Consent of Bondholders. Exclusive of Supplemental Master Trust Agreements covered by Section 1101 hereof and subject to the terms and provisions contained in this Section 1102, and not otherwise, the holders of a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Master Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Master Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Trust Agreement or in any Supplemental Master Trust Agreement hereto. Nothing in this Section shall permit, or be construed as permitting, without the consent of the holders of all of the Bonds then outstanding, (a) an extension of the maturity or sinking fund redemption of the principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of or redemption premium on any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Master Trust Agreements, or (e) the creation of any lien ranking prior to or on a parity with the lien of this Master Trust Agreement on the Trust Estate or any part thereof, or (f) the holder of any Bond then Outstanding to be deprived of the lien hereby created on the Trust Estate. For purposes of this Master Trust Agreement and the making of any supplements or amendments hereto, an underwriter or remarketing agent of Bonds who lawfully owns all or a portion of a Series of Bonds is hereby expressly permitted to consent as the holder of the aggregate principal amount of Bonds then owned by such underwriter or remarketing agent, notwithstanding that the underwriter or remarketing agent intends to resell such Bonds immediately after taking ownership of such Bonds.

If at any time the Authority, shall request the Master Trustee to enter into any such Supplemental Master Trust Agreement for any of the purposes of this Section 1102, the Master Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Master Trust Agreement to be given by first class mail to the owner of each Bond shown by the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Master Trust Agreement and shall state that copies thereof are on file at the principal office of the Master Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Authority following such notice, the holders of not less than a majority in aggregate principal amount of the Bonds

Outstanding at the time of the execution of any such Supplemental Master Trust Agreement shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Master Trust Agreement as in this Section 1102 permitted and provided, this Master Trust Agreement shall be and be deemed to be modified and amended in accordance therewith.

Section 1103. Opinion of Bond Counsel. Notwithstanding anything to the contrary of Sections 1101 or 1102, before the Authority and the Master Trustee enter into any Supplemental Master Trust Agreement pursuant to Sections 1101 or 1102, there shall have been delivered to the Authority and the Master Trustee an Opinion of Bond Counsel stating that such Supplemental Master Trust Agreement is authorized or permitted by this Master Trust Agreement and the Act, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 1104. Notice to the Rating Agency. The Master Trustee shall send a copy of each Supplemental Master Trust Agreement executed and delivered pursuant to this Article XI to the Rating Agency.

ARTICLE XII

MISCELLANEOUS

Section 1201. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by this Master Trust Agreement to be given to or filed with the Authority, the Master Trustee, or the Bondholders if the same shall be duly mailed by first-class mail, postage pre-paid, or sent by telegram, telecopy or other similar communication, or when given by telephone, confirmed in writing by first-class mail, postage pre-paid, or sent by telegram, telecopy or telex or other similar communication, on the same day, addressed:

(a) To the Authority:

Illinois Finance Authority
180 N. Stetson, Suite 2555
Chicago, IL 60601
Attention: Executive Director
with copy to General Counsel

(b) To the Master Trustee:

Amalgamated Bank of Chicago
One West Monroe
Chicago, IL 60603
Attn: Corporate Trust Department

In the event of notice to any party other than the Authority, a copy of the notice shall be provided to the Authority. The Master Trustee is hereby instructed to give notice to the Rating Agencies if (i) the Master Trustee resigns or is removed, or a new Master Trustee is appointed or (ii) any, amendment is made to this Master Trust Agreement.

Section 1202. Severability. If any provision of this Master Trust Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Master Trust Agreement shall not affect the remaining portion of this Master Trust Agreement or any part thereof.

Section 1203. Execution in Counterparts. This Master Trust Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1204. Governing Law. This Master Trust Agreement is being executed with the intent that it shall be construed and enforced in accordance with the laws of the State.

Section 1205. Effective Date. This Master Trust Agreement is effective as of its date of execution.

IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf to evidence its acceptance of the trusts hereby created, the Master Trustee has caused these presents to be signed in its name and behalf, all as of this 1st day of November, 2013.

ILLINOIS FINANCE AUTHORITY

By: 
Executive Director

**AMALGAMATED BANK OF
CHICAGO, as Master Trustee**

By: 
Trust Officer 

EXHIBIT A
FORM OF OFFICER'S CERTIFICATE

Illinois Finance Authority
State Revolving Fund Revenue Bonds

Pursuant to the Master Trust Agreement dated as of November 1, 2013 (the "Master Trust Agreement") by and between the Illinois Finance Authority (the "Authority") and Amalgamated Bank of Chicago, Chicago, Illinois, as Master Trustee thereunder (the "Master Trustee"), the undersigned Authorized Officer of the Authority, acting for and on behalf of the Authority, hereby delivers this Officer's Certificate to the Master Trustee. Terms used in this Officer's Certificate which are defined in the Master Trust Agreement shall have the meanings set forth therein.

1. This Officer's Certificate is delivered pursuant to Section ____ of the Master Trust Agreement [and Section ____ of the Master Trust Agreement][or add other necessary reference to Master Trust Agreement].

2. Pursuant to such section, the Authority hereby notifies the Master Trustee that [insert applicable direction to Master Trustee]:

[regarding transfer of funds or assets; adjustment of State Match or Leveraged Portions; establishment of funds or accounts and extent to which such accounts are pledged to bonds and where interest on such accounts shall be deposited; allocation of proceeds of an issue to/from funds and accounts post-closing; deposit of funds, bond proceeds or investments to/from the Equity Fund; funds to/from Rebate Fund; transfer of funds to/from the Master Trust Agreement; release or addition of pledged agreements to lien of Master Trust Agreement; direction as to investment earnings upon defeasance; application of funds upon Default; appointment of temporary Master Trustee; other action].

3. By this Officer's Certificate, the Authority directs the Master Trustee to take the action referred to in paragraph 2 above. [Attached hereto are the necessary documents / reports required by the Master Trust Agreement in connection with this action.]

Dated this ____ day of _____, ____.

ILLINOIS FINANCE AUTHORITY

By: _____
Authorized Officer