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**SECOND SUPPLEMENTAL MASTER TRUST AGREEMENT**

**between**

**ILLINOIS FINANCE AUTHORITY**

**and**

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

**Authorizing and Securing**

**State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016**

**Dated as of September 1, 2016**

**Supplemental to Master Trust Agreement dated as of November 1, 2013**

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## SECOND SUPPLEMENTAL TRUST AGREEMENT

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(This Table of Contents is not a part of this Second Supplemental Trust Agreement and is only for convenience of reference.)

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## SECOND SUPPLEMENTAL MASTER TRUST AGREEMENT

THIS SECOND SUPPLEMENTAL MASTER TRUST AGREEMENT, dated as of September 1, 2016 (the "Second Supplemental Trust Agreement"), between the ILLINOIS FINANCE AUTHORITY, a body politic and corporate duly organized and existing under and by virtue of the laws of the State of Illinois (the "Authority"), and AMALGAMATED BANK OF CHICAGO, an Illinois banking corporation duly organized and authorized to accept and execute trusts, with its principal office located in Chicago, Illinois (the "Master Trustee"), as Master Trustee, supplements and is issued under the Master Trust Agreement, dated as of November 1, 2013 (the "Master Trust Agreement"), between the Authority and 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, (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, pursuant to the Title IV-A of the Illinois Environmental Protection Act, 415 ILCS 5 (the "IEPA Act"), there has been established the Water Pollution Control Loan Program and the Public Water Supply Loan Program (collectively, the "SRF Program"); and

WHEREAS, pursuant to the Master Trust Agreement and the First Supplemental Master Trust Agreement dated as of November 1, 2013, between the Authority and the Master Trustee, the Authority has heretofore issued its State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013, which are outstanding in the aggregate principal amount of \$87,415,000 (the "2013 Bonds"); and

WHEREAS, pursuant to and in accordance with the Act, by resolution of its members duly adopted on August 11, 2016 (the "Authorizing Resolution"), the Authority has determined to issue under the Master Trust Agreement and this Second Supplemental Trust Agreement a Series of Bonds to be designated as its State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016 (the "Series 2016 Bonds") in the aggregate principal amount of \$500,000,000, for the purposes described herein; and

WHEREAS, the Authority desires to (i) provide funds to be used for the SRF Program to fund loans (including a portion of the State Match for federal fiscal years 2015, 2016 and 2017) and (ii) pay costs of issuance related to the Series 2016 Bonds; and

WHEREAS, loans have been and will be made to Participants pursuant to Loan Agreements (singularly an "Agreement" and collectively the "Agreements") between the IEPA and each Participant, and assigned to the Authority; and

WHEREAS, certain of the Agreements are pledged as security for the Series 2016 Bonds (the "Pledged Agreements") pursuant to the Master Trust Agreement; and

WHEREAS, the loans resulting from the Pledged Agreements entered into with Participants were originally funded, or are expected to be funded, from the SRF Program assets;

WHEREAS, the Series 2016 Bonds issued under this Second Supplemental Trust Agreement, the 2013 Bonds and all other Additional Indebtedness (as defined in the Master Trust Agreement) hereafter issued or incurred under the Master Trust Agreement are ratably and equally entitled to the benefits and security of the Master Trust Agreement, including the pledge of the Master Trust Estate (as defined in the Master Trust Agreement); and

WHEREAS, it is desirable to amend the Master Trust Agreement to authorize additional persons to execute Bonds; and

WHEREAS, all things necessary to make the Series 2016 Bonds, when authenticated by the Master Trustee and issued as in this Second Supplemental Trust Agreement provided, the valid, binding and legal obligations of the Authority according to the import thereof, have been done and performed, and the creation, execution and delivery of this Second Supplemental Trust Agreement, and the creation, execution and issuance of the Series 2016 Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL TRUST AGREEMENT WITNESSETH, that in order to declare the terms and conditions upon which the Series 2016 Bonds are executed, authenticated, issued and delivered, and in consideration of the premises and the acquisition and acceptance of the Series 2016 Bonds by the holders thereof, the Authority covenants and agrees with the Master Trustee, for the benefit of the holders from time to time of the Series 2016 Bonds as follows:

## **ARTICLE I DEFINITIONS**

Terms used herein and not otherwise defined shall have the same meanings as that term is defined in the Master Trust Agreement. In addition to the other definitions set forth within this Second Supplemental Trust Agreement, the following words and phrases shall have the following meanings:

“Authorized Denominations” means \$5,000 or any integral multiple thereof.

“Authorizing Resolution” means the resolution adopted by the members of the Authority on August 11, 2016 with respect to the Series 2016 Bonds issued pursuant to this Second Supplemental Trust Agreement.

“Master Trust Agreement” means the Master Trust Agreement dated as of November 1, 2013 between the Authority and the Master Trustee, relating to the SRF Program, as supplemented by the First Supplemental Master Trust Agreement dated as of November 1, 2013 and as supplemented and amended by this Second Supplemental Master Trust Agreement and as the same may be further amended and supplemented from time to time.

“Redemption Premium” means that portion of the Redemption Price that exceeds 100% of principal amount being redeemed.

“Series 2016 Bonds” means the Authority’s \$500,000,000 State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016.

“Second Supplemental Trust Agreement” means this Second Supplemental Master Trust Agreement dated as of September 1, 2016, between the Authority and the Master Trustee.

“2016 Subaccounts of the Costs of Issuance Fund” means the subaccounts created pursuant to Section 2.7(b) hereof, within the Costs of Issuance Fund.

“2016 Subaccounts of the Loan Origination Fund” means the subaccounts created pursuant to Section 2.7(a) hereof, within the Loan Origination Fund.

“2016 Subaccounts of the Rebate Fund” means the subaccounts created pursuant to Section 2.7(c) hereof, within the Rebate Fund.

## **ARTICLE II**

### **GENERAL TERMS AND PROVISIONS OF SERIES 2016 BONDS**

#### **Section 2.1    Authorized Amount and Purpose of Series 2016 Bonds.**

(a)    There are hereby authorized for issuance under this Second Supplemental Trust Agreement one series of Series 2016 Bonds designated “State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016” in the original aggregate principal amount of \$500,000,000. No Series 2016 Bonds may be issued under the provisions of this Second Supplemental Trust Agreement except in accordance with this Article. The total principal amount of Series 2016 Bonds that may be issued hereunder is hereby expressly limited to \$500,000,000. The Authority has determined that issuance of the Series 2016 Bonds as provided herein is necessary to provide funds to be used for the SRF Program.

(b)    The Series 2016 Bonds are being issued to provide funds to the Authority to fund loans (including a portion of the State Match for federal fiscal years 2015-2017).

(c)    The expected State Match CWSRF Portion, State Match DWSRF Portion, CWSRF Leveraged Portion and DWSRF Leveraged Portion are set forth in Exhibit B hereto.

(d)    The Series 2016 Bonds are being issued as Additional Indebtedness secured on a parity with the Bonds Outstanding under the Master Trust Agreement. On or prior to the date of issuance of the Series 2016 Bonds, the Authority shall deliver to the Master Trustee the written report of an Authorized Officer as required by the first sentence of Section 411 of the Master Trust Agreement demonstrating that 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 Series 2016 Bonds.

**Section 2.2    Terms of Series 2016 Bonds.**

(a)    The Series 2016 Bonds shall be dated September 12, 2016, being the date of their original issuance and delivery. The Series 2016 Bonds shall mature on January 1 and July 1, in the years and in the principal amounts and shall bear interest at the interest rates per annum as follows:

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
July 1, 2017	\$10,560,000	5.00%
January 1, 2018	13,125,000	4.00
July 1, 2018	14,110,000	4.00
January 1, 2019	14,465,000	4.00
July 1, 2019	14,850,000	5.00
January 1, 2020	15,020,000	5.00
July 1, 2020	15,235,000	5.00
January 1, 2021	15,530,000	5.00
July 1, 2021	15,790,000	5.00
January 1, 2022	15,690,000	5.00
July 1, 2022	15,450,000	5.00
January 1, 2023	15,740,000	4.00
July 1, 2023	15,950,000	5.00
January 1, 2024	17,000,000	5.00
July 1, 2024	16,840,000	5.00
January 1, 2025	16,485,000	4.00
July 1, 2025	16,200,000	4.00
January 1, 2026	15,615,000	5.00
July 1, 2026	15,615,000	4.00
January 1, 2027	15,590,000	5.00
July 1, 2027	14,795,000	5.00
January 1, 2028	14,590,000	5.00
July 1, 2028	13,910,000	5.00
January 1, 2029	13,815,000	5.00
July 1, 2029	12,970,000	5.00
January 1, 2030	12,705,000	5.00
July 1, 2030	12,135,000	4.00
January 1, 2031	11,750,000	5.00
July 1, 2031	11,685,000	5.00
January 1, 2032	11,405,000	4.00
July 1, 2032	11,025,000	4.00
January 1, 2033	9,910,000	4.00
July 1, 2033	8,625,000	4.00
January 1, 2034	7,740,000	4.00
July 1, 2034	6,625,000	4.00
January 1, 2035	6,815,000	4.00
July 1, 2035	5,825,000	4.00
January 1, 2036	4,635,000	4.00

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
July 1, 2036	\$ 4,180,000	4.00%

(b) The Series 2016 Bonds shall bear interest from September 12, 2016 or from the most recent date to which interest has been paid or duly provided for, payable semiannually on each Interest Payment Date, commencing January 1, 2017. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

(c) The Series 2016 Bonds are subject to redemption prior to maturity as set forth in Sections 2.3, and 2.4 hereof.

(d) The Series 2016 Bonds shall be issued in Authorized Denominations. The Series 2016 Bonds shall be numbered from R-1 consecutively upwards in order of maturity according to the Bond Register maintained by the Master Trustee as Bond Registrar. The Series 2016 Bonds issued under this Second Supplemental Trust Agreement and the Master Trustee's certificate of authentication to be endorsed on all such Series 2016 Bonds shall be substantially in the form set forth in Exhibit A, with such appropriate variations, additions and omissions as are permitted or required by this Second Supplemental Trust Agreement.

(e) The Master Trustee is hereby designated as and agrees to act as Paying Agent and Bond Registrar for and with respect to the Series 2016 Bonds.

(f) The principal of, redemption premium, if any, and interest on the Series 2016 Bonds shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and, except as otherwise provided herein, such principal and redemption premium, if any, shall be payable by check or draft at the designated payment office of the Master Trustee or at the office of any duly appointed alternate Paying Agent, upon presentation and surrender of such Series 2016 Bonds. Payment of the interest on any Bond shall be made to the person appearing on the Bond Register as the Bondholder thereof as of the commencement of business of the Master Trustee on the Record Date for such Interest Payment Date, and shall be paid by check or draft of the Master Trustee mailed to such Bondholder at such Bondholder's address as it appears on the Bond Register or at such other address as is furnished to the Master Trustee in writing by such Bondholder. Notwithstanding the foregoing, the principal of, redemption premium, if any, and interest on the Series 2016 Bonds is payable by electronic transfer in immediately available federal funds pursuant to instructions from any Bondholder of \$1,000,000 or more in aggregate principal amount of Series 2016 Bonds. Any such instructions for electronic transfer shall be in writing, signed by such Bondholder and given by such Bondholder to the Master Trustee not less than fifteen days prior to the applicable Record Date and shall include the name of the bank (which shall be in the continental United States), its address, its ABA routing number and the name, number and contact name related to such Bondholder's account at such bank to which the payment is to be credited and shall acknowledge that an electronic transfer fee is payable. Unless the Series 2016 Bonds are in book-entry form, no principal of or redemption

premium, if any, on the Series 2016 Bonds is payable unless the Bondholder thereof shall have surrendered such Series 2016 Bonds at the principal payment office of the Master Trustee.

**Section 2.3 Extraordinary Mandatory Redemption of Series 2016 Bonds.**

(a) The Series 2016 Bonds are subject to extraordinary mandatory redemption prior to their scheduled maturities, on December 1, 2017 (the "One-Year Extraordinary Mandatory Redemption Date"), in part, in an amount equal to the One-Year Computation Amount at the redemption prices set forth below, expressed as percentages of the principal amount of each maturity of the Series 2016 Bonds so redeemed, plus accrued interest to the One-Year Extraordinary Mandatory Redemption Date.

<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Redemption Price</b>	<b>Unamortized Original Issue Premium</b>
January 1, 2018	4.00%	102.284%	\$ 36,487.50
July 1, 2018	4.00	103.968	272,181.90
January 1, 2019	4.00	105.569	506,130.35
July 1, 2019	5.00	108.726	979,209.00
January 1, 2020	5.00	110.721	1,284,210.00
July 1, 2020	5.00	112.626	1,587,182.30
January 1, 2021	5.00	114.423	1,891,398.70
July 1, 2021	5.00	116.131	2,187,546.60
January 1, 2022	5.00	117.619	2,402,609.70
July 1, 2022	5.00	119.085	2,587,875.00
January 1, 2023	4.00	115.611	2,100,345.60
July 1, 2023	5.00	122.016	3,130,028.00
January 1, 2024	5.00	123.010	3,501,660.00
July 1, 2024	5.00	124.084	3,646,028.40
January 1, 2025	4.00	118.256	2,627,214.45
July 1, 2025	4.00	119.019	2,702,970.00
January 1, 2026	5.00	127.319	3,876,111.45
July 1, 2026	4.00	119.310	2,650,021.65
January 1, 2027	5.00	126.364	3,723,827.40
July 1, 2027	5.00	126.018	3,483,778.65
January 1, 2028	5.00	125.330	3,337,170.70
July 1, 2028	5.00	124.988	3,134,896.70
January 1, 2029	5.00	124.647	3,067,344.45
July 1, 2029	5.00	124.392	2,847,304.10
January 1, 2030	5.00	124.223	2,768,038.35
July 1, 2030	4.00	114.642	1,504,011.90
January 1, 2031	5.00	123.799	2,511,210.00
July 1, 2031	5.00	123.799	2,497,318.20
January 1, 2032	4.00	113.845	1,324,462.65
July 1, 2032	4.00	113.845	1,280,333.25

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Redemption Price</u>	<u>Unamortized Original Issue Premium</u>
January 1, 2033	4.00%	113.448%	\$1,112,298.40
July 1, 2033	4.00	113.448	968,070.00
January 1, 2034	4.00	113.054	838,783.80
July 1, 2034	4.00	113.054	717,951.25
January 1, 2035	4.00	112.818	722,798.90
July 1, 2035	4.00	112.818	617,799.50
January 1, 2036	4.00	112.505	477,358.65
July 1, 2036	4.00	112.505	430,498.20

*“One-Year Computation Amount”* means the surplus proceeds (rounded to the next higher integral multiple of \$5,000) equal to thirty percent (30%) of the Net Proceeds (defined to mean the amounts received from the sale of the Series 2016 Bonds and deposited into the 2016 Subaccounts of the Loan Origination Fund) less the aggregate amount withdrawn from the 2016 Subaccounts of the Loan Origination Fund by September 12, 2017. The Master Trustee shall calculate the One-Year Computation Amount by September 22, 2017 and provide prompt written notice of such One-Year Computation Amount to the Authority. Absent manifest error, the Master Trustee’s calculation of the One-Year Computation Amount shall be conclusive for all purposes hereunder.

(b) The Series 2016 Bonds shall be subject to extraordinary mandatory redemption prior to their scheduled maturities, on December 2, 2019 (the “Three-Year Extraordinary Mandatory Redemption Date”), in part, in an amount equal to the Three-Year Computation Amount at the redemption prices set forth below, expressed as percentages of the principal amount of each maturity of the Series 2016 Bonds so redeemed, plus accrued interest to the Three-Year Extraordinary Mandatory Redemption Date.

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Redemption Price</u>	<u>Unamortized Original Issue Premium</u>
January 1, 2020	5.00%	102.339%	\$ 49,866.40
July 1, 2020	5.00	104.409	359,850.70
January 1, 2021	5.00	106.395	669,187.70
July 1, 2021	5.00	108.297	974,874.60
January 1, 2022	5.00	110.049	1,238,097.90
July 1, 2022	5.00	111.737	1,474,857.00
January 1, 2023	4.00	110.353	1,288,948.60
July 1, 2023	5.00	115.007	2,033,944.00
January 1, 2024	5.00	116.295	2,382,550.00
July 1, 2024	5.00	117.598	2,575,172.80
January 1, 2025	4.00	113.845	1,914,403.05

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Redemption Price</u>	<u>Unamortized Original Issue Premium</u>
July 1, 2025	4.00%	114.728%	\$ 2,021,436.00
January 1, 2026	5.00	121.365	2,964,507.75
July 1, 2026	4.00	115.245	2,027,607.75
January 1, 2027	5.00	120.653	2,850,943.30
July 1, 2027	5.00	120.396	2,668,278.25
January 1, 2028	5.00	119.883	2,557,918.80
July 1, 2028	5.00	119.627	2,403,787.10
January 1, 2029	5.00	119.372	2,352,832.65
July 1, 2029	5.00	119.181	2,184,666.80
January 1, 2030	5.00	119.054	2,124,276.00
July 1, 2030	4.00	111.725	1,156,950.90
January 1, 2031	5.00	118.737	1,928,057.50
July 1, 2031	5.00	118.737	1,917,391.65
January 1, 2032	4.00	111.120	1,019,721.05
July 1, 2032	4.00	111.120	985,745.25
January 1, 2033	4.00	110.819	856,818.60
July 1, 2033	4.00	110.819	745,717.50
January 1, 2034	4.00	110.519	646,444.80
July 1, 2034	4.00	110.519	553,320.00
January 1, 2035	4.00	110.340	557,194.40
July 1, 2035	4.00	110.340	476,252.00
January 1, 2036	4.00	110.101	368,111.70
July 1, 2036	4.00	110.101	331,975.60

*“Three-Year Computation Amount”* means the surplus proceeds (rounded to the next higher integral multiple of \$5,000) equal to ninety-five percent (95%) of the Net Proceeds (defined to mean the amounts received from the sale of the Series 2016 Bonds and deposited into the 2016 Subaccounts of the Loan Origination Fund), less the aggregate amount withdrawn from the 2016 Subaccounts of the Loan Origination Fund by September 12, 2019. The Master Trustee shall calculate the Three-Year Computation Amount by September 23, 2019 and provide prompt written notice of such Three-Year Computation Amount to the Authority. Absent manifest error, the Master Trustee’s calculation of the Three-Year Computation Amount shall be conclusive for all purposes hereunder.

The foregoing notwithstanding, the Series 2016 Bonds shall not be subject to any such extraordinary mandatory redemption if the Authority obtains an opinion of nationally-recognized bond counsel to the effect that the failure by the Authority to cause any such extraordinary mandatory redemption to occur will not adversely affect the excludability of interest on the Series 2016 Bonds from gross income for federal income tax purposes.

For purposes of the One-Year and Three-Year Extraordinary Mandatory Redemption of Series 2016 Bonds, the Series 2016 Bonds subject to such redemption shall be selected on a "Pro-Rata Basis"; provided, that if any amount required to be redeemed remains after such selection, such remaining amount shall be applied to the redemption of \$5,000 principal amount of each maturity of Series 2016 Bonds in inverse order of maturity. The term "Pro-Rata Basis" means that the principal amount of Series 2016 Bonds of a particular maturity shall be determined by multiplying the applicable Computation Amount by the ratio which the principal amount of Series 2016 Bonds of such maturity then outstanding bears to the aggregate principal amount of Series 2016 Bonds then outstanding and subject to redemption.

Any amount by which the Redemption Premium with respect to any extraordinary mandatory redemption of any Series 2016 Bond required hereby exceeds the applicable Unamortized Original Issue Premium, if any, with respect to such Series 2016 Bond to be redeemed, shall be paid solely from funds in the Equity Fund. The balance of the Redemption Price payable under this Section shall be paid from funds on deposit in the Series 2016 Subaccounts of the Loan Origination Fund.

**Section 2.4 Optional Redemption.** The Series 2016 Bonds maturing on or after July 1, 2026 are subject to redemption prior to maturity at the option of the Authority, in whole or in part (and if in part, in an Authorized Denomination), in such principal amounts and from such maturities as the Authority shall determine and within any maturity by lot, on any date on or after January 1, 2026, at the Redemption Price of par plus accrued interest thereon to the date fixed for redemption.

**Section 2.5 Notice of Redemption.** Unless waived by any Bondholder of Series 2016 Bonds to be redeemed, official notice of any redemption of Series 2016 Bonds shall be given by the Bond Registrar on behalf of the Authority, as set forth in the Master Trust Agreement, provided, however, that failure to give such notice by mail as aforesaid to any Bondholder or any defect therein as to any particular Bond shall not affect the validity of any proceedings for the redemption of any other Series 2016 Bonds.

**Section 2.6 Selection of Series 2016 Bonds for Redemption.** If less than all of the Series 2016 Bonds shall be called for redemption under any provision of this Second Supplemental Trust Agreement permitting or requiring such partial redemption, the particular Series 2016 Bonds or portions thereof to be redeemed shall be selected by the Authority in the principal amount designated to the Master Trustee by the Authority, or otherwise as required by this Second Supplemental Trust Agreement or other applicable provisions of the Master Indenture; provided, however, that (i) in the case of the redemption of less than all of the Series 2016 Bonds of a single maturity, such redemption shall be by lot in such manner as the Master Trustee may determine among such Series 2016 Bonds and (ii) subject to other applicable provisions of this Second Supplemental Trust Agreement, the portion of any Series 2016 Bond to be redeemed shall be in a principal amount equal to an Authorized Denomination. In selecting Series 2016 Bonds for redemption, the Master Trustee shall treat each such Series 2016 Bond as representing that number of Series 2016 Bonds which is obtained by dividing the principal amount of such Series 2016 Bond by the minimum Authorized Denomination. If it is determined that one or more, but not all, of the integral multiples of the Authorized Denomination of

principal amount represented by any Series 2016 Bond is to be called for redemption, then, upon notice of intention to redeem such integral multiple of an Authorized Denomination, the owner of such Series 2016 Bond shall forthwith surrender such Series 2016 Bond to the Master Trustee for (a) payment to such owner of the redemption price of the integral multiple of the Authorized Denomination of principal amount called for redemption, and (b) delivery to such owner of a new Series 2016 Bond or Series 2016 Bonds of the same maturity in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2016 Bond. New Series 2016 Bonds representing the unredeemed balance of the principal amount of such Series 2016 Bond shall be issued to the owner thereof without charge therefor.

**Section 2.7 Establishment of Accounts.** Pursuant to Section 301(c) of the Master Trust Agreement, the Authority hereby establishes:

(a) In each of the accounts created in the Loan Origination Fund pursuant to Section 301(a)(i) of the Master Trust Agreement, a 2016 Subaccount.

(b) In each of the accounts created in the Costs of Issuance Fund pursuant to Section 301(a)(ii) of the Master Trust Agreement, a 2016 Subaccount.

(c) In each of the accounts created in the Rebate Fund pursuant to Section 301(a)(vi) of the Master Trust Agreement, a 2016 Subaccount.

**Section 2.8 Application of Proceeds and other Deposits.** The proceeds of the Series 2016 Bonds (\$589,797,043.60) (par amount of \$500,000,000 plus net premium of \$91,697,813.85 less Underwriters' discount of \$1,900,770.25) shall be delivered to the Master Trustee and deposited as follows:

(i) For deposit in the 2016 Subaccount of the CWSRF State Match Loan Account of the Loan Origination Fund, the sum of \$24,176,392.12;

(ii) For deposit in the 2016 Subaccount of the DWSRF State Match Loan Account of the Loan Origination Fund, the sum of \$21,218,341.22;

(iii) For deposit in the 2016 Subaccount of the CWSRF Leveraged Loan Account of the Loan Origination Fund, the sum of \$326,017,371.39;

(iv) For deposit in the 2016 Subaccount of the DWSRF Leveraged Loan Account of the Loan Origination Fund, the sum of \$217,362,688.87;

(v) For deposit in the 2016 Subaccount of the CWSRF Account of the Costs of Issuance Fund, the sum of \$608,238.75; and

(vi) For deposit in the 2016 Subaccount of the DWSRF Account of the Costs of Issuance Fund, the sum of \$414,011.25.

**ARTICLE III  
AMENDMENT TO MASTER TRUST AGREEMENT**

**Section 3.1 Amendment to Section 204(a) of Master Trust Agreement.** Pursuant to Section 1101(g) of the Master Trust Agreement, the first sentence of Section 204(a) of the Master Trust Agreement is hereby replaced in its entirety with the following:

(a) The Bonds shall be executed on behalf of the Authority with the official manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director 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.

**Section 3.2 Authority for Amendment.** The amendment contained in Section 3.1 is effected pursuant to Section 1101(h) of the Master Trust Agreement and shall become effective upon the execution of this Second Supplemental Trust Agreement.

**ARTICLE IV  
MISCELLANEOUS**

**Section 4.1 Consents, etc., of Bondholders.** Any consent, request, direction, approval, objection or other instrument required by this Second Supplemental Trust Agreement or by the Master Trust Agreement to be signed and executed by the Bondholders may be in any number of concurrent documents and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Series 2016 Bonds, if made in the following manner shall be sufficient for any of the purposes of this Second Supplemental Trust Agreement and the Master Trust Agreement, and shall be conclusive in favor of the Master Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of Series 2016 Bonds and the amount or amounts, numbers and other identification of such Series 2016 Bonds, and the date of holding the same shall be proved by the Bond Register maintained by the Bond Registrar.

For all purposes of this Second Supplemental Trust Agreement and the Master Trust Agreement and of the proceedings for the enforcement hereof, such person shall be deemed to continue to be such holder of such Bond until the Master Trustee shall have received notice in writing to the contrary.

**Section 4.2 Limitation of Rights.** With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be inferred from this Second Supplemental

Trust Agreement or the Series 2016 Bonds is intended or shall be construed to give to any person or company other than the parties hereto, and the holders of the Series 2016 Bonds, any legal or equitable right, remedy or claim under or with respect to this Second Supplemental Trust Agreement or any covenants, conditions and provisions herein contained; this Second Supplemental Trust Agreement and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders of the Series 2016 Bonds as herein provided.

**Section 4.3 Payments Due on Saturdays, Sundays and Holidays.** In any case where the date of maturity of principal of or interest on the Series 2016 Bonds or the date fixed for redemption of any Series 2016 Bonds shall be in the State a Saturday, Sunday or legal holiday or a day on which banking institutions are authorized by law to close, then payment of principal, premium, if any, or interest need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

**Section 4.4 Authority's Obligations Limited.** The Series 2016 Bonds, together with all principal and interest thereon and premium, if any, with respect thereto, are limited obligations of the Authority secured by the Master Trust Estate on a parity basis with all Bonds Outstanding under the Master Trust Agreement and any Additional Indebtedness hereafter issued under the Master Trust Agreement and shall always be payable solely from the revenues and income derived from the Master Trust Estate (except to the extent paid out of moneys attributable to proceeds of the Series 2016 Bonds, the income from the temporary investment thereof).

The Series 2016 Bonds and the obligation to pay principal and interest thereon and any premium with respect thereto do not now and shall never constitute an indebtedness or an obligation of the Authority, the State of Illinois or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision, or a charge against the general credit or taxing powers, if any, of any of them, but shall be secured as aforesaid, and shall be payable solely from the revenues and income derived from the Master Trust Estate (except as stated aforesaid). No owner of the Series 2016 Bonds shall have the right to compel the exercise of the taxing power, if any, of the Authority, the State of Illinois or any political subdivision thereof to pay any principal installment of, redemption premium, if any, or interest on the Series 2016 Bonds. The Authority does not have the power to levy taxes for any purposes whatsoever.

No recourse under or upon any obligation, covenant or agreement contained in this Second Supplemental Trust Agreement or in any Series 2016 Bond hereby secured, or under any judgment obtained against the Authority, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any Constitution or statute or otherwise or under any circumstances, under or independent of this Second Supplemental Trust Agreement, shall be had against the Authority or any member, officer, employee, director or trustee of any successor entity, as such, either directly or through the Authority or any successor entity, under any rule of law or equity, statute or Constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the

execution of this Second Supplemental Trust Agreement and the issuance of the Series 2016 Bonds.

Anything in this Second Supplemental Trust Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that (a) the Authority may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Authority by the Master Trustee as to the existence of any fact or state of affairs required hereunder to be noticed by the Authority; (b) the Authority shall not be under any obligation hereunder to perform any record-keeping or to provide any legal services it being understood that such services shall be performed by the Master Trustee unless the Authority provides the Master Trustee with an Officer's Certificate which notifies the Master Trustee to the contrary; (c) none of the provisions of this Second Supplemental Trust Agreement shall require the Authority to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the cost, expenses and liability which may be incurred thereby.

**Section 4.5 Incorporation of Provisions of Master Trust Agreement.** Sections 214 and 410 of the Master Trust Agreement are and shall be construed to be applicable to the Series 2016 Bonds and are hereby expressly incorporated herein by this reference.

**Section 4.6 Applicable Provisions of Law.** This Second Supplemental Trust Agreement shall be governed by and construed in accordance with the laws of the State.

**Section 4.7 Rules of Interpretation.** Unless expressly indicated otherwise, references to Sections or Articles are to be construed as references to Sections or Articles of this instrument as originally executed. Use of the words "herein", "hereby", "hereunder", "hereof", refer to the Second Supplemental Trust Agreement and not solely to the particular portion in which any such word is used.


**Section 4.8 Captions.** The captions or headings in this Second Supplemental Trust Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Second Supplemental Trust Agreement.

**Section 4.9 Execution in Counterparts.** This Second Supplemental 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 4.10 Effective Date.** This Second Supplemental Master Trust Agreement is effective as of its date of execution.

IN WITNESS WHEREOF, the Authority has caused this Second Supplemental Trust Agreement to be signed in its name and behalf by its Executive Director and to evidence its acceptance of the trusts hereby created Master Trustee has caused this Second Supplemental Trust Agreement to be signed in its name and behalf by its duly authorized officer, as of the day first above written.

ILLINOIS FINANCE AUTHORITY

By:   
Executive Director

AMALGAMATED BANK OF CHICAGO

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature page for Supplemental Trust Agreement.]

IN WITNESS WHEREOF, the Authority has caused this Second Supplemental Trust Agreement to be signed in its name and behalf by its Executive Director and to evidence its acceptance of the trusts hereby created Master Trustee has caused this Second Supplemental Trust Agreement to be signed in its name and behalf by its duly authorized officer, as of the day first above written.

ILLINOIS FINANCE AUTHORITY

By: \_\_\_\_\_  
Executive Director

AMALGAMATED BANK OF CHICAGO

By: C. Indle  
Title: Senior Vice President

[Signature page for Supplemental Trust Agreement.]

**EXHIBIT A**

**FORM OF SERIES 2016 BONDS**

No. R-\_\_

\$\_\_\_\_\_

**UNITED STATES OF AMERICA  
ILLINOIS FINANCE AUTHORITY  
STATE OF ILLINOIS CLEAN WATER INITIATIVE  
REVOLVING FUND  
REVENUE BONDS  
SERIES 2016**

<u>Bond Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>CUSIP</u>
_____	____%	[Month] 1, ____	45204E____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The Illinois Finance Authority, a body politic and corporate duly organized and existing under and by virtue of the laws of the State of Illinois (the "Authority"), for value received, promises to pay from the source and as hereinafter provided, to the registered holder set forth above, or registered assigns, on the Maturity Date set forth above, the principal sum set forth above, and in like manner to pay interest on said sum from the date hereof at the Interest Rate per annum set forth above semi-annually on January 1 and July 1 of each year commencing January 1, 2017, until said principal sum is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto. Principal of and premium, if any, on this Bond is payable in lawful money of the United States of America upon presentation of this Bond at the designated corporate trust operations center of Amalgamated Bank of Chicago, as Master Trustee, or its successor in trust (the "Master Trustee"). Interest on this Bond is payable to the registered owner hereof (i) by check or draft of the Master Trustee to be mailed to such registered owner at its address as it appears on the registration books of the Authority kept by the Master Trustee or at such other address as is furnished to the Master Trustee in writing by such registered owner, or (ii) in the case this Bond is in a denomination of \$1,000,000 or more, by wire transfer of funds upon the written request of the registered owner hereof delivered to the Master Trustee.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative for DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

THIS BOND IS A LIMITED OBLIGATION OF THE AUTHORITY. THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THIS BOND IS PAYABLE SOLELY FROM THE REVENUES DERIVED FROM THE PLEDGED AGREEMENTS, AS HEREINAFTER DEFINED, OR OTHER AMOUNTS PLEDGED AS SECURITY FOR THE SERIES 2016 BONDS AS AND TO THE EXTENT SET FORTH IN THE MASTER TRUST AGREEMENT (AS DEFINED HEREIN). THIS BOND AND INTEREST HEREON SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE AUTHORITY OR THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE 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 OR THE TAXING POWERS OF THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

This Bond is one of an authorized issue of State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016, limited in the aggregate principal amount of \$500,000,000 (the "Series 2016 Bonds"), for the purpose of: (i) providing moneys to be used for the Illinois Water Pollution Control Works Financing Program (the "Clean Water Program") and the Illinois Drinking Water Facilities Financing Program (the "Drinking Water Program" and, together with the Clean Water Program, the "SRF Program") to fund loans (including portion of the State Match, as defined in the Master Trust Agreement) and (ii) paying for costs associated with the issuance of the Series 2016 Bonds. Certain loans have previously been made and will in the future be made to Participants pursuant to Loan Agreements (each, an "Agreement" and collectively the "Agreements") between the Authority and each Participant, with such loans being evidenced by a bond, note or other obligation (the "Local Obligation") issued by the Participant and purchased by the Authority, under which each Participant is obligated to make payments which are sufficient to pay (1) the principal of, premium, if any, and interest on the Local Obligation issued by each Participant as the same shall become due in accordance with its terms and provisions, and the terms and provisions of the Agreement, and (2) certain fees used to pay SRF Program expenses of the Authority and the Illinois Environmental Protection Agency (the "IEPA"). Certain of the Agreements will be pledged as security for the Series 2016 Bonds (the "Pledged Agreements") pursuant to the Master Trust Agreement (defined below). A portion of the proceeds of the Series 2016 Bonds will be loaned by the Authority to various Participants under the terms of separate Agreements between the IEPA and each Participant, which are in turn assigned to the Authority. The Series 2016 Bonds are further secured by amounts held and pledged pursuant to the Master Trust Agreement dated as of November 1, 2013 (the "Master Trust Agreement") between the Authority and Master Trustee, as supplemented and amended. Reference is hereby made to the Agreements for a description of the terms and conditions of the lending of the proceeds of the Series 2016 Bonds and the provisions for repayment of the Local Obligation.

The Series 2016 Bonds are all issued under the Master Trust Agreement and a Second Supplemental Master Trust Agreement dated as of September 1, 2016 by and between the Authority and the Master Trustee (the "Second Supplemental Trust Agreement"), and an Authorizing Resolution adopted by the Authority on August 11, 2016 (the "Authorizing Resolution"). Pursuant to the Master Trust Agreement, all principal and interest payments due from Participants to the Authority under the Pledged Agreements are assigned to the Master

Trustee to secure the payment of principal of, premium, if any, and interest on the Series 2016 Bonds. Each Series 2016 Bond consists of a State Match CWSRF Portion, a Leveraged CWSRF Portion, a State Match DWSRF Portion, and a Leveraged DWSRF Portion, each as described and set forth in the Second Supplemental Trust Agreement. The State Match Portions and the Leveraged Portions of each Series 2016 Bond are payable, respectively, from certain moneys deposited in specified funds and accounts held under the Master Trust Agreement. Reference is hereby made to the Master Trust Agreement for a description of the property pledged and assigned, the provisions with respect to the nature and extent of the security for the Series 2016 Bonds, the rights, duties and obligations of the Authority, the Master Trustee and the holders of the Series 2016 Bonds and the terms upon which the Series 2016 Bonds are issued and secured. All words, terms and phrases not otherwise defined in this Bond shall have the meaning set forth in the Master Trust Agreement, Second Supplemental Trust Agreement and the Authorizing Resolution.

To further secure the payment of the Series 2016 Bonds and any additional Bonds issued by the Authority under the Master Trust Agreement, the Authority has created an Equity Fund under the Master Trust Agreement (consisting of separate accounts for the Clean Water Program and the Drinking Water Program), into which accounts, as appropriate, there shall be deposited all amounts released by the Master Trustee from various funds established and held under the Master Trust Agreement. Funds held in the Equity Fund shall be available for transfer by the Master Trustee, as and to the extent set forth in the Master Trust Agreement, for the purpose of paying any amount due on the Series 2016 Bonds.

The Series 2016 Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the designated corporate trust operations center of the Master Trustee but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Trust Agreement, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds without coupons may be issued to the transferee in exchange therefor in denominations of \$5,000 or any integral multiple thereof for the same aggregate principal amount so transferred. In the event that this Bond is called for redemption in part only, and upon surrender and cancellation of this Bond, the Authority shall execute and the Master Trustee shall authenticate and deliver to the holder hereof without charge a new Bond or Bonds of the same series and of the same maturity of authorized denominations in aggregate principal amount equal to the unredeemed portion hereof so surrendered, which new Bond or Bonds shall be a fully registered Bond or Bonds without coupons.

The Authority and the Master Trustee may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes and neither the Authority nor the Master Trustee shall be affected by any notice to the contrary.

The Series 2016 Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Illinois, particularly the Illinois Finance Authority Act, 20 ILCS 3501 et seq. (the "Act") and pursuant to the Authorizing Resolution adopted by the

Members of the Authority which also authorizes the execution and delivery of the Second Supplemental Trust Agreement and this Bond. Payments sufficient for the prompt payment when due of the principal of, premium, if any, and interest on the Series 2016 Bonds are to be paid to the Master Trustee for the account of the Authority and deposited in the Bond Fund created under the Master Trust Agreement, and have been duly pledged and assigned for that purpose. The rights of the Authority under the Pledged Agreements have been assigned to the Master Trustee under the Master Trust Agreement to secure payment of the principal of, premium, if any, and interest on the Series 2016 Bonds as and to the extent provided in the Second Supplemental Trust Agreement and the Master Trust Agreement. Participants are also required to pay certain fees under the Agreements that are used to pay the fees and expenses of the Authority and the IEPA relating to the SRF Program.

The Series 2016 Bonds are subject to extraordinary mandatory redemption prior to their scheduled maturities, on December 1, 2017 (the "One-Year Extraordinary Mandatory Redemption Date"), in part, in an amount equal to the One-Year Computation Amount at the redemption prices set forth below, expressed as percentages of the principal amount of each maturity of the Series 2016 Bonds so redeemed, plus accrued interest to the One-Year Extraordinary Mandatory Redemption Date.

<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Redemption Price</b>	<b>Unamortized Original Issue Premium</b>
January 1, 2018	4.00%	102.284%	\$ 36,487.50
July 1, 2018	4.00	103.968	272,181.90
January 1, 2019	4.00	105.569	506,130.35
July 1, 2019	5.00	108.726	979,209.00
January 1, 2020	5.00	110.721	1,284,210.00
July 1, 2020	5.00	112.626	1,587,182.30
January 1, 2021	5.00	114.423	1,891,398.70
July 1, 2021	5.00	116.131	2,187,546.60
January 1, 2022	5.00	117.619	2,402,609.70
July 1, 2022	5.00	119.085	2,587,875.00
January 1, 2023	4.00	115.611	2,100,345.60
July 1, 2023	5.00	122.016	3,130,028.00
January 1, 2024	5.00	123.010	3,501,660.00
July 1, 2024	5.00	124.084	3,646,028.40
January 1, 2025	4.00	118.256	2,627,214.45
July 1, 2025	4.00	119.019	2,702,970.00
January 1, 2026	5.00	127.319	3,876,111.45
July 1, 2026	4.00	119.310	2,650,021.65
January 1, 2027	5.00	126.364	3,723,827.40
July 1, 2027	5.00	126.018	3,483,778.65
January 1, 2028	5.00	125.330	3,337,170.70
July 1, 2028	5.00	124.988	3,134,896.70
January 1, 2029	5.00	124.647	3,067,344.45
July 1, 2029	5.00	124.392	2,847,304.10

<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Redemption Price</b>	<b>Unamortized Original Issue Premium</b>
January 1, 2030	5.00%	124.223%	\$2,768,038.35
July 1, 2030	4.00	114.642	1,504,011.90
January 1, 2031	5.00	123.799	2,511,210.00
July 1, 2031	5.00	123.799	2,497,318.20
January 1, 2032	4.00	113.845	1,324,462.65
July 1, 2032	4.00	113.845	1,280,333.25
January 1, 2033	4.00	113.448	1,112,298.40
July 1, 2033	4.00	113.448	968,070.00
January 1, 2034	4.00	113.054	838,783.80
July 1, 2034	4.00	113.054	717,951.25
January 1, 2035	4.00	112.818	722,798.90
July 1, 2035	4.00	112.818	617,799.50
January 1, 2036	4.00	112.505	477,358.65
July 1, 2036	4.00	112.505	430,498.20

“One-Year Computation Amount” means the surplus proceeds (rounded to the next higher integral multiple of \$5,000) equal to thirty percent (30%) of the Net Proceeds (defined to mean the amounts received from the sale of the Series 2016 Bonds and deposited into the 2016 Subaccounts of the Loan Origination Fund) less the aggregate amount withdrawn from the 2016 Subaccounts of the Loan Origination Fund by September 12, 2017.

The Series 2016 Bonds shall be subject to extraordinary mandatory redemption prior to their scheduled maturities, on December 2, 2019 (the “Three-Year Extraordinary Mandatory Redemption Date”), in part, in an amount equal to the Three-Year Computation Amount at the redemption prices set forth below, expressed as percentages of the principal amount of each maturity of the Series 2016 Bonds so redeemed, plus accrued interest to the Three-Year Extraordinary Mandatory Redemption Date.

<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Redemption Price</b>	<b>Unamortized Original Issue Premium</b>
January 1, 2020	5.00%	102.339%	\$ 49,866.40
July 1, 2020	5.00	104.409	359,850.70
January 1, 2021	5.00	106.395	669,187.70
July 1, 2021	5.00	108.297	974,874.60
January 1, 2022	5.00	110.049	1,238,097.90
July 1, 2022	5.00	111.737	1,474,857.00
January 1, 2023	4.00	110.353	1,288,948.60
July 1, 2023	5.00	115.007	2,033,944.00
January 1, 2024	5.00	116.295	2,382,550.00
July 1, 2024	5.00	117.598	2,575,172.80
January 1, 2025	4.00	113.845	1,914,403.05

<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Redemption Price</b>	<b>Unamortized Original Issue Premium</b>
July 1, 2025	4.00%	114.728%	\$2,021,436.00
January 1, 2026	5.00	121.365	2,964,507.75
July 1, 2026	4.00	115.245	2,027,607.75
January 1, 2027	5.00	120.653	2,850,943.30
July 1, 2027	5.00	120.396	2,668,278.25
January 1, 2028	5.00	119.883	2,557,918.80
July 1, 2028	5.00	119.627	2,403,787.10
January 1, 2029	5.00	119.372	2,352,832.65
July 1, 2029	5.00	119.181	2,184,666.80
January 1, 2030	5.00	119.054	2,124,276.00
July 1, 2030	4.00	111.725	1,156,950.90
January 1, 2031	5.00	118.737	1,928,057.50
July 1, 2031	5.00	118.737	1,917,391.65
January 1, 2032	4.00	111.120	1,019,721.05
July 1, 2032	4.00	111.120	985,745.25
January 1, 2033	4.00	110.819	856,818.60
July 1, 2033	4.00	110.819	745,717.50
January 1, 2034	4.00	110.519	646,444.80
July 1, 2034	4.00	110.519	553,320.00
January 1, 2035	4.00	110.340	557,194.40
July 1, 2035	4.00	110.340	476,252.00
January 1, 2036	4.00	110.101	368,111.70
July 1, 2036	4.00	110.101	331,975.60

“Three-Year Computation Amount” means the surplus proceeds (rounded to the next higher integral multiple of \$5,000) equal to ninety-five percent (95%) of the Net Proceeds (defined to mean the amounts received from the sale of the Series 2016 Bonds and deposited into the 2016 Subaccounts of the Loan Origination Fund), less the aggregate amount withdrawn from the 2016 Subaccounts of the Loan Origination Fund by September 12, 2019.

The foregoing notwithstanding, the Series 2016 Bonds shall not be subject to any such extraordinary mandatory redemption if the Authority obtains an opinion of nationally-recognized bond counsel to the effect that the failure by the Authority to cause any such extraordinary mandatory redemption to occur will not adversely affect the excludability of interest on the Series 2016 Bonds from gross income for federal income tax purposes.

For purposes of the One-Year and Three-Year Extraordinary Mandatory Redemption of Series 2016 Bonds, the Series 2016 Bonds subject to such redemption shall be selected on a “Pro-Rata Basis”; provided, that if any amount required to be redeemed remains after such selection, such remaining amount shall be applied to the redemption of \$5,000 principal amount of each maturity of Series 2016 Bonds in inverse order of maturity. The term “Pro-Rata Basis” means that the principal amount of Series 2016 Bonds of a particular maturity shall be determined by multiplying the applicable Computation Amount by the ratio which the principal

amount of Series 2016 Bonds of such maturity then outstanding bears to the aggregate principal amount of Series 2016 Bonds then outstanding and subject to redemption.

The Series 2016 Bonds maturing on or after July 1, 2026 are subject to redemption prior to maturity at the option of the Authority, in whole or in part (and if in part, in an Authorized Denomination), in such principal amounts and from such maturities as the Authority shall determine and within any maturity by lot, on any date on or after January 1, 2026, at the Redemption Price of par plus accrued interest thereon to the date fixed for redemption.

In the event any of the Series 2016 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2016 Bonds to be redeemed will be given by the Master Trustee by mailing a copy of the redemption notice by first class mail at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Series 2016 Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bond with respect to which no such failure has occurred. Provided all conditions, if any, to such redemption have been satisfied, all Series 2016 Bonds so called for redemption will cease to bear interest on and after the specified redemption date and shall no longer be protected by the Second Supplemental Trust Agreement and shall not be deemed to be Outstanding under the provisions of the Second Supplemental Trust Agreement.

The holder of this Bond shall have no right to enforce the provisions of the Second Supplemental Trust Agreement or the Master Trust Agreement, to institute action to enforce the covenants therein, to take any action with respect to any Event of Default under the Second Supplemental Trust Agreement or the Master Trust Agreement or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Second Supplemental Trust Agreement and in the Master Trust Agreement.

The Master Trust Agreement can be amended in certain instances, as specified in the Master Trust Agreement, without the consent of the holders of the Series 2016 Bonds. Otherwise, the Master Trust Agreement permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Authority and the rights of the holders of the Series 2016 Bonds at any time by the Authority with the consent of the holders of a majority in aggregate principal amount of the Series 2016 Bonds at the time Outstanding, as defined in the Master Trust Agreement. Any such consent or waiver by the holder of this Bond shall be conclusive and binding upon such holder and upon all future holders of this Bond and of any Bond issued in replacement thereof, whether or not notation of such consent or waiver is made upon this Bond. The Master Trust Agreement also contains provisions permitting Master Trustee to waive certain past defaults under the Master Trust Agreement and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Second Supplemental Trust Agreement and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Authority, does

not exceed or violate any constitutional or statutory limitation; and that investment income and the payments payable under the Master Trust Agreement and pledged to the payment of the principal of, premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, will be sufficient in amount for that purpose as and to the extent provided in the Master Trust Agreement.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Master Trust Agreement until the certificate of authentication hereon shall have been signed by the Master Trustee.

This Bond is issued with the intent that the laws of the State of Illinois will govern its construction.

IN WITNESS WHEREOF, the Illinois Finance Authority has caused this Bond to be executed in its name by the facsimile or manual signature of its [Chairperson][Vice Chairperson][Executive Director] and its corporate seal to be hereunto impressed or imprinted hereon and duly attested by the facsimile or manual signature of its Secretary.

ILLINOIS FINANCE AUTHORITY

By: \_\_\_\_\_  
[Chairperson][Vice  
Chairperson][Executive Director]

(SEAL)

Attest:

\_\_\_\_\_  
Secretary

(Form of Master Trustee's Certificate of Authentication)

**MASTER TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Series 2016 Bonds of the issue referred to in the within-mentioned Master Trust Agreement, Second Supplemental Trust Agreement and Authorizing Resolution.

Dated: \_\_\_\_\_, 2016

AMALGAMATED BANK OF CHICAGO, as  
Master Trustee

By: \_\_\_\_\_  
Authorized Representative

## ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (Social Security or Tax Identification No. \_\_\_\_\_) the within State Revolving Fund Revenue Bonds, Series 2016, of the Illinois Finance Authority and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney in fact to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Person(s) executing this Assignment sign(s) here)

SIGNATURE)

GUARANTEED) \_\_\_\_\_

## IMPORTANT- READ CAREFULLY

The signature(s) to this Power must correspond with the name(s) as written upon the face of the certificate(s) or bond(s) in every particular without alteration or enlargement or any change whatever. Signature guarantees must be provided in accordance with the prevailing standards and procedures of the Master Trustee. Such standards and procedures may require signatures to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.

## INFORMATION REQUIRED FOR REGISTRATION OF TRANSFER

Name of Transferee(s) \_\_\_\_\_

Address of Transferee(s) \_\_\_\_\_

Social Security or Tax

Identification Number of

Transferee(s) \_\_\_\_\_

Transferee is a(n):

Individual\* \_\_\_\_\_ Corporation \_\_\_\_\_

Partnership \_\_\_\_\_ Trust \_\_\_\_\_

\*If the Bond is to be registered in the names of multiple individual owners, the names of all such owners and one address and social security number must be provided.

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entirety

JT TEN - as joint tenants with right of survivorship and not as tenants in common

IA UNIF TRANS MIN ACT -

Custodian

(Cust) (Minor)

under Illinois Uniform Transfers to

Minors Act \_\_\_\_\_

(State)

(end of Series Bond form)

**EXHIBIT B****EXPECTED PRINCIPAL ALLOCATIONS**

CWSRF Leveraged Portion:

<u>Maturity Date</u>	<u>Amount</u>	<u>Rate</u>
July 1, 2017	\$5,515,000	5.00%
January 1, 2018	6,980,000	4.00
July 1, 2018	7,450,000	4.00
January 1, 2019	7,705,000	4.00
July 1, 2019	7,975,000	5.00
January 1, 2020	8,110,000	5.00
July 1, 2020	8,275,000	5.00
January 1, 2021	8,495,000	5.00
July 1, 2021	8,680,000	5.00
January 1, 2022	8,665,000	5.00
July 1, 2022	8,555,000	5.00
January 1, 2023	8,765,000	4.00
July 1, 2023	8,920,000	5.00
January 1, 2024	9,060,000	5.00
July 1, 2024	9,035,000	5.00
January 1, 2025	8,890,000	4.00
July 1, 2025	8,785,000	4.00
January 1, 2026	8,500,000	5.00
July 1, 2026	8,565,000	4.00
January 1, 2027	8,615,000	5.00
July 1, 2027	8,195,000	5.00
January 1, 2028	8,125,000	5.00
July 1, 2028	7,770,000	5.00
January 1, 2029	7,765,000	5.00
July 1, 2029	7,305,000	5.00
January 1, 2030	7,190,000	5.00
July 1, 2030	6,890,000	4.00
January 1, 2031	6,700,000	5.00
July 1, 2031	6,695,000	5.00
January 1, 2032	6,565,000	4.00
July 1, 2032	6,370,000	4.00
January 1, 2033	5,735,000	4.00
July 1, 2033	5,000,000	4.00
January 1, 2034	4,495,000	4.00
July 1, 2034	3,855,000	4.00
January 1, 2035	3,990,000	4.00
July 1, 2035	3,420,000	4.00
January 1, 2036	2,725,000	4.00
July 1, 2036	2,470,000	4.00

CWSRF State Match Portion:

<u>Maturity Date</u>	<u>Amount</u>	<u>Rate</u>
July 1, 2017	\$950,000	5.00%
January 1, 2018	995,000	4.00
July 1, 2018	970,000	4.00
January 1, 2019	955,000	4.00
July 1, 2019	930,000	5.00
January 1, 2020	895,000	5.00
July 1, 2020	865,000	5.00
January 1, 2021	835,000	5.00
July 1, 2021	805,000	5.00
January 1, 2022	770,000	5.00
July 1, 2022	740,000	5.00
January 1, 2023	710,000	4.00
July 1, 2023	680,000	5.00
January 1, 2024	870,000	5.00
July 1, 2024	820,000	5.00
January 1, 2025	770,000	4.00
July 1, 2025	725,000	4.00
January 1, 2026	675,000	5.00
July 1, 2026	630,000	4.00
January 1, 2027	585,000	5.00
July 1, 2027	540,000	5.00
January 1, 2028	500,000	5.00
July 1, 2028	455,000	5.00
January 1, 2029	415,000	5.00
July 1, 2029	380,000	5.00
January 1, 2030	345,000	5.00
July 1, 2030	310,000	4.00
January 1, 2031	275,000	5.00
July 1, 2031	245,000	5.00
January 1, 2032	215,000	4.00
July 1, 2032	185,000	4.00
January 1, 2033	160,000	4.00
July 1, 2033	130,000	4.00
January 1, 2034	110,000	4.00
July 1, 2034	85,000	4.00
January 1, 2035	70,000	4.00
July 1, 2035	50,000	4.00
January 1, 2036	35,000	4.00
July 1, 2036	20,000	4.00

DWSRF Leveraged Portion:

<u>Maturity Date</u>	<u>Amount</u>	<u>Rate</u>
July 1, 2017	\$3,680,000	5.00%
January 1, 2018	4,650,000	4.00
July 1, 2018	4,970,000	4.00
January 1, 2019	5,140,000	4.00
July 1, 2019	5,315,000	5.00
January 1, 2020	5,410,000	5.00
July 1, 2020	5,520,000	5.00
January 1, 2021	5,660,000	5.00
July 1, 2021	5,790,000	5.00
January 1, 2022	5,775,000	5.00
July 1, 2022	5,700,000	5.00
January 1, 2023	5,845,000	4.00
July 1, 2023	5,950,000	5.00
January 1, 2024	6,040,000	5.00
July 1, 2024	6,020,000	5.00
January 1, 2025	5,930,000	4.00
July 1, 2025	5,860,000	4.00
January 1, 2026	5,670,000	5.00
July 1, 2026	5,710,000	4.00
January 1, 2027	5,740,000	5.00
July 1, 2027	5,465,000	5.00
January 1, 2028	5,415,000	5.00
July 1, 2028	5,180,000	5.00
January 1, 2029	5,175,000	5.00
July 1, 2029	4,870,000	5.00
January 1, 2030	4,790,000	5.00
July 1, 2030	4,590,000	4.00
January 1, 2031	4,465,000	5.00
July 1, 2031	4,465,000	5.00
January 1, 2032	4,375,000	4.00
July 1, 2032	4,250,000	4.00
January 1, 2033	3,825,000	4.00
July 1, 2033	3,330,000	4.00
January 1, 2034	3,000,000	4.00
July 1, 2034	2,570,000	4.00
January 1, 2035	2,660,000	4.00
July 1, 2035	2,280,000	4.00
January 1, 2036	1,820,000	4.00
July 1, 2036	1,650,000	4.00

DWSRF State Match Portion:

<u>Maturity Date</u>	<u>Amount</u>	<u>Rate</u>
July 1, 2017	\$415,000	5.00%
January 1, 2018	500,000	4.00
July 1, 2018	720,000	4.00
January 1, 2019	665,000	4.00
July 1, 2019	630,000	5.00
January 1, 2020	605,000	5.00
July 1, 2020	575,000	5.00
January 1, 2021	540,000	5.00
July 1, 2021	515,000	5.00
January 1, 2022	480,000	5.00
July 1, 2022	455,000	5.00
January 1, 2023	420,000	4.00
July 1, 2023	400,000	5.00
January 1, 2024	1,030,000	5.00
July 1, 2024	965,000	5.00
January 1, 2025	895,000	4.00
July 1, 2025	830,000	4.00
January 1, 2026	770,000	5.00
July 1, 2026	710,000	4.00
January 1, 2027	650,000	5.00
July 1, 2027	595,000	5.00
January 1, 2028	550,000	5.00
July 1, 2028	505,000	5.00
January 1, 2029	460,000	5.00
July 1, 2029	415,000	5.00
January 1, 2030	380,000	5.00
July 1, 2030	345,000	4.00
January 1, 2031	310,000	5.00
July 1, 2031	280,000	5.00
January 1, 2032	250,000	4.00
July 1, 2032	220,000	4.00
January 1, 2033	190,000	4.00
July 1, 2033	165,000	4.00
January 1, 2034	135,000	4.00
July 1, 2034	115,000	4.00