
THIRD SUPPLEMENTAL MASTER TRUST AGREEMENT

between

ILLINOIS FINANCE AUTHORITY

and

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

dated as of September 1, 2017

**Authorizing and Securing
State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017
and
Amending and Supplementing the Master Trust Agreement**

THIRD SUPPLEMENTAL TRUST AGREEMENT

TABLE OF CONTENTS

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

PARTIES	1
RECITALS	1
ARTICLE I DEFINITIONS	2
ARTICLE II GENERAL TERMS AND PROVISIONS OF SERIES 2017 BONDS	3
Section 2.1 Authorized Amount and Purpose of Series 2017 Bonds.	3
Section 2.2 Terms of Series 2017 Bonds.....	4
Section 2.3 Extraordinary Mandatory Redemption of Series 2017 Bonds.....	6
Section 2.4 Redemption Dates and Prices	8
Section 2.5 Notice of Redemption.....	9
Section 2.6 Selection of Series 2017 Bonds for Redemption.....	10
Section 2.7 Establishment of Accounts	10
Section 2.8 Application of Proceeds and other Deposits.....	10
ARTICLE III AMENDMENTS TO MASTER TRUST AGREEMENT	11
Section 3.1 Amendment to Article VI of Master Trust Agreement	11
Section 3.2 Amendment to Section 409 of the Master Trust Agreement.....	11
Section 3.3 Amendment to Section 304.	11
Section 3.4 Amendment to Section 306.	12
Section 3.5 Authority for and Timing of Amendments.....	12
ARTICLE IV MISCELLANEOUS.....	12
Section 4.1 Consents, etc., of Bondholders	12
Section 4.2 Limitation of Rights.....	13
Section 4.3 Payments Due on Saturdays, Sundays and Holidays	13
Section 4.4 Authority's Obligations Limited	13
Section 4.5 Incorporation of Provisions of Master Trust Agreement.....	15
Section 4.6 Applicable Provisions of Law	15
Section 4.7 Rules of Interpretation	15
Section 4.8 Captions	15
Section 4.9 Execution in Counterparts	15
Section 4.10 Effective Date	15
EXHIBIT A: Bond Form	
EXHIBIT B: Expected Leveraged Portions	

THIRD SUPPLEMENTAL MASTER TRUST AGREEMENT

THIS THIRD SUPPLEMENTAL MASTER TRUST AGREEMENT, dated as of September 1, 2017 (the "Third 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, amends and 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, as heretofore amended and supplemented.

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 \$67,315,000 (the "Series 2013 Bonds"); and

WHEREAS, pursuant to the Master Trust Agreement and the Second Supplemental Master Trust Agreement dated as of September 1, 2016, between the Authority and the Master Trustee, the Authority has heretofore issued its State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016, which are outstanding in the aggregate principal amount of \$489,440,000 (the "Series 2016 Bonds"); and

WHEREAS, pursuant to and in accordance with the Act, by resolution of its members duly adopted on August 17, 2017 (the "Authorizing Resolution"), the Authority has determined to issue under the Master Trust Agreement and this Third Supplemental Trust Agreement a Series of Bonds to be designated as its State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017 (the "Series 2017 Bonds") in the aggregate principal amount of \$560,025,000, for the purposes described herein; and

WHEREAS, the Authority desires to (i) provide funds to be used for the SRF Program to fund loans and (ii) pay costs of issuance related to the Series 2017 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 have been pledged as security for the Series 2017 Bonds 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 2017 Bonds issued under this Third Supplemental Trust Agreement, the Series 2016 Bonds, the Series 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 make certain desirable changes thereto as set forth herein; and

WHEREAS, all things necessary to make the Series 2017 Bonds, when authenticated by the Master Trustee and issued as in this Third 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 Third Supplemental Trust Agreement, and the creation, execution and issuance of the Series 2017 Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL TRUST AGREEMENT WITNESSETH, that in order to declare the terms and conditions upon which the Series 2017 Bonds are executed, authenticated, issued and delivered, and in consideration of the premises and the acquisition and acceptance of the Series 2017 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 2017 Bonds, and with respect to Article III hereof, the holders from time to time of all of the 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 Third 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 17, 2017 with respect to the Series 2017 Bonds issued pursuant to this Third 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, the Second Supplemental Master Trust Agreement dated as of September 1, 2016, as supplemented and amended by this Third Supplemental 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 2017 Bonds” means the Authority’s \$560,025,000 State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017.

“Third Supplemental Trust Agreement” means this Third Supplemental Master Trust Agreement dated as of September 1, 2017, between the Authority and the Master Trustee.

“2017 Subaccounts of the Costs of Issuance Fund” means the subaccounts created pursuant to Section 2.7(b) hereof, within the Costs of Issuance Fund.

“2017 Subaccounts of the Loan Origination Fund” means the subaccounts created pursuant to Section 2.7(a) hereof, within the Loan Origination Fund.

“2017 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 2017 BONDS

Section 2.1 Authorized Amount and Purpose of Series 2017 Bonds.

(a) There are hereby authorized for issuance under this Third Supplemental Trust Agreement one series of Series 2017 Bonds designated “State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2017” in the original aggregate principal amount of \$560,025,000. No Series 2017 Bonds may be issued under the provisions of this Third Supplemental Trust Agreement except in accordance with this Article. The total principal amount of Series 2017 Bonds that may be issued hereunder is hereby expressly limited to \$560,025,000. The Authority has determined that issuance of the Series 2017 Bonds as provided herein is necessary to provide funds to be used for the SRF Program.

(b) The Series 2017 Bonds are being issued to provide funds to the Authority to fund loans.

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

(d) The Series 2017 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 2017 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 2017 Bonds.

Section 2.2 Terms of Series 2017 Bonds.

(a) The Series 2017 Bonds shall be dated September 12, 2017, being the date of their original issuance and delivery. The Series 2017 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:

Maturity Date	Principal Amount	Interest Rate
July 1, 2018	\$ 8,700,000	5.00%
January 1, 2019	10,000,000	5.00
July 1, 2019	11,100,000	5.00
January 1, 2020	12,620,000	5.00
July 1, 2020	13,440,000	5.00
January 1, 2021	14,015,000	5.00
July 1, 2021	14,680,000	5.00
January 1, 2022	14,900,000	5.00
July 1, 2022	15,115,000	5.00
January 1, 2023	15,750,000	5.00
July 1, 2023	16,170,000	5.00
January 1, 2024	16,585,000	5.00
July 1, 2024	16,745,000	5.00
January 1, 2025	16,835,000	5.00
July 1, 2025	16,730,000	5.00
January 1, 2026	16,555,000	5.00
July 1, 2026	16,920,000	5.00
January 1, 2027	17,205,000	5.00
July 1, 2027	16,445,000	5.00
January 1, 2028	16,505,000	5.00
July 1, 2028	16,170,000	5.00
January 1, 2029	16,385,000	5.00
July 1, 2029	16,010,000	5.00
January 1, 2030	15,920,000	5.00
July 1, 2030	15,705,000	5.00
July 1, 2031	31,385,000	5.00
July 1, 2032	31,640,000	5.00
July 1, 2033	29,180,000	5.00
July 1, 2034	26,370,000	5.00
July 1, 2035	25,930,000	5.00
July 1, 2036	23,280,000	5.00
July 1, 2037	15,035,000	5.00

(b) The Series 2017 Bonds shall bear interest from September 12, 2017 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, 2018. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

(c) The Series 2017 Bonds are subject to redemption prior to maturity as set forth in Sections 2.3 and 2.4 hereof.

(d) The Series 2017 Bonds shall be issued in Authorized Denominations. The Series 2017 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 2017 Bonds issued under this Third Supplemental Trust Agreement and the Master Trustee's certificate of authentication to be endorsed on all such Series 2017 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 Third 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 2017 Bonds.

(f) The principal of, redemption premium, if any, and interest on the Series 2017 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 2017 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 2017 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 2017 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 2017 Bonds are in book-entry form, no principal of or redemption premium, if any, on the Series 2017 Bonds is payable unless the Bondholder thereof shall have surrendered such Series 2017 Bonds at the principal payment office of the Master Trustee.

Section 2.3 Extraordinary Mandatory Redemption of Series 2017 Bonds.

(a) The Series 2017 Bonds are subject to extraordinary mandatory redemption prior to their scheduled maturities, on December 3, 2018 (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 2017 Bonds so redeemed, plus accrued interest to the One-Year Extraordinary Mandatory Redemption Date.

Maturity Date	Interest Rate	Redemption Price	Unamortized Original Issue Premium
January 1, 2019	5.00%	102.325%	\$ 232,538.00
July 1, 2019	5.00	104.391	487,387.68
January 1, 2020	5.00	106.406	808,487.68
July 1, 2020	5.00	108.336	1,120,390.66
January 1, 2021	5.00	110.126	1,419,206.55
July 1, 2021	5.00	111.890	1,745,440.26
January 1, 2022	5.00	113.512	2,013,246.28
July 1, 2022	5.00	115.112	2,284,193.92
January 1, 2023	5.00	116.503	2,599,282.35
July 1, 2023	5.00	117.882	2,891,587.31
January 1, 2024	5.00	118.901	3,134,797.19
July 1, 2024	5.00	120.016	3,351,722.74
January 1, 2025	5.00	120.904	3,519,131.16
July 1, 2025	5.00	121.811	3,649,057.26
January 1, 2026	5.00	122.322	3,695,486.56
July 1, 2026	5.00	123.176	3,921,416.42
January 1, 2027	5.00	123.785	4,092,236.78
July 1, 2027	5.00	123.280	3,828,438.76
January 1, 2028	5.00	122.610	3,731,800.31
July 1, 2028	5.00	122.194	3,588,763.33
January 1, 2029	5.00	121.614	3,541,385.08
July 1, 2029	5.00	121.202	3,394,360.15
January 1, 2030	5.00	120.790	3,309,838.05
July 1, 2030	5.00	120.463	3,213,717.29
July 1, 2031	5.00	119.892	6,243,047.71
July 1, 2032	5.00	119.405	6,139,830.59
July 1, 2033	5.00	118.922	5,521,381.24
July 1, 2034	5.00	118.439	4,862,453.96
July 1, 2035	5.00	118.040	4,677,642.35
July 1, 2036	5.00	117.801	4,144,030.90
July 1, 2037	5.00	117.562	2,640,467.75

“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 2017 Bonds and

deposited into the 2017 Subaccounts of the Loan Origination Fund) less the aggregate amount withdrawn from the 2017 Subaccounts of the Loan Origination Fund by September 12, 2018. The Master Trustee shall calculate the One-Year Computation Amount by October 6, 2018 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 2017 Bonds shall be subject to extraordinary mandatory redemption prior to their scheduled maturities, on December 1, 2020 (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 2017 Bonds so redeemed, plus accrued interest to the Three-Year Extraordinary Mandatory Redemption Date.

Maturity Date	Interest Rate	Redemption Price	Unamortized Original Issue Premium
January 1, 2021	5.00%	102.327%	\$ 326,187.91
July 1, 2021	5.00	104.263	625,864.18
January 1, 2022	5.00	106.101	909,111.58
July 1, 2022	5.00	107.877	1,190,644.83
January 1, 2023	5.00	109.512	1,498,187.25
July 1, 2023	5.00	111.092	1,793,621.68
January 1, 2024	5.00	112.423	2,060,417.57
July 1, 2024	5.00	113.765	2,304,895.67
January 1, 2025	5.00	114.921	2,512,010.96
July 1, 2025	5.00	116.055	2,685,931.23
January 1, 2026	5.00	116.878	2,794,106.55
July 1, 2026	5.00	117.912	3,030,710.40
January 1, 2027	5.00	118.744	3,224,960.26
July 1, 2027	5.00	118.365	3,020,104.52
January 1, 2028	5.00	117.862	2,948,126.40
July 1, 2028	5.00	117.549	2,837,653.90
January 1, 2029	5.00	117.111	2,803,686.51
July 1, 2029	5.00	116.800	2,689,712.02
January 1, 2030	5.00	116.491	2,625,389.49
July 1, 2030	5.00	116.243	2,551,007.12
July 1, 2031	5.00	115.812	4,962,539.71
July 1, 2032	5.00	115.444	4,886,355.04
July 1, 2033	5.00	115.077	4,399,591.16
July 1, 2034	5.00	114.711	3,879,353.99
July 1, 2035	5.00	114.408	3,736,072.19
July 1, 2036	5.00	114.227	3,311,985.07
July 1, 2037	5.00	114.045	2,111,692.81

“*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 2017 Bonds and deposited into the 2017 Subaccounts of the Loan Origination Fund), less the aggregate amount withdrawn from the 2017 Subaccounts of the Loan Origination Fund by September 12, 2020. The Master Trustee shall calculate the Three-Year Computation Amount by October 6, 2020 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.

(c) The foregoing notwithstanding, the Series 2017 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 2017 Bonds from gross income for federal income tax purposes.

(d) For purposes of the One-Year and Three-Year Extraordinary Mandatory Redemption of Series 2017 Bonds, the Series 2017 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 2017 Bonds in inverse order of maturity. The term “Pro-Rata Basis” means that the principal amount of Series 2017 Bonds of a particular maturity shall be determined by multiplying the applicable Computation Amount by the ratio which the principal amount of Series 2017 Bonds of such maturity then outstanding bears to the aggregate principal amount of Series 2017 Bonds then outstanding and subject to redemption.

(e) Any amount by which the Redemption Premium with respect to any extraordinary mandatory redemption of any Series 2017 Bond required hereby exceeds the applicable Unamortized Original Issue Premium, if any, with respect to such Series 2017 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 2017 Subaccounts of the Loan Origination Fund.

Section 2.4 Redemption Dates and Prices.

(a) *Optional Redemption.* The Series 2017 Bonds maturing on or after July 1, 2027 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, 2027, at the Redemption Price of par plus accrued interest thereon to the date fixed for redemption.

(b) *Mandatory Sinking Fund Redemption.* The Bonds maturing on July 1, 2031 shall be subject to mandatory redemption, in part and by lot, on January 1, 2031, in

the principal amount of \$15,545,000 constituting a sinking fund installment for the retirement of the Bonds maturing on July 1, 2031.

The Bonds maturing on July 1, 2032 shall be subject to mandatory redemption, in part and by lot, on January 1, 2032, in the principal amount of \$15,895,000 constituting a sinking fund installment for the retirement of the Bonds maturing on July 1, 2032.

The Bonds maturing on July 1, 2033 shall be subject to mandatory redemption, in part and by lot, on January 1, 2033, in the principal amount of \$15,075,000 constituting a sinking fund installment for the retirement of the Bonds maturing on July 1, 2033.

The Bonds maturing on July 1, 2034 shall be subject to mandatory redemption, in part and by lot, on January 1, 2034, in the principal amount of \$13,650,000 constituting a sinking fund installment for the retirement of the Bonds maturing on July 1, 2034.

The Bonds maturing on July 1, 2035 shall be subject to mandatory redemption, in part and by lot, on January 1, 2035, in the principal amount of \$13,170,000 constituting a sinking fund installment for the retirement of the Bonds maturing on July 1, 2035.

The Bonds maturing on July 1, 2036 shall be subject to mandatory redemption, in part and by lot, on January 1, 2036, in the principal amount of \$11,855,000 constituting a sinking fund installment for the retirement of the Bonds maturing on July 1, 2036.

The Bonds maturing on July 1, 2037 shall be subject to mandatory redemption, in part and by lot, on January 1, 2037, in the principal amount of \$8,065,000 constituting a sinking fund installment for the retirement of the Bonds maturing on July 1, 2037.

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date for the Bonds, the Authority may (i) purchase or direct the Master Trustee to purchase, with available funds including, but not limited to, funds allocable to the Sinking Fund Installment for such Bonds within the Bond Fund and deliver or cause to be delivered to the Master Trustee for cancellation, such Bonds or portions thereof in Authorized Denominations or (ii) receive a credit in respect of its mandatory sinking fund redemption obligation for such Bonds or portions thereof in Authorized Denominations, which prior to said date have been redeemed (otherwise than through operation of such mandatory sinking fund redemption) and cancelled by the Master Trustee and not theretofore applied as a credit against any mandatory sinking fund redemption obligation. Each such Bond or portion thereof subject to mandatory sinking fund redemption so delivered or previously redeemed shall be credited against future mandatory sinking fund redemption obligations on Bonds in such order as the Authority shall designate, or if no such designation is made, in chronological order, the principal amount of such Bonds to be redeemed by operation of such mandatory redemption to be accordingly reduced.

Section 2.5 Notice of Redemption.

Unless waived by any Bondholder of Series 2017 Bonds to be redeemed, official notice of any redemption of Series 2017 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 2017 Bonds.

Section 2.6 Selection of Series 2017 Bonds for Redemption. If less than all of the Series 2017 Bonds shall be called for redemption under any provision of this Third Supplemental Trust Agreement permitting or requiring such partial redemption, the particular Series 2017 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 Third 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 2017 Bonds of a single maturity, such redemption shall be by lot in such manner as the Master Trustee may determine among such Series 2017 Bonds and (ii) subject to other applicable provisions of this Third Supplemental Trust Agreement, the portion of any Series 2017 Bond to be redeemed shall be in a principal amount equal to an Authorized Denomination. In selecting Series 2017 Bonds for redemption, the Master Trustee shall treat each such Series 2017 Bond as representing that number of Series 2017 Bonds which is obtained by dividing the principal amount of such Series 2017 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 2017 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 2017 Bond shall forthwith surrender such Series 2017 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 2017 Bond or Series 2017 Bonds of the same maturity in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2017 Bond. New Series 2017 Bonds representing the unredeemed balance of the principal amount of such Series 2017 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 2017 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 2017 Subaccount.

(c) In each of the accounts created in the Rebate Fund pursuant to Section 301(a)(vi) of the Master Trust Agreement, a 2017 Subaccount.

Section 2.8 Application of Proceeds and other Deposits. The proceeds of the Series 2017 Bonds (\$662,309,083.11) (par amount of \$560,025,000 plus premium of

\$104,446,981.00 less Underwriters' discount of \$2,162,897.89) shall be delivered to the Master Trustee and deposited as follows:

(i) For deposit in the 2017 Subaccount of the CWSRF Leveraged Loan Account of the Loan Origination Fund, the sum of \$411,355,000.00;

(ii) For deposit in the 2017 Subaccount of the DWSRF Leveraged Loan Account of the Loan Origination Fund, the sum of \$250,000,000.00;

(iii) For deposit in the 2017 Subaccount of the CWSRF Account of the Costs of Issuance Fund, the sum of \$592,313.88; and

(iv) For deposit in the 2017 Subaccount of the DWSRF Account of the Costs of Issuance Fund, the sum of \$361,769.23.

ARTICLE III AMENDMENTS TO MASTER TRUST AGREEMENT

Section 3.1 Amendment to Article VI of Master Trust Agreement.

Pursuant to Section 1101(a) of the Master Trust Agreement, clause (iii) of Article VI of the Master Trust Agreement is hereby replaced in its entirety with the following:

“(iii) 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 release or substitution, as applicable.”

Section 3.2 Amendment to Section 409 of the Master Trust Agreement.

Pursuant to Section 1101(h) of the Master Trust Agreement, the following is added after the last sentence in Section 409:

“The Authority shall provide its written consent to the Master Trustee as required in the foregoing sentence only if an Officer's Certificate is delivered to the Master Trustee stating that, taking into account the contemplated amendments, changes, modifications, alterations or terminations of the Pledged Agreements for which the Authority's consent is required: (i) the Projected Asset Coverage Ratio for each subsequent Bond Year is not less than 1.20:1.00 and (ii) the resulting Revenues available for the payment of the principal of and interest on the Bonds 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.”

Section 3.3 Amendment to Section 304. Pursuant to Section 1102 of the Master Trust Agreement, the penultimate paragraph of Section 304 of the Master Trust Agreement is hereby replaced in its entirety with the following:

“At the times set forth in Section 305 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. On the first Business Day of each month, if the aggregate amount on deposit in the Principal Subaccount and the Interest Subaccount of each of the CWSRF Revenue Account and the DWSRF Revenue Account is at least equal to the respective principal and interest requirements on the State Match CWSRF Portion, the State Match DWSRF Portion, the Leveraged CWSRF Portion and the Leveraged DWSRF Portion of the Bonds due on the next succeeding Interest Payment Date (the “Debt Service Requirement”), then the Master Trustee shall transfer any amounts on deposit in such subaccounts in excess of the Debt Service Requirement to the appropriate subaccounts of the Equity Fund.”

Section 3.4 Amendment to Section 306. Pursuant to Section 1102 of the Master Trust Agreement, the first sentence in Section 306(c) of the Master Trust Agreement is hereby replaced in its entirety with the following:

“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 or, as appropriate, reimburse the Authority for (i) fees and expenses of the Master Trustee, (ii) expenses related to this Master Trust Agreement, including without limitation, the fees and expenses of the Authority’s investment managers and advisors relating to investment of the funds held under this Master Trust Agreement and (iii) the annual management fee of the Authority set forth in Section II of the Memorandum of Agreement.”

Section 3.5 Authority for and Timing of Amendments. The amendments contained in Section 3.1 and Section 3.2 are authorized pursuant to Section 1101(a) and Section 1101(h), respectively, of the Master Trust Agreement and shall become effective upon the execution of this Third Supplemental Trust Agreement. The amendments contained in Section 3.3 and 3.4 are subject to receipt by the Master Trustee of the consents of the holders of a majority in aggregate principal amount of the Bonds then Outstanding to the amendments contained in Section 3.3 and 3.4 which shall become effective only upon the receipt of the requisite consents by the Master Trustee. The holders and Beneficial Owners of the Series 2017 Bonds, by their purchase of the Series 2017 Bonds, shall be deemed to have irrevocably consented to such amendments.

ARTICLE IV MISCELLANEOUS

Section 4.1 Consents, etc., of Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Third 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 2017 Bonds, if made in the following manner shall be sufficient for any of the purposes of this Third 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 2017 Bonds and the amount or amounts, numbers and other identification of such Series 2017 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 Third 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 Third Supplemental Trust Agreement or the Series 2017 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 2017 Bonds (and with respect to Article III hereof, the holders of all of the Bonds), any legal or equitable right, remedy or claim under or with respect to this Third Supplemental Trust Agreement or any covenants, conditions and provisions herein contained; this Third 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 2017 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 2017 Bonds or the date fixed for redemption of any Series 2017 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 2017 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 2017 Bonds, the income from the temporary investment thereof).

The Series 2017 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 2017 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 2017 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 Third Supplemental Trust Agreement or in any Series 2017 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 Third 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 Third Supplemental Trust Agreement and the issuance of the Series 2017 Bonds.

Anything in this Third 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 Third 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 2017 Bonds and are hereby expressly incorporated herein by this reference.

Section 4.6 Applicable Provisions of Law. This Third 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 this Third 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 Third 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 Third Supplemental Trust Agreement.

Section 4.9 Execution in Counterparts. This Third 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 Third Supplemental Master Trust Agreement is effective as of its date of execution.

IN WITNESS WHEREOF, the Authority has caused this Third 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 Third 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: _____

IN WITNESS WHEREOF, the Authority has caused this Third 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 Third 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

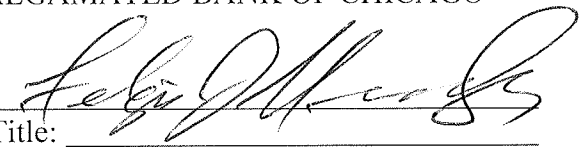
By: 
Title: _____

EXHIBIT A

FORM OF SERIES 2017 BONDS

No. R-__

\$_____

**UNITED STATES OF AMERICA
ILLINOIS FINANCE AUTHORITY
STATE OF ILLINOIS CLEAN WATER INITIATIVE
REVOLVING FUND
REVENUE BONDS
SERIES 2017**

<u>Bond Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>CUSIP</u>
September 12, 2017	____%	[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, 2018, 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 2017 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 2017, limited in the aggregate principal amount of \$560,025,000 (the "Series 2017 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 and (ii) paying for costs associated with the issuance of the Series 2017 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 2017 Bonds (the "Pledged Agreements") pursuant to the Master Trust Agreement (defined below). A portion of the proceeds of the Series 2017 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 2017 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 2017 Bonds and the provisions for repayment of the Local Obligation.

The Series 2017 Bonds are all issued under the Master Trust Agreement and a Third Supplemental Master Trust Agreement dated as of September 1, 2017 by and between the Authority and the Master Trustee (the "Third Supplemental Trust Agreement"), and an Authorizing Resolution adopted by the Authority on August 17, 2017 (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 2017

Bonds. Each Series 2017 Bond consists of a Leveraged CWSRF Portion and a Leveraged DWSRF Portion, each as described and set forth in the Third Supplemental Trust Agreement. The Leveraged Portions of each Series 2017 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 2017 Bonds, the rights, duties and obligations of the Authority, the Master Trustee and the holders of the Series 2017 Bonds and the terms upon which the Series 2017 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, the Third Supplemental Trust Agreement and the Authorizing Resolution.

To further secure the payment of the 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 Bonds.

The Series 2017 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 2017 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 Third 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 2017 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 2017 Bonds as and to the extent provided in the Third 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 2017 Bonds are subject to extraordinary mandatory redemption prior to their scheduled maturities, on December 3, 2018 (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 2017 Bonds so redeemed, plus accrued interest to the One-Year Extraordinary Mandatory Redemption Date.

Maturity Date	Interest Rate	Redemption Price	Unamortized Original Issue Premium
January 1, 2019	5.00%	102.325%	\$ 232,538.00
July 1, 2019	5.00	104.391	487,387.68
January 1, 2020	5.00	106.406	808,487.68
July 1, 2020	5.00	108.336	1,120,390.66
January 1, 2021	5.00	110.126	1,419,206.55
July 1, 2021	5.00	111.890	1,745,440.26
January 1, 2022	5.00	113.512	2,013,246.28
July 1, 2022	5.00	115.112	2,284,193.92
January 1, 2023	5.00	116.503	2,599,282.35
July 1, 2023	5.00	117.882	2,891,587.31
January 1, 2024	5.00	118.901	3,134,797.19
July 1, 2024	5.00	120.016	3,351,722.74
January 1, 2025	5.00	120.904	3,519,131.16
July 1, 2025	5.00	121.811	3,649,057.26
January 1, 2026	5.00	122.322	3,695,486.56
July 1, 2026	5.00	123.176	3,921,416.42
January 1, 2027	5.00	123.785	4,092,236.78
July 1, 2027	5.00	123.280	3,828,438.76
January 1, 2028	5.00	122.610	3,731,800.31
July 1, 2028	5.00	122.194	3,588,763.33
January 1, 2029	5.00	121.614	3,541,385.08
July 1, 2029	5.00	121.202	3,394,360.15
January 1, 2030	5.00	120.790	3,309,838.05
July 1, 2030	5.00	120.463	3,213,717.29
July 1, 2031	5.00	119.892	6,243,047.71
July 1, 2032	5.00	119.405	6,139,830.59
July 1, 2033	5.00	118.922	5,521,381.24

Maturity Date	Interest Rate	Redemption Price	Unamortized Original Issue Premium
July 1, 2034	5.00%	118.439%	\$ 4,862,453.96
July 1, 2035	5.00	118.040	4,677,642.35
July 1, 2036	5.00	117.801	4,144,030.90
July 1, 2037	5.00	117.562	2,640,467.75

“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 2017 Bonds and deposited into the 2017 Subaccounts of the Loan Origination Fund) less the aggregate amount withdrawn from the 2017 Subaccounts of the Loan Origination Fund by September 12, 2018.

The Series 2017 Bonds shall be subject to extraordinary mandatory redemption prior to their scheduled maturities, on December 1, 2020 (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 2017 Bonds so redeemed, plus accrued interest to the Three-Year Extraordinary Mandatory Redemption Date.

Maturity Date	Interest Rate	Redemption Price	Unamortized Original Issue Premium
January 1, 2021	5.00%	102.327%	\$326,187.91
July 1, 2021	5.00	104.263	625,864.18
January 1, 2022	5.00	106.101	909,111.58
July 1, 2022	5.00	107.877	1,190,644.83
January 1, 2023	5.00	109.512	1,498,187.25
July 1, 2023	5.00	111.092	1,793,621.68
January 1, 2024	5.00	112.423	2,060,417.57
July 1, 2024	5.00	113.765	2,304,895.67
January 1, 2025	5.00	114.921	2,512,010.96
July 1, 2025	5.00	116.055	2,685,931.23
January 1, 2026	5.00	116.878	2,794,106.55
July 1, 2026	5.00	117.912	3,030,710.40
January 1, 2027	5.00	118.744	3,224,960.26
July 1, 2027	5.00	118.365	3,020,104.52
January 1, 2028	5.00	117.862	2,948,126.40
July 1, 2028	5.00	117.549	2,837,653.90
January 1, 2029	5.00	117.111	2,803,686.51
July 1, 2029	5.00	116.800	2,689,712.02
January 1, 2030	5.00	116.491	2,625,389.49
July 1, 2030	5.00	116.243	2,551,007.12
July 1, 2031	5.00%	115.812%	\$4,962,539.71

Maturity Date	Interest Rate	Redemption Price	Unamortized Original Issue Premium
July 1, 2032	5.00	115.444	4,886,355.04
July 1, 2033	5.00	115.077	4,399,591.16
July 1, 2034	5.00	114.711	3,879,353.99
July 1, 2035	5.00	114.408	3,736,072.19
July 1, 2036	5.00	114.227	3,311,985.07
July 1, 2037	5.00	114.045	2,111,692.81

“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 2017 Bonds and deposited into the 2017 Subaccounts of the Loan Origination Fund), less the aggregate amount withdrawn from the 2017 Subaccounts of the Loan Origination Fund by September 12, 2020.

The foregoing notwithstanding, the Series 2017 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 2017 Bonds from gross income for federal income tax purposes.

For purposes of the One-Year and Three-Year Extraordinary Mandatory Redemption of Series 2017 Bonds, the Series 2017 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 2017 Bonds in inverse order of maturity. The term “Pro-Rata Basis” means that the principal amount of Series 2017 Bonds of a particular maturity shall be determined by multiplying the applicable Computation Amount by the ratio which the principal amount of Series 2017 Bonds of such maturity then outstanding bears to the aggregate principal amount of Series 2017 Bonds then outstanding and subject to redemption.

The Series 2017 Bonds maturing on or after July 1, 2027 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, 2027, at the Redemption Price of par plus accrued interest thereon to the date fixed for redemption.

Series 2017 Bonds maturing on July 1 of the years 2031 to 2037, both inclusive, are subject to mandatory redemption, in part and by lot, at a redemption price of par, on the January 1 next preceding the maturity date of such Bonds, by the application of a sinking fund installment for each such maturity in the respective principal amounts set forth in the Third Supplemental Trust Agreement.

In the event any of the Series 2017 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2017 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 2017 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 2017 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 Third Supplemental Trust Agreement and shall not be deemed to be Outstanding under the provisions of the Third Supplemental Trust Agreement.

The holder of this Bond shall have no right to enforce the provisions of the Third 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 Third 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 Third 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 2017 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 2017 Bonds at any time by the Authority with the consent of the holders of a majority in aggregate principal amount of the Series 2017 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 Third 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 2017 Bonds of the issue referred to in the within-mentioned Master Trust Agreement, the Third Supplemental Trust Agreement and Authorizing Resolution.

Dated: September 12, 2017

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 2017, 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, 2018	\$5,770,000	5.00%
January 1, 2019	6,540,000	5.00
July 1, 2019	7,220,000	5.00
January 1, 2020	7,600,000	5.00
July 1, 2020	7,900,000	5.00
January 1, 2021	8,450,000	5.00
July 1, 2021	8,725,000	5.00
January 1, 2022	8,800,000	5.00
July 1, 2022	8,760,000	5.00
January 1, 2023	9,195,000	5.00
July 1, 2023	9,690,000	5.00
January 1, 2024	10,275,000	5.00
July 1, 2024	10,520,000	5.00
January 1, 2025	10,420,000	5.00
July 1, 2025	10,690,000	5.00
January 1, 2026	10,385,000	5.00
July 1, 2026	10,660,000	5.00
January 1, 2027	10,925,000	5.00
July 1, 2027	11,015,000	5.00
January 1, 2028	11,225,000	5.00
July 1, 2028	10,955,000	5.00
January 1, 2029	11,190,000	5.00
July 1, 2029	10,505,000	5.00
January 1, 2030	10,780,000	5.00
July 1, 2030	10,495,000	5.00
July 1, 2031	21,035,000	5.00
July 1, 2032	21,060,000	5.00
July 1, 2033	18,410,000	5.00
July 1, 2034	15,780,000	5.00
July 1, 2035	15,235,000	5.00
July 1, 2036	11,630,000	5.00
July 1, 2037	6,210,000	5.00

DWSRF Leveraged Portion:

<u>Maturity Date</u>	<u>Amount</u>	<u>Rate</u>
July 1, 2018	\$2,930,000	5.00%
January 1, 2019	3,460,000	5.00
July 1, 2019	3,880,000	5.00
January 1, 2020	5,020,000	5.00
July 1, 2020	5,540,000	5.00
January 1, 2021	5,565,000	5.00
July 1, 2021	5,955,000	5.00
January 1, 2022	6,100,000	5.00
July 1, 2022	6,355,000	5.00
January 1, 2023	6,555,000	5.00
July 1, 2023	6,480,000	5.00
January 1, 2024	6,310,000	5.00
July 1, 2024	6,225,000	5.00
January 1, 2025	6,415,000	5.00
July 1, 2025	6,040,000	5.00
January 1, 2026	6,170,000	5.00
July 1, 2026	6,260,000	5.00
January 1, 2027	6,280,000	5.00
July 1, 2027	5,430,000	5.00
January 1, 2028	5,280,000	5.00
July 1, 2028	5,215,000	5.00
January 1, 2029	5,195,000	5.00
July 1, 2029	5,505,000	5.00
January 1, 2030	5,140,000	5.00
July 1, 2030	5,210,000	5.00
July 1, 2031	10,350,000	5.00
July 1, 2032	10,580,000	5.00
July 1, 2033	10,770,000	5.00
July 1, 2034	10,590,000	5.00
July 1, 2035	10,695,000	5.00
July 1, 2036	11,650,000	5.00
July 1, 2037	8,825,000	5.00