IOWA FINANCE AUTHORITY

SINGLE FAMILY MORTGAGE

BOND RESOLUTION

Adopted July 10, 1991
as amended by
Supplemental Resolution Adopted
October 6, 2004,
Supplemental Resolution Adopted
June 7, 2006,
Supplemental Resolution Adopted
October 6, 2004, effective as of
September 15, 2007,
Supplemental Resolution Adopted
May 26, 2009, and
Supplemental Resolution Adopted
February 1, 2012

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A RESOLUTION PROVIDING FOR THE ISSUANCE OF SINGLE FAMILY MORTGAGE BONDS OF THE IOWA FINANCE AUTHORITY AND FOR THE RIGHTS OF THE HOLDERS THEREOF

BE IT RESOLVED BY THE IOWA FINANCE AUTHORITY AND THE MEMBERS THEREOF AS FOLLOWS:

ARTICLE I
DEFINITIONS, CONSTRUCTION, BOND CONTRACT AND PLEDGE

SECTION 1.01. Definitions.

Unless context shall otherwise require, the following terms shall have the following respective meanings:

"Account" or "Accounts" means one or more of the special accounts created by or pursuant to this Resolution or any Series Resolution.

"Accountant" means a nationally recognized firm of independent certified public accountants selected by the Authority, which may be the firm of accountants that regularly audits the books of the Authority.

"Accreted Value" means the same as such term is defined in the applicable Series Resolution.

"Acquisition Accounts" means the accounts so designated, which are created and established in the Program Fund by Section 4.01 of this Resolution.

"Act" means Chapter 16 of the Code of Iowa, 2003, as amended and supplemented from time to time. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Aggregate Debt Service" means, for any period, the Debt Service Payments becoming due and payable on all Bond Payment Dates during such period.

"Amortized Value" means, when used with respect to Investment Obligations purchased at a premium above or at a discount below par, the value as of any given date obtained by dividing the total amount of the premium or the discount at which such Investment Obligations were purchased by the number of days remaining to the maturity date of such securities at the time of such purchase and by multiplying the amount so calculated by the number of days having passed from the date of such purchase; and (i) in the case of Investment Obligations purchased at a premium, by deducting the product thus obtained from the purchase price and (ii) in the case of Investment Obligations purchased at a discount, by adding the product thus obtained to the purchase price.

"Annual Debt Service" means, for any given Bond Year, the sum on the first day of such Bond Year of (1) the interest falling due on then Outstanding Bonds (assuming that all then Outstanding Serial Bonds are retired on their respective maturity dates and that all then Outstanding Term Bonds are retired at the times of and in amounts provided for by the Sinking

Fund Installments applicable to such Term Bonds) in such Bond Year, (2) the principal amount or accreted value of the then Outstanding Bonds falling due by their terms in such Bond Year, and (3) the amount of the Sinking Fund Installments required in such Bond Year.

"Annual Family Income" means the same as such term is defined in the applicable Origination Agreement.

Definition of "Application Commitment Agreement" removed by Supplemental Resolution adopted October 6, 2004.

"Authenticating Agent" means, with respect to the Bonds, the Authenticating Agent, if any, appointed by the Trustee for the Bonds pursuant to and in accordance with the provisions of Section 8.01(b) of this Resolution, or if more than one Authenticating Agent is so appointed, then each such Authenticating Agent so appointed for the Bonds, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution.

"Authority" means the Iowa Finance Authority, a public instrumentality and agency of the State organized and existing under the Act.

"Authority Fee" means any fee so designated in the applicable Series Resolution.

"Authority Request" means a written request or direction of the Authority signed by an Authorized Officer.

"Authority Swap Payment" means a payment due to a Swap Counterparty from the Authority pursuant to the applicable Swap Agreement (including, but not limited to, payments in respect of any early termination of such Swap Agreement). **This definition added by Supplemental Resolution adopted October 6, 2004.**

"Authorized Officer" means the Chair, Vice Chair, Treasurer, Executive Director or Chief Financial Officer of the Authority, and any other person authorized by resolution of the Authority to act as an Authorized Officer hereunder.

"Bond" or "Bonds" means any of the bonds of the Authority authorized under this Resolution and issued pursuant to a Series Resolution. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Bond" or "Bonds" means any of the bonds of the Authority authorized under this Resolution and issued pursuant to a Series Resolution.

"Bond Counsel" means any attorney or firm of attorneys of nationally recognized standing in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed from time to time by the Authority.

"Bond Payment Date" means an Interest Payment Date, a Principal Installment Date or a Redemption Date. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Bond Year" means a twelve-month period ending on June 30 of any year in which Bonds are Outstanding.

"Bondholder" or "Holder" or "Holder of Bonds" or similar term, when used with respect to a Bond or Bonds, means the Person in whose name any Outstanding Bond is registered.

"Business Day" means any day other than a Saturday or Sunday or other day on which the principal trust office of the Trustee is authorized to be closed for regular business, or a day on which banks located in the City of New York are authorized to be closed for regular business, or a day on which the New York Stock Exchange is closed.

"Capitalized Interest Accounts" means the Accounts so designated, which are created and established within the Revenue Fund by Section 4.01 of this Resolution.

"Certificate of the Authority" means, as the case may be, a document signed by an Authorized Officer either (i) attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or (ii) setting forth matters to be determined by an Authorized Officer pursuant to this Resolution.

"Chair" means the chair of the Authority. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Code" means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and any proposed, temporary or final regulations of the United States Treasury Department promulgated thereunder and under the corresponding provisions of the Internal Revenue Code of 1954, as amended. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Commitment Fee" means any fee so designated, as described in the applicable Series Resolution.

"Conventional Mortgage Loan" means a Mortgage Loan other than an FHA Insured Mortgage Loan, or a VA Guaranteed Mortgage satisfying the requirements of FNMA or FHLMC.

"Corporate Trust Office" means, when used with respect to any Fiduciary, the office of such Fiduciary at which its principal corporate trust business shall be administered.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimburseable to the Authority and related to the authorization, sale and issuance of Bonds, and the making and purchasing of Mortgage Loans or Mortgage-Backed Securities from the proceeds thereof, which may include, but are not limited to, printing costs, costs of reproducing documents, filing and recording fees, bond discounts, estimated Program Expenses for the initial Bond Year, computerization costs of the Authority, legal fees and charges, professional consultants' fees, costs of credit ratings, credit enhancement fees, fees and charges for execution, transportation and safekeeping of Bonds, costs and expenses of refunding and other costs, charges and fees in connection with the foregoing.

"Costs of Issuance Accounts" means the Accounts so designated, which are created and established within the Program Fund by Section 4.01 of this Resolution.

"Counterparty Swap Payment" means a payment due to or received by the Authority from a Swap Counterparty pursuant to a Swap Agreement (including, but not limited to, payments in respect of any early termination of such Swap Agreement) and amounts received by the Authority under any related Swap Counterparty Guarantee. **This definition added by Supplemental Resolution adopted October 6, 2004.**

"Current Interest Bonds" means any Bonds during the time such Bonds are paying interest currently.

"Current Interest Commencement Date" means the date so designated in any Series Resolution.

"Debt Service Payment" means, when used with respect to any Bond Payment Date, the sum of the (i) interest, if any, and (ii) Principal Installments, if any, and Redemption Prices, if any, due and payable on such Bond Payment Date with respect to the Bonds. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Default" means, when used with reference to a Mortgage Loan, a default by the obligor under the terms of the related Mortgage or Mortgage Note and the continuation of such default for 60 days. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Defeasance Obligations" means Investment Obligations that (i) are of the types described in clause (1)(i) of the definition of "Investment Obligations" in this Section 1.01; and (ii) are not subject to redemption at the option of the issuer thereof prior to their maturity.

"Delivery Date" means, as applied to any Series of Bonds, the date on which that Series of Bonds is issued, authenticated and delivered to the initial purchasers in accordance with the Series Resolution.

"Delivery Period" means the period of time specified in each Series Resolution, as the period for the purchase of Mortgage-Backed Securities from the Servicer.

"Depository" shall mean the Depository Trust Company, New York, New York, or its successors and assigns, or such substitute depository institution as shall be designated by the Issuer in accordance with Section 2.17.

"Depository Bonds" shall mean Bonds in the form of one certificate for each maturity.

"Eligible Mortgagor" means a person or persons or family or families (i) intending to occupy a Single-Family Residence, (ii) whose Annual Family Income does not exceed the Maximum Household Income Limit, and (iii) who is (except as to Mortgage Loans secured by a Home located within a Targeted Area or as otherwise permitted pursuant to a Series Resolution) a First-Time Homebuyer. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Event of Default" means any of those events defined as Events of Default by Section 7.01 of this Resolution.

"FHA" means the Federal Housing Administration of the Department of Housing and Urban Development or any agency or instrumentality of the United States of America succeeding to the mortgage insurance functions thereof.

"FHA Insurance" means FHA mortgage insurance issued under one of the FHA Insurance programs pursuant to the National Housing Act, including but not limited to: (a) FHA §203(b), Home Unsubsidized; (b) FHA §234(c), Condominiums; and (c) FHA §203(b)(2), Veteran's Status.

"FHA Insured" means insured by FHA Insurance.

"FHLMC" means the Federal Home Loan Mortgage Corporation, a corporate instrumentality of the United States created pursuant to the Federal Home Loan Mortgage Act (Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459), and any successor to its functions.

"FHLMC PC" means guaranteed mortgage securities which represent undivided interests in groups of mortgages purchased by FHLMC.

"Fiduciary" or "Fiduciaries" means the Trustee, any Authenticating Agent, any Paying Agent, any depositary, any administrator or any or all of them, as may be appropriate.

"Fiduciary Expenses" means the fees and expenses of the Fiduciaries as specified in this Resolution and any Series Resolution. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"First-Time Homebuyer" means the same as such term is defined in the applicable Origination Agreement.

"FNMA" means Federal National Mortgage Association, or any successor thereto.

"FNMA MBS Selling and Servicing Guide" means the FNMA MBS Selling and Servicing Guides, as amended from time to time, as modified by the Pool Purchase Contract.

"FNMA Security" means a single pool, guaranteed mortgage pass-through FNMA Mortgage-Backed Security, issued by FNMA in book-entry form, recorded in the name of the Trustee or its nominee, guaranteed as to timely payment of principal and interest by FNMA and backed by Conventional Mortgage Loans, or FHA Insured or VA Guaranteed Mortgage Loans, in the related mortgage pool, bearing interest at the rate specified in the applicable Series Resolution.

"Fund" or "Funds" means one or more of the special trust funds created and established pursuant to this Resolution, but not including the General Fund, and the Account or Accounts established therein.

"General Bond Resolution" means this Single Family Mortgage Bond Resolution, as the same may be amended or supplemented from time to time in accordance with the provisions of this Resolution.

"General Fund" means the fund so designated which was established and created by a resolution of the Authority adopted August 4, 1977 which may from time to time be amended.

"GNMA" means the Government National Mortgage Association, a wholly owned corporate instrumentality of the United States within HUD, and any successor to its functions. Its powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C., §1716 et seq.).

"GNMA Guide" means the GNMA I Mortgage-Backed Securities Guide, GNMA Handbook 5500.1, the GNMA II Mortgage-Backed Securities Guide 5500.2, or other GNMA Guides then in effect on the date of its application, if any, hereunder.

"GNMA Security" means the GNMA I Mortgage Pass-Through Certificate or a GNMA II Mortgage Pass-Through Certificate issued by the Servicer in the name of the Trustee in exchange for Mortgage Loans and guaranteed as to timely payment of principal and interest by GNMA pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and the regulations promulgated thereunder, and in the form of Appendix 39 "Single Family Mortgage-Backed Certificate" of the GNMA Guide.

"GNMA MBS Agreement" means the agreement by and between the Servicer and GNMA authorizing the Servicer to issue GNMA Certificates.

"Government" means the United States of America and any agency or instrumentality thereof.

"Interest Payment Date" means, for each Series of Bonds, the interest payment dates established by the applicable Series Resolution. **This definition added by Supplemental Resolution adopted October 6, 2004.**

"Investment Obligations" means and includes any of the following, other than Mortgage-Backed Securities, if and to the extent the same are at the time legal for the investment of the Authority's moneys:

(1) Direct obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States, which obligations include, but are not limited to, the following: (i) United States Treasury obligations which are direct or fully guaranteed obligations, (ii) obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by Government National Mortgage Association ("GNMA");

(2) United States Department of Housing & Urban Development project notes and local authority bonds supported by annual contribution contracts;

(3) Federal Housing Administration debentures;

(4) Federal Home Loan Mortgage Corporation ("FHLMC") participation certificates guaranteed by FHLMC as to timely payment of principal and interest and senior debt obligations;

(5) Federal National Mortgage Association's ("FNMA") mortgage-backed securities and senior debt obligations, excluding interest-only stripped securities;

(6) Federal funds, certificates of deposit, time deposits, and bankers acceptances (having maturities of not more than 365 days) of any bank the senior unsecured debt obligations of which (or, in the case of the principal bank in a bank holding company, debt obligations of the bank holding company) have been rated by Standard & Poor's Rating Services ("S&P") and Moody's Investors Service ("Moody's") at least A-1+ and P1, respectively, for securities having a term of one year or less, at least AA-/A-1+ by S&P and Aa2/P1 by Moody's for securities having a term of more than one year but not more than three years (during the first three years following issuance of the applicable Series of Bonds), or Aaa by Moody's and AAA by S&P for securities having a term of three years or more or, in each case, if S&P or Moody's no longer maintains a rating on the Bonds, the applicable rating only of the rating agency then maintaining a rating on the Bonds, or an equivalent rating by any other nationally recognized bond rating agency then maintaining a rating on the Bonds;

(7) Deposits which are fully insured by the Federal Deposit Insurance Corporation ("FDIC") with financial institutions rated at least P1 by Moody's and A-1+ by S&P;

(8) Investment agreements with financial institutions whose short-term and long-term unsecured debt obligations or claims paying ability, as the case may be, (a) for investment agreements with a term of one year or less, are rated by S&P at least A-1+ and by Moody's at least P1, or (b) for investment agreements with a term of more than one year but less than three years (during the first three years following issuance of the applicable Series of Bonds), are rated AA-/A-1+ by S&P and Aa2/P1 by Moody's, or (c) for investment agreements with a term of three or more years, are rated AAA by S&P's and Aaa by Moody's, or whose payment obligations under such investment agreements are guaranteed by an entity whose obligations or claims paying ability are so rated, or, if S&P's or Moody's no longer maintains a rating on the Bonds, the applicable rating only of the rating agency then maintaining a rating on the Bonds, or a like rating agency then maintaining a rating on the Bonds;

(9) units of a taxable government money market portfolio rated AAAm-G by S&P's and the highest appropriate rating category by Moody's.

(10) direct and general obligations of any state within the United States or any political subdivision of the State, provided that such obligations at the time of purchase are rated in the highest rating category by S&P's and Moody's; and

(11) such other investments as specified in a Series Resolution as shall not cause the rating on Outstanding Bonds to be lowered.

This definition amended by Supplemental Resolution adopted October 6, 2004, and further amended by Supplemental Resolution adopted May 26, 2009.

Definition of "Investment Revenues" removed by Supplemental Resolution adopted October 6, 2004.

"Maximum Household Income Limit" means the same as such term is defined in the applicable Origination Agreement.

"Maximum Purchase Price" means the maximum Purchase Price for a Single-Family Residence permitted by the Program and the applicable Origination Agreement.

"Mortgage" means the written instrument securing the related Mortgage Loan and encumbering a Single-Family Residence.

"Mortgage-Backed Securities" means GNMA Securities, FNMA Securities, and/or FHLMC PC's secured by pools of Mortgage Loans issued and acquired pursuant to the Program.

"Mortgage Lender" means a party executing an Origination Agreement, being a home mortgage lending institution or entity approved by the Authority which (i) has been doing business on a regular basis in the State and is currently participating in the local private home lending market, (ii) is an approved mortgagee as specified in the applicable Series Resolution, (iii) can make the representations, warranties and covenants set forth in the applicable Origination Agreement, and (iv) has agreed to originate and sell Mortgage Loans with servicing released pursuant to the applicable Origination Agreement. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Mortgage Loan" means a loan, secured by a Mortgage, for the purchase of an owner-occupied Single Family Residence, evidenced by a Mortgage Note, made by a Mortgage Lender pursuant to and in accordance with the Act and the Program.

"Mortgage Note" means the written instrument executed to evidence the mortgagor's obligation to repay the Mortgage Loan.

"Mortgage Prepayments" means unscheduled recoveries of principal of Mortgage Loans, including (1) partial prepayments, (2) prepayments in full, (3) partial and final claim settlements of mortgage insurance or guaranty benefits, and (4) adjustments to provide the Trustee, as holder of Mortgage-Backed Securities, with any principal that remains unrecovered after any liquidation or other disposition of Mortgages.

"Mortgage Repayments" means the scheduled payments of principal on a Mortgage Loan or Mortgage-Backed Security. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Optional Redemption Accounts" means the Accounts so designated, which are created and established in the Redemption Fund by Section 4.01 of this Resolution.

"Origination Agreement" or "Origination Agreements" means the various Mortgage Origination Agreements, entered into pursuant to the Program, by and among the Authority, the Trustee, the Servicer and a Mortgage Lender by which the Mortgage Lender agrees to make

Mortgage Loans and to sell and assign such Mortgage Loans, with servicing released, to the Servicer. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Origination Period" means the period of time specified in each Series Resolution as the period during which the Servicer or the Authority will acquire Mortgage Loans from Mortgage Lenders.

"Outstanding", when used with respect to Bonds, means, as of any date, all Bonds theretofore authenticated and delivered under the Resolution except:

(a) any Bond canceled or delivered to the Trustee for cancellation on or before such date;

(b) any Bond (or any portion of any Bond) (i) for the payment or redemption of which there shall be held in trust under this Resolution and set aside for such payment or redemption, moneys and/or Defeasance Obligations maturing or redeemable at the option of the holder thereof not later than such maturity or redemption date which, together with income to be earned on such Defeasance Obligations prior to such maturity or redemption date, will be sufficient to pay the principal or Redemption Price thereof, as the case may be, together with interest thereon to the date of maturity or redemption, and (ii) in the case of any Bond (or any portion of any Bond) to be redeemed prior to maturity, notice of the redemption of which shall have been given in accordance with Section 3.02 of this Resolution or provided for in a manner satisfactory to the Trustee;

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Article II or Section 10.05 of this Resolution; and

(d) any Bond deemed to have been paid as provided in Section 11.02 of this Resolution.

"Participation Subaccounts" means the subaccounts so designated, which are created and established as subaccounts of the Acquisition Accounts by Section 4.03(d) of this Resolution.

"Person" means an individual, partnership, corporation, trust or unincorporated organization, or a government or any agency, instrumentality, program, account, fund, political subdivision or corporation thereof, including without limitation the Authority.

"PMI Insurer" means any private mortgage insurance company approved by FNMA or FHLMC, as applicable, and the Authority and providing private mortgage guaranty insurance on Conventional Mortgage Loans.

"Pool Purchase Contract" means any FNMA Pool Purchase Contract between the Servicer and FNMA relating to the sale by the Servicer of Mortgage Loans to FNMA and the servicing thereof.

"Principal Installment" means, as of any date of calculation, (i) the principal amount of all Outstanding Bonds due and payable on such date with respect to which no Sinking Fund

Installments have been provided, plus (ii) any Sinking Fund Installments due and payable on such date. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Principal Installment Date" means each respective date on which Principal Installments are required to be paid pursuant to the applicable Series Resolution. **This definition added by Supplemental Resolution adopted October 6, 2004.**

"Program" means the Authority's program to finance the acquisition of Single-Family Residences by purchasing Mortgage Loans or Mortgage-Backed Securities with proceeds of the Bonds as contemplated by this Resolution.

"Program Expenses" means, for any Bond Year, the Fiduciary Expenses payable by the Authority and any additional expenses specified in a Series Resolution with respect to such Bond Year.

"Program Fund" means the Fund so designated, which is created and established by Section 4.01 of this Resolution.

"Projected Revenue Certificate" means a Certificate of the Authority setting forth, as of any particular date:

(1) A schedule of estimated Revenues available in the current and each future Bond Year for the payment of interest and Principal Installments or Redemption Prices of Bonds, giving effect to:

(i) Scheduled payments of principal and interest on Mortgage Loans or Mortgage-Backed Securities then held in the Program Fund, except defaulted Mortgage Loans, and on any Mortgage Loans or Mortgage-Backed Securities expected to be made or purchased from cash or Investment Obligations then held in the Program Fund; assuming that such additional Mortgage Loans or Mortgage-Backed Securities bear interest at stated rates and commence amortization on one or more stated dates, and that the scheduled payments of principal and interest on Mortgage Loans or Mortgage-Backed Securities assumed to be prepaid pursuant to clause (ii) terminate on their assumed prepayment dates, respectively;

(ii) Assumed dates and amounts of Mortgage Prepayments of any of said Mortgage Loans or Mortgage-Backed Securities (which shall be consistent with the Mortgage Prepayments assumed in establishing the Principal Installment Dates of the Series of Bonds from the proceeds of which the respective Mortgage Loans or Mortgage-Backed Securities were made or purchased);

(iii) Payments of principal and interest on Mortgage Loans or Mortgage-Backed Securities, if any, anticipated to be made or purchased from Mortgage Prepayments and other Revenues received from time to time in excess of amounts required for transfers and Debt Service Payments estimated pursuant to clauses (2) and (3);

(iv) Income receivable from the investment of amounts from time to time held in all Funds pledged to the payment of the Bonds, other than the Program Account of the Restricted Housing Fund;

(v) Counterparty Swap Payments; and

(vi) Amounts, if any, other than income, which may be transferred to the Revenue Fund from any other Fund created by or pursuant to the Resolution, other than the Program Account of the Restricted Housing Fund, without drawing such Fund below its stated requirement, if any, and which are not expected to be transferred to the Authority or the Program Account of the Restricted Housing Fund pursuant to Section 4.05(c) or 4.05(f) hereof.

(2) A schedule of amounts, if any, required to be transferred in the current and each future Bond Year to pay Program Expenses or to bring a Fund up to its requirement, if any.

(3) A schedule of interest and Principal Installments or Redemption Prices due and payable with respect to all Outstanding Bonds in the current and each future Bond Year, consistent with the dates and prices at which and the amounts in which Bonds may and are assumed to be called for redemption in accordance with their terms; provided that (i) if, pursuant to the terms of this Resolution, the Authority's variable rate liability on all or a portion of any Bonds has been swapped to a fixed rate liability, or capped pursuant to an interest rate cap agreement or similar agreement, interest payable with respect to said Bonds shall be calculated as if the Bonds bear interest at said fixed swap rate or cap "strike rate," as appropriate; (ii) if, pursuant to the terms of this Resolution, the Authority's fixed rate liability on all or a portion of any Bonds has been swapped to a variable rate liability, interest payable with respect to said Bonds shall be calculated as if the Bonds bear interest at a variable rate; and (iii) the Authority's variable rate liability on Bonds bearing interest at a variable rate, or deemed to bear interest at a variable rate, shall, unless proviso (i) is applicable, be calculated as if such Bonds bear interest at the maximum rate specified therein.

(4) The amount, if any, by which Revenues estimated pursuant to clause (1) to be available in the current and each future Bond Year exceed fund transfers and Debt Service Payments estimated pursuant to clauses (2) and (3) to be required in the same Bond Year.

This definition amended by Supplemental Resolution adopted October 6, 2004, and further amended by Supplemental Resolution adopted May 26, 2009.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Purchase Price" means with respect to a Mortgage-Backed Security, the Purchase Price specified in the applicable Series Resolution.

"Rating Services" means (a) Moody's Investors Service, Inc., and its successors and assigns, and (b) Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns, or either (a) or (b) if the other no longer maintains a rating on the Bonds~~,~~; provided, however, that if either such corporation shall be

dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Rating Services" shall be deemed to also refer to any other nationally recognized securities rating agency designated by the Authority which then maintains a rating on the Bonds. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Rebate Accounts" means the Accounts so designated, which are created and established in the Revenue Fund by Section 4.01 of this Resolution.

"Rebate Certificate" means the certificate or section of a certificate defined as such in a Series Resolution. **This definition added by Supplemental Resolution adopted October 6, 2004.**

"Record Date" means the 15th of the month immediately preceding each Bond Payment Date, or such other date as may be specified in the applicable Series Resolution. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Redemption Date" means the date upon which Bonds are to be called for redemption pursuant to this Bond Resolution and applicable Series Resolution. **This definition added by Supplemental Resolution adopted October 6, 2004.**

"Redemption Fund" means the Fund so designated, which is created and established by Section 4.01 of this Resolution.

"Redemption Price" means, when used with respect to a Bond or portion thereof to be redeemed, the principal amount (or, if applicable, the Accreted Value) of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution and the Series Resolution pursuant to which the Bond was issued.

"Resolution" means this Single Family Mortgage Bond Resolution, as the same may be amended or supplemented from time to time in accordance with the provisions of this Resolution.

"Restricted Housing Fund" means the Fund so designated, which is created and established by Section 4.01 of this Resolution. **This definition added by Supplemental Resolution adopted October 6, 2004, and amended by Supplemental Resolution adopted May 26, 2009.**

"Revenue Accounts" means the Accounts so designated, which are created and established in the Revenue Fund by Section 4.01 of this Resolution.

"Revenue Fund" means the Fund so designated, which is created and established by Section 4.01 of this Resolution.

"Revenues" means (i) all payments of principal of and interest on Mortgage Loans or Mortgage-Backed Securities required to be deposited in the Revenue Fund (including any payments received from GNMA, FNMA or FHLMC) and all other net proceeds of such Mortgage Loans or Mortgage-Backed Securities, including proceeds from the sale of such Mortgage Loans or Mortgage-Backed Securities, (ii) all income received by the Trustee from or

in connection with any Servicing Agreement or by the Trustee or the Authority from or in connection with any Origination Agreement, unless otherwise provided in a Series Resolution with respect to all or a part thereof, (iii) any Counterparty Swap Payments received from any Swap Counterparty pursuant to a Swap Agreement and (iv) any and all interest, profits, or other income derived from the investment of amounts in any Fund or Account (except the Rebate Account and, except as otherwise provided in a Series Resolution, the Restricted Housing Fund) established pursuant to this Resolution and any Series Resolution. **This definition amended by Supplemental Resolution adopted October 6, 2004, and further amended by Supplemental Resolution adopted May 26, 2009.**

"Serial Bonds" means the Bonds so designated in a Series Resolution.

"Series" when used with respect to less than all of the Bonds, means and refers to all of the Bonds delivered on original issuance in a simultaneous transaction, regardless of variation in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any such Bonds.

"Series Resolution" means any resolution of the Authority adopted and becoming effective in accordance with the terms of Article II of this Resolution, authorizing the issuance of a Series of Bonds.

"Servicer" means any Servicer as defined in any Series Resolution adopted pursuant to this Resolution, and its successors or assigns.

"Servicing Agreement" means any agreement so designated in a Series Resolution.

"Single-Family Residence" or "Home" means a single-family private detached or attached owner-occupied house, rowhouse, townhouse or condominium containing complete living facilities and facilities functionally related and subordinate thereto which is located within the State, including a condominium unit if such unit is a Qualified Condominium Unit, and land appurtenant thereto, (i) which is designed and intended primarily for residential housing (not more than fifteen percent (15%) of the total area of which is used in a trade or business) for one family, (ii) which is determined by qualified appraisal to have an expected useful life of not less than the term of the Mortgage Loan, (iii) which is reasonably expected to be occupied by the owner as his or her principal residence within a reasonable time after financing is provided but not more than sixty (60) days, (iv) which is permanently affixed to the land, (v) the purchase price of which does not exceed the Maximum Purchase Price, and (vi) which appurtenant land does not, unless specifically approved by the Authority, exceed two acres and reasonably maintains the basic livability of the residence and does not provide, other than incidentally, a source of income to the Mortgagor. A Single-Family Residence does not include mobile homes or rental houses or vacation homes, or factory-made housing where such factory-made housing is not permanently affixed to real property and not deemed real property under the laws of the State, including, if applicable, Chapter 135 of the Code of Iowa. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"Sinking Fund Installment" means the amount so designated for any particular due date required by or pursuant to a Series Resolution to be paid by the Authority on a particular due

date toward the retirement of any particular Term Bonds prior to their respective stated maturities.

"Special Redemption Accounts" means the Accounts so designated, which are created and established in the Redemption Fund by Section 4.01 of this Resolution.

"State" means the State of Iowa.

"Supplemental Resolution" means any resolution adopted by the Authority in accordance with Article IX of this Resolution amending or supplementing this Resolution, any Series Resolution or any Supplemental Resolution.

"Swap Agreement" means, with respect to any Series of Bonds, an interest rate exchange agreement between the Authority and a Swap Counterparty, as amended or supplemented, or other interest rate hedge agreement between the Authority and a Swap Counterparty, as amended or supplemented, entered into pursuant to the terms of this Resolution for the purpose of converting, in whole or in part, (i) the Authority's fixed interest rate liability on all or a portion of any Series of Bonds to a variable rate liability, (ii) the Authority's variable rate liability on all or a portion of any Series of Bonds to a fixed rate liability or (iii) the Authority's variable rate liability on all or a portion of any Series of Bonds to a different variable rate liability. **This definition added by Supplemental Resolution adopted October 6, 2004.**

"Swap Counterparty" means any Person with whom the Authority shall from time to time enter into a Swap Agreement, as specified in a Series Resolution. **This definition added by Supplemental Resolution adopted October 6, 2004.**

"Swap Counterparty Guarantee" shall mean a guarantee in favor of the Authority given in connection with the execution and delivery of a Swap Agreement, as specified in a Series Resolution. **This definition added by Supplemental Resolution adopted October 6, 2004.**

"Targeted Area" means certain census tracts in the State or "areas of chronic economic distress" as designated and approved in accordance with the Code, and as set forth in an exhibit to each Origination Agreement.

"Term Bonds" means the Bonds so designated in a Series Resolution.

"Trustee" means Wells Fargo Bank, National Association, Minneapolis, Minnesota, and its successor or successors, and any other corporation or association which may at any time be substituted in its place as Trustee or Paying Agent pursuant to this Resolution; provided, however, that the Trustee shall have capital and surplus of at least $75,000,000. **This definition amended by Supplemental Resolution adopted October 6, 2004.**

"VA" means the Veterans Administration, an agency of the United States of America, or any successor to its functions.

"VA Guaranteed" means guaranteed by the VA under the Serviceman's Readjustment Act of 1944, as amended.

"VA Guaranty" means a guaranty by the VA under the Serviceman's Readjustment Act of 1944, as amended.

SECTION 1.02. Construction.

In this Resolution, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Article and Sections of this Resolution;

(b) The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms refer to this Resolution, and the term "hereafter" shall mean after the date of adoption of this Resolution, and the term "heretofore" shall mean before the date of adoption of this Resolution;

(c) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa;

(d) Words importing the redemption of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond;

(e) Any Fiduciary shall be deemed to have received delivery of and to hold an Investment Obligation issuable in book entry form in which moneys are invested pursuant to the provisions of this Resolution even though such Investment Obligation is evidenced only by a book entry or similar record of investment; and

(f) Reference in this Resolution to particular sections of the Code, the Act or any other legislation shall be deemed to refer also to any successor sections thereto or other redesignations for codification purposes.

(g) The terms "receipt", "received", "recovery", "recovered" and any similar terms, when used in this Resolution with respect to moneys or payments due the Authority or the Trustee, shall be deemed to refer to the passage of physical possession and control of such moneys and payments to the Authority or the Trustee on its behalf.

SECTION 1.03. Resolution Constitutes a Contract; Obligation of Resolution and Bonds.

In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under this Resolution by those who shall hold the same from time to time: (i) this Resolution shall be deemed to be and shall constitute a contract between the Authority, the Trustee and the Holders from time to time of the Bonds; (ii) the pledge of certain Funds, Accounts, Revenues and other moneys, rights and interests made herein and the covenants and agreements set forth herein to be performed by and on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of the Bonds, all of which regardless of the time or times of their issue or maturity shall be of equal rank without

preference, priority or distinction of any of such Bonds over any other thereof, except as expressly provided in or permitted by this Resolution; and (iii) the Bonds shall be general obligations of the Authority payable as provided in this Resolution.

SECTION 1.04. Pledge Effected by Resolution.

There are hereby pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with their terms and the provisions of this Resolution and any Series Resolution and the Trustee is hereby granted an express lien on, (i) such right, title and interest of the Authority in and to all Origination Agreements and all Servicing Agreements entered into pursuant to a Series Resolution, including all extensions and renewals of their terms, if any, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any income, revenues, receipts, issues, profits, insurance proceeds and other sums of money payable to or receivable by the Authority under such Origination Agreements or Servicing Agreements, whether payable pursuant to the Origination Agreements, the Servicing Agreements or otherwise (except for Authority Fees, unless otherwise specified in a Series Resolution, and except for the Authority's rights to enforce and receive payment of money directly and for its own purposes under any Origination Agreements or Servicing Agreements as specified in a Series Resolution, and except for certain indemnification rights of the Authority, and rights of the Authority to give consents and receive notices), to bring actions and proceedings under such Origination Agreements and Servicing Agreements or for the enforcement thereof, and to do any and all things which the Authority is or may become entitled to do under such Origination Agreements and such Servicing Agreements; (ii) all right, title and interest of the Authority in and to the Mortgage Loans or Mortgage-Backed Securities purchased pursuant to this Resolution and any Series Resolution and any Swap Agreement and Swap Counterparty Guarantee, including all extensions and renewals of any of the terms thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any income, revenues, receipts, issues and profits and other sums of money payable to or receivable by the Authority under such Mortgage Loans or Mortgage-Backed Securities, or such Swap Agreement or Swap Counterparty Guarantee, whether payable pursuant to Mortgage Loans or Mortgage-Backed Securities, or Swap Agreement or Swap Counterparty Guarantee, or otherwise, to bring actions and proceedings under such Mortgage Loans or Mortgage-Backed Securities, or Swap Agreement or Swap Counterparty Guarantee, or for the enforcement thereof, and to do any and all things which the Authority is or may become entitled to do under such Mortgage Loans or Mortgage-Backed Securities, or Swap Agreement or Swap Counterparty Guarantee; and (iii) all money and other assets on deposit in the Funds and Accounts (other than the Rebate Accounts) created by or pursuant to this Resolution or any Series Resolution, including the investments thereof, if any.

The full faith and credit of the Authority is also pledged for the security of the Bonds, including interest and redemption premiums thereon, and the Bonds are general obligations of the Authority, payable out of any of its moneys, assets or revenues, subject to the provisions of any other resolutions or indentures now or hereafter pledging or appropriating particular moneys, assets or revenues to particular bonds or other obligations, or State laws designating or appropriating particular funds for a specified purpose.

All amounts deposited in the General Fund shall be free and clear of any lien or pledge created by this Bond Resolution and may be used by the Authority for any lawful purposes and no security interest in assets from time to time held in the General Fund is granted to the Holders of the Bonds.

This provision amended by Supplemental Resolution adopted October 6, 2004.

ARTICLE II
AUTHORIZATION OF BONDS

SECTION 2.01. Authorization of Bonds.

In order to provide sufficient moneys for the Authority to conduct the Program and to make the deposits to certain Funds and Accounts specified in Section 4.01 of this Resolution or in any Series Resolution, there are hereby authorized to be issued from time to time without limitation as to amount except as provided in this Resolution or by law, Bonds of the Authority, in one or more Series, as hereinafter provided, to be known and designated as "Single Family Mortgage Bonds". The Bonds shall be issued subject to the terms, conditions and limitations established in this Resolution, and secured by the pledge provided in Section 1.04 of this Resolution.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 2.02. Authorization for Issuance of Bonds in Series.

(A) From time to time when authorized by this Resolution and subject to the terms, limitations and conditions established in this Resolution, the Authority may authorize the issuance of a Series of Bonds upon adoption of a Series Resolution. The Bonds of each Series shall, as an addition to the title "Single Family Mortgage Bonds", bear a letter or number issue designation as may be appropriate to distinguish such Series of Bonds from the Bonds of every other Series and may, in addition to such title, bear the number of the year in which the Series is issued. Bonds of any Series may be authorized to be issued in any form as provided in a Series Resolution.

(B) Each Series Resolution authorizing the issuance of a Series of Bonds shall include a determination by the Authority to the effect that the principal amount of said Series of Bonds is necessary to provide sufficient funds to be used and expended for the Program and shall specify and determine:

(1) The authorized principal amount of said Series of Bonds;

(2) The purposes for which the proceeds of such Series of Bonds (and any funds directed by the Series Resolutions to be contributed to the Program from any other source) may be used, which shall be to provide funds for one or more of the following:

(i) For the making or purchase of Mortgage Loans or Mortgage-Backed Securities;

(ii) For the refunding of Outstanding Bonds or other obligations pursuant to Section 2.04, including any or all interest and redemption premiums thereon;

(iii) Incident to these purposes, for the funding of a discount and the deposit of amounts determined by or pursuant to the Series Resolution to be credited and paid into the Funds or Accounts referred to in Section 4.01;

(3) The form, title and designation, and denominations of, and the manner of numbering and lettering, such Bonds;

(4) The date or dates of maturity of such Bonds, and the Delivery Date of such Series;

(5) The rates of interest to be borne by or the manner of determining such rate or rates of the Bonds of such Series and the initial Bond Payment Date of such Bonds;

(6) The portion of the Series of Bonds which are Term Bonds (if any) and the portion of the same which are Serial Bonds (if any); and the portion of the Series of Bonds which are Bonds of any other nature (if any);

(7) The Redemption Price or Redemption Prices and the redemption date or redemption dates and other terms of redemption (if any) of any such Bonds;

(8) The Paying Agent or Paying Agents appointed for such Bonds, subject to Section 8.02;

(9) The amount and date of each Sinking Fund Installment, if any, required by such Series Resolution to be paid by the Authority for the retirement of any of such Bonds;

(10) The manner in which Bonds of such Series are to be sold and provisions for the sale thereof;

(11) The designation of any Accounts to be established pursuant to Article IV, and specification of the sources and amounts of funds to be deposited in all such Accounts;

(12) The Delivery Period for the purchase of Mortgage Loans or Mortgage-Backed Securities with respect to such Series, including any provisions for extensions of such period.

(13) Any other provisions deemed advisable by the Authority, not in conflict with or in substitution for the provisions of this Resolution.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 2.03. Conditions Precedent to Authentication and Delivery of the Bonds.

Except as provided in Sections 2.09 and 2.13 of this Resolution, the Trustee shall authenticate and deliver any of the Bonds authorized to be issued pursuant to this Resolution and a Series Resolution, to or upon the order of the Authority, only upon delivery to the Trustee of:

(a) A copy of this Resolution and the applicable Series Resolution, each certified by an Authorized Officer, except that a copy of this Resolution need not be delivered for the second

or any subsequent Series of Bonds unless it has been amended since the delivery of the preceding Series;

(b) An Authority Request as to the delivery of such Bonds, designating the purchaser or purchasers to whom such Bonds are to be delivered, and stating the purchase price of such Bonds;

(c) An Authorized Officer's certificate stating (i) the amounts to be deposited in the Funds and Accounts established by Section 4.01 of this Resolution or by any Series Resolution, and (ii) the provisions required in Section 2.04 in the event that the Series Resolution directs the refunding of any Outstanding Bonds or other obligations.

(d) An opinion of Bond Counsel to the effect that this Resolution and the applicable Series Resolution have been duly and lawfully adopted by the Authority; that this Resolution and the applicable Series Resolution are in full force and effect, are valid and binding upon the Authority and enforceable in accordance with their terms, subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and to the availability of equitable remedies; that this Resolution and the applicable Series Resolution create the valid pledge they purport to create; and that the Bonds have been duly and validly authorized and issued and constitute valid and binding obligations of the Authority, enforceable in accordance with their terms and the terms of this Resolution and the applicable Series Resolution subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and to the availability of equitable remedies, and are entitled to the benefits of this Resolution and the applicable Series Resolution;

(e) A rating on the Bonds of the applicable Series, which is not lower than the rating on the Outstanding Bonds issued pursuant to this Resolution, by the Rating Services, and confirmation by the Rating Services that the issuance of the Series will not cause the rating on the Outstanding Bonds to be reduced or withdrawn as a result of such issuance; and

(f) Any agreements, instruments, opinions, or other documents required to be delivered to the Trustee pursuant to the applicable Series Resolution.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 2.04. Refunding Bonds.

(a) In the event that a Series Resolution provides for the refunding of any Outstanding Bonds of one or more series and any or all of the interest or redemption premiums thereon, the Authorized Officer's certificate required in Section 2.03(c) shall include irrevocable instructions to the Trustee, satisfactory to it:

(1) Identifying the Bonds, interest and redemption premiums, if any, to be refunded, and identifying separately those Bonds to be paid at their respective maturity dates and those to be redeemed at specified Redemption Prices, and on specified dates.

(2) Directing the Trustee to make due publication of a notice of redemption and refunding which shall include all information required by Section 3.02 with respect

to the Bonds to be redeemed prior to maturity and shall also specify the Series and maturities of the Bonds or portions of Bonds to be paid at maturity, and shall identify the Bonds or portions thereof and interest and redemption premiums which are deemed to have been paid and as to which the covenants, agreements and other obligations of the Authority are deemed to be discharged and satisfied, by reason of the deposit to be made with the Trustee as required by Section 10.02.

(3) Stating that funds will be deposited with the Trustee at or before the time of delivery of the refunding Bonds, sufficient to effect retirement of the Bonds, interest and redemption premiums to be refunded in accordance with the provisions of paragraph (b) of this Section.

(b) At or before the time of delivery of refunding Bonds, the Authority shall deposit with the Trustee an amount of money or Investment Obligations sufficient to comply with the provisions of Section 10.02 with reference to all of the Bonds, interest and redemption premiums to be refunded; which shall be held by the Trustee in a special account separate from all other Funds or Accounts created by or pursuant to the Resolution, irrevocably in trust for and assigned to the respective Holders of Bonds being refunded, and used to pay when due the Principal Installments and Redemption Prices of and interest on the refunded Bonds in accordance with the terms thereof and the terms of the notice of redemption and refunding required in paragraph (a) of this Section. In addition to the proceeds of refunding Bonds, the Authority may direct the deposit in said account of amounts held in any Fund created by or pursuant to the Resolution, provided that sufficient funds remain in or are transferred to each Fund to comply with all provisions of this Resolution and applicable Series Resolutions securing the Bonds which will remain Outstanding.

(c) The Authority also reserves the privilege of providing by Series Resolution for the issuance of Bonds to refund obligations and interest and redemption premiums secured under the provisions of any resolution or indenture other than this Resolution, which were issued for the purpose of financing mortgage loans subject to the following conditions:

(1) All necessary actions shall be taken for the refunding and immediate discharge of the obligations of the Authority with reference to such refunded obligations, interest and redemption premiums in accordance with the provisions of the resolutions or indentures pursuant to which the refunded obligations were issued.

(2) All mortgage loans or mortgage-backed securities held in funds and accounts established by or pursuant to such resolutions or indentures for the security of the obligation refunded, or prepayments of said mortgage loans or other funds held or available for payment of the refunded obligations in an amount at least equal to the proceeds of the Bonds, after satisfaction and discharge of such obligations, are subjected to the provisions of the Resolution, and, subject to such provisions, are pledged to the Trustee for the payment of the Principal Installments, redemption premium, if any, and interest on the Bonds, at the times and in the manner provided in the Resolution and applicable Series Resolutions.

(d) The Authority expressly reserves the right, to the extent now or hereafter permitted by law, without subjecting the interest on any Bonds to federal income taxation, of providing for the defeasance of the rights and obligations created by this Resolution with respect to part or all of the Bonds of any Series, and with respect to the Principal Installments of or the interest payments thereon or both, and of providing for the payment from the proceeds of refunding Bonds, and from income from the investment thereof, of any part of the Principal Installments of or interest on the refunding Bonds, as well as the Bonds refunded.

SECTION 2.05. Date; Maturities; and Interest Rates.

Bonds shall be dated as of and bear interest as provided in the applicable Series Resolution. Such Bonds shall mature and be payable as provided in the applicable Series Resolution.

SECTION 2.06. Medium of Payment; Place of Payment.

(a) The Bonds shall be payable as to principal or Redemption Price thereof and interest thereon in any coin or currency of the United States of America that is legal tender for the payment of public and private debts at the time of payment; provided, however, that the Authority shall provide for the payment of interest on Bonds by checks or drafts mailed, or by wire transfer if so provided in a Series Resolution, to the Persons appearing, on each Record Date, on the registration books of the Authority (provided for in Section 2.10 of this Resolution) as registered owners, at their addresses as they appear on such registration books.

(b) The principal or Redemption Price of all Bonds shall be payable at the Corporate Trust Office of the Trustee, and payment of the interest on each Bond shall be made by the Trustee to the Person appearing, on each Record Date, on the registration books of the Authority (provided for in Section 2.10 of this Resolution) as the registered owner at the address of said registered owner as it appears on such registration books. Payment of the principal or Redemption Price of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 2.07. Legends.

The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Resolution as may be necessary or desirable and as may be determined by the Authority prior to their authentication and delivery.

SECTION 2.08. Execution and Authentication.

(a) The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chair or Vice-Chair, or such other officer as shall be directed by the Series Resolution authorizing the issuance thereof, and attested by the manual or a facsimile signature of the Secretary of the Authority or such other officer or employee of the Authority as shall be directed by the Series Resolution authorizing the issuance thereof and, if required by the

applicable law of the State, its official seal or a facsimile thereof shall be thereunto affixed, imprinted, impressed, engraved or otherwise reproduced, or in such other manner as may be required by law. In case any one or more of the members, officers or employees of the Authority who shall have signed or sealed any of the Bonds or whose signature appears on any of the Bonds shall cease to be such member, officer or employee before the Bonds so signed and sealed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds or whose signature appears on any of the Bonds had not ceased to hold such offices or be so employed until such delivery. Any Bond may be signed and sealed on behalf of the Authority by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment by the Authority, although at the dated date of the Bonds such persons may not have been so authorized or have held such office or employment.

(b) Prior to the delivery of any Bond, whether upon initial issuance of a Series or in exchange or substitution for an Outstanding Bond, the Bond shall be authenticated by the Trustee, by the execution of a certificate on the face thereof attesting that the Bond is delivered pursuant to this General Bond Resolution and the applicable Series Resolution, and manually signed by a representative duly authorized by the Trustee to sign on its behalf.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 2.09. Interchangeability of Bonds.

Bonds may be exchanged, at the option of the registered Holder thereof, for an equal aggregate principal amount of Bonds of the same Series and interest rate and maturity of any other authorized denominations, upon surrender thereof at the Corporate Trust Office of the Trustee or of any Authenticating Agent together with a written instrument of transfer satisfactory to the Trustee or such Authenticating Agent, as the case may be, duly executed by the registered Holder or the Holder's duly authorized attorney.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 2.10. Negotiability and Registry.

All the Bonds issued under this Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Authority shall cause the Trustee to maintain and keep, at the Corporate Trust Office of the Trustee, books for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at such Corporate Trust Office, the Authority shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as the Authority or the Trustee may prescribe, any Bond. The Trustee shall act as bond registrar for purposes of exchanging, registering and transferring Bonds in accordance with the provisions of this Resolution. So long as any of the Bonds remain Outstanding, the Authority shall make or cause to be made all necessary provisions to permit the transfer of Bonds at the Corporate Trust Office of the Trustee or any Authenticating Agent.

SECTION 2.11. Transfer and Payment of Bonds.

(a) Each Bond shall be transferable only upon the books of the Authority, which shall be kept for such purpose at the Corporate Trust Office of the Trustee, by the Holder thereof in person or by the Holder's attorney duly authorized in writing, upon surrender of the Bonds together with a written instrument of transfer satisfactory to the Trustee duly executed by the Holder or the Holder's duly authorized attorney. Upon surrender for transfer of any Bond, the Trustee shall authenticate and deliver, in the name of the transferee, one or more new Bonds of the same aggregate principal amount, and Series and maturity and rate of interest as the surrendered Bond.

(b) The Authority, the Trustee, and any Authenticating Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on such Bond and for all other purposes, and payment of the principal, Redemption Price and interest shall be made only to, or upon the order of, such Holder. Any payment of principal of or interest on Bonds shall contain the appropriate CUSIP number of such Bond. All such payments to such Holder shall be valid and effectual to satisfy and discharge the liability of the Authority upon such Bond to the extent of the sum or sums to be paid, and neither the Authority, the Trustee nor any Authenticating Agent shall be affected by any notice to the contrary.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 2.12. Regulations with Respect to Exchanges and Transfers.

All Bonds surrendered in any exchanges or transfers shall forthwith be canceled by the Trustee or any Authenticating Agent, as the case may be. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee shall make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. In addition, the cost, if any, of preparing each new Bond upon such exchange or transfer and any other expense, including counsel fees, of the Authority or the Trustee incurred in connection therewith shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Authority shall not be obligated to (i) issue, exchange or transfer any Bond during a period beginning at the opening of business on any Record Date and ending at the close of business on the next succeeding Bond Payment Date, (ii) issue, exchange or transfer any Bond during a period beginning at the opening of business fifteen (15) days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of mailing of notice of such redemption, (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part or (iv) transfer or exchange any Bonds if prohibited by any applicable law of the United States of America.

SECTION 2.13. Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If (i) any mutilated Bond is surrendered at the Corporate Trust Office of the Trustee, or the Trustee and the Authority receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and (ii) there is delivered to the Trustee and the Authority such security or indemnity as may be required by them to save each of them harmless, then the Trustee shall authenticate and deliver, in exchange for any such mutilated Bond, or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like tenor and principal amount, bearing a number not contemporaneously Outstanding. The Trustee thereupon shall cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Authority in its discretion and instead of issuing a new Bond, may cause such Bond to be paid.

(b) As a condition precedent to the issuance of any new Bond under this Section 2.13, the Authority or the Trustee may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, the cost, if any, of preparing each new Bond and any other expenses, including counsel fees, of the Authority or the Trustee incurred in connection therewith.

(c) Each new Bond issued pursuant to this Section 2.13 in lieu of any mutilated, destroyed, lost or stolen Bond shall constitute an additional contractual obligation of the Authority, whether or not the mutilated, destroyed, lost or stolen Bond at any time shall be enforceable by any Person, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section references amended by Supplemental Resolution adopted October 6, 2004.

SECTION 2.14. Cancellation and Destruction of Bonds.

The Trustee shall destroy all Bonds surrendered to it for cancellation, including Bonds purchased in accordance with Sections 3.09 and 3.10, and shall deliver a certificate to that effect to the Authority. No such Bonds shall be deemed Outstanding under this Resolution, and no Bonds shall be issued in lieu thereof.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 2.15. Payments Due on Saturdays, Sundays and Holidays.

In any case where the date of maturity of interest on or Principal Installments of the Bonds or the date fixed for redemption of any Bonds or the date fixed for the transfer of any funds shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest on or Principal Installments or Redemption Price of the Bonds or transfer of funds need not be made on such date but may be made on the next succeeding business day not a Saturday,

Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close 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 2.16. Authorization and Preparation of Temporary Bonds.

(a) Until definitive Bonds are prepared, the Authority may execute and, upon Authority Request, the Trustee shall authenticate and deliver temporary Bonds (which may be typewritten, printed or otherwise reproduced) in lieu of definitive Bonds subject to the same provisions, limitations and conditions as definitive Bonds. The temporary Bonds shall be dated as of the initial date of the definitive Bonds, shall be in such denomination or denominations and shall be numbered as prepared and executed by the Authority, shall be substantially of the tenor of the definitive Bonds, but with such omissions, insertions and variations as the Authorized Officer executing the same in this discretion may determine, and may be issued in the form of a single Bond.

(b) Without unreasonable delay after the issuance of temporary Bonds, if any, the Authority shall cause the definitive Bonds to be prepared, executed and delivered to the Trustee. The definitive Bonds shall be lithographed or printed or prepared in such other fashion as is acceptable in the investment banking business. Temporary Bonds shall be exchangeable for definitive Bonds upon surrender to the Trustee at its Corporate Trust Office (or any additional location designated by the Trustee) of any such temporary Bond or Bonds, and upon such surrender, the Authority shall execute and, upon Authority Request, the Trustee shall authenticate and deliver to the Holder of the temporary Bond or Bonds, in exchange therefor, a like principal amount of definitive Bonds in authorized denominations. Until so exchanged, the temporary Bonds in all respects shall be entitled to the same benefits as definitive Bonds authenticated and issued pursuant to this Resolution and a Series Resolution.

(c) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds forthwith shall be canceled by the Trustee.

SECTION 2.17. Book Entry Provisions.

Notwithstanding the other provisions of this Resolution regarding registration, ownership, transfer, payment and exchange of Bonds, and the giving of notices to Bondholders as required by the provisions of this Resolution, a Series Resolution may provide that all or a portion of the Bonds shall be issued as Depository Bonds and registered in the name of the Depository or its nominee, in which case matters relating to registration, ownership, transfer, payment and exchange of Bonds, and relating to the giving of notices to Bondholders as required by the provisions of this Resolution, shall be governed by the operational arrangements of the Depository, as agreed to by the Trustee and the Authority.

This provision amended by Supplemental Resolution adopted October 6, 2004.

ARTICLE III
REDEMPTION OF BONDS

SECTION 3.01. Authorization of Redemption.

Bonds of any Series subject to redemption prior to maturity pursuant to this Article III, shall be redeemable, upon notice as provided in this Article III, at such times, at such Redemption Prices and upon such terms as specified in the Series Resolution for such Bonds.

SECTION 3.02. Notice of Redemption.

(a) When any Bonds are to be redeemed, by Sinking Fund Installments or otherwise, the Trustee shall give notice of the redemption of the Bonds in the name of the Authority specifying (i) the complete name, including series designation, of such Bonds to be redeemed, (ii) the date of such notice, (iii) the date of issue, the interest rate and the maturity date of the Bonds to be redeemed, (iv) the redemption date; (v) the Redemption Price; (vi) the numbers and other distinguishing marks of the Bonds to be redeemed (except in the event that all of the Outstanding Bonds are to be redeemed); (vii) the CUSIP number (if any) of the maturity or maturities to be redeemed; (viii) the place or places where amounts due upon such redemption will be payable (including the name and appropriate address of the Trustee); (ix) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed; and (x) the name and telephone number of the contact person at the Trustee. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. Except as otherwise provided in a Series Resolution, the Trustee shall mail a copy of such notice, by certified mail, not less than 30 days nor more than 45 days prior to the redemption date to the Holders of any Bonds or portions of Bonds which are to be redeemed at their last addresses appearing upon the registration books and to one or more national services which record bond redemption data. At least two days prior to the mailing of such a notice of redemption, the Trustee shall send by certified mail a copy of such notice to The Depository Trust Company or to any other depository institution substituted for The Depository Trust Company pursuant to the applicable Series Resolution. The obligation of the Trustee to give the notice required by this Section 3.02 shall not be conditioned upon the prior payment to the Trustee of moneys or Defeasance Obligations sufficient to pay the Redemption Price of the Bonds to which such notice related or the interest thereon to the redemption date.

(b) Notice of redemption having been given as provided in subsection (a) of this Section 3.02, the Bonds or portions thereof so to be redeemed shall become due and payable on the date fixed for redemption at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price, plus accrued interest to the redemption date. On and after the redemption date (unless the Authority shall default in the payment of the Redemption Price and accrued interest), (i) such bonds shall cease to bear interest, and (ii) such Bonds shall no longer be considered as Outstanding under this Resolution or the Series Resolution. If moneys sufficient to pay the Redemption Price and

accrued interest have not been made available by the Authority to the Trustee on the redemption date, such Bonds shall continue to bear interest until sufficient provision is made for the redemption thereof.

(c) The Trustee, in order to facilitate the giving of the notice of redemption in a timely manner, shall, no earlier than five (5) days prior to mailing the notice of redemption, estimate as nearly as practicable, taking into account Revenues received as of such estimation date, interest on Investment Obligations scheduled to be received prior to the redemption date and scheduled payments on Mortgage-Backed Securities to be received on or prior to such redemption date and amounts to be transferred from other funds, the amount that will be deposited in the Redemption Fund on the redemption date prior to the actual transfer of moneys to the Redemption Fund, and may give notice of redemption, by mail as set forth above, in anticipation of such transfer.

(d) Failure by the Trustee to mail notice of redemption pursuant to this Section 3.02 to any one or more of the respective Holders of any Bonds designated for redemption, or to any one or more national services which record bond redemption data, shall not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

(e) In the event that any Holder to whom notice of redemption was mailed has not surrendered its Bonds or portions thereof for redemption in accordance with this Section 3.02 on or before 60 days after the redemption date the Trustee shall mail a duplicate copy of the original notice of redemption by certified mail to such Holder; provided, however, that failure by the Trustee to mail such duplicate copy of the notice of redemption shall not affect the sufficiency of the proceedings for redemption with respect to such Holder.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 3.03. Selection by Trustee of Bonds to Be Redeemed.

(a) If less than all of the Bonds of any Series of like maturity are to be redeemed, the particular Bonds or portions of Bonds to be redeemed shall be selected, not more than 50 days prior to the date fixed for redemption, by the Trustee at random in such manner as the Trustee in its discretion may deem fair and appropriate, or as otherwise specified in the applicable Series Resolution.

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

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

SECTION 3.04. Deposit of Redemption Price.

On or before any date fixed for redemption of any Bonds, by Sinking Fund Installment or otherwise, cash and/or Defeasance Obligations maturing or redeemable at the option of the holder thereof not later than the date fixed for redemption in an amount that, together with income to be earned on such Defeasance Obligations prior to such date fixed for redemption, will be sufficient to provide moneys to pay the Redemption Price of and accrued interest on all Bonds or portions thereof to be redeemed on such date, shall be deposited with the Trustee unless such amount shall have been previously deposited with the Trustee pursuant to this Resolution or the Series Resolution.

SECTION 3.05. Partial Redemption of Bonds.

In case part but not all of an Outstanding Bond shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or the Holder's attorney duly authorized in writing (with, if the Authority or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Authority and the Trustee duly executed by, the Holder thereof or the Holder's attorney duly authorized in writing) to the Trustee, the Authority shall execute and the Trustee shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same Series, at the option of such Holder or such attorney, of any authorized denomination of like tenor. Bonds so presented and surrendered shall be canceled in accordance with Section 2.12 of this Resolution.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 3.06. Optional, Special and Mandatory Redemption.

The Bonds shall be subject to optional, special and mandatory redemption in accordance with the applicable Series Resolution.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 3.07. Sinking Fund Installments.

(a) If so provided in a Series Resolution, the Bonds of such series shall be redeemed prior to their respective maturity dates by payment of Sinking Fund Installments, upon notice and otherwise in the manner provided in this Article III, on the dates and in the principal amounts set forth in the Series Resolution, in each case at a Redemption Price of 100% of the principal amount or, if applicable, the accreted value of the Bonds or portions thereof to be so redeemed, together with accrued interest to the redemption date.

(b) As soon as practicable after the 45th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption pursuant to Article III of this Resolution, on such due date, Bonds in such amount as shall be necessary to complete the retirement of a principal amount of Bonds equal to the unsatisfied balance of such Sinking Fund Installment. The Trustee shall so call the Bonds for redemption whether or not it then has moneys in the Revenue Account sufficient to pay the Redemption Price thereof on the date of

redemption. The Trustee shall pay or cause to be paid from such Account on or before each such date of redemption the amount required for the redemption of the Bonds so called for redemption, and such amount shall be applied by the Trustee to such redemption.

SECTION 3.08. Credits Against Sinking Fund Installments.

(a) In the event that less than all of the Bonds in a Series of a particular maturity are redeemed from funds other than those attributable to related Sinking Fund Installments, the principal amount of such maturity of such Series so redeemed shall be credited pro rata as nearly as practicable against the remaining Sinking Fund Installments applicable to such maturity and Series (in integral multiples of $5,000 principal amount).

(b) The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same pursuant to subsection (a) of this Section 3.08 (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

SECTION 3.09. Purchase of Bonds.

(a) Subject to Section 3.10 of this Resolution, the Trustee may and, upon receipt of an Authority Request, shall apply moneys deposited in the Redemption Fund to purchase Bonds in such manner as the Trustee shall determine or as provided in an Authority Request, as the case may be, at any time prior to the 45th day preceding the next succeeding Bond Payment Date.

(b) Subject to Section 3.10 of this Resolution, the Trustee may and, upon receipt of an Authority Request, shall apply available moneys in the Revenue Account to purchase Bonds in such manner as the Trustee shall determine or as provided in an Authority Request, as the case may be, at any time prior to the 45th day preceding the due date of the applicable Sinking Fund Installment.

SECTION 3.10. Restrictions on Purchase of Bonds.

The Trustee shall not purchase any Bonds at a cost or price (including any brokerage fee or commission and other charges) which exceeds the sum of the face amount of such Bonds, plus accrued interest to the date of purchase, unless the Authority shall represent to the Trustee in an Authority Request that such purchase is at least as economically beneficial to the Bondholders and the Authority as any available alternative for the use of the moneys to be applied to the purchase.

ARTICLE IV
ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS, APPLICATION THEREOF AND SECURITY THEREFOR

SECTION 4.01. Establishment of Funds and Accounts.

(a) The following Funds and Accounts are hereby created and established as special trust funds:

(i) the Program Fund, consisting of:

(A) the Acquisition Accounts; and
(B) the Costs of Issuance Accounts;

(ii) the Revenue Fund, consisting of:

(A) the Revenue Accounts;
(B) the Rebate Accounts; and
(C) the Capitalized Interest Accounts;

(iii) the Redemption Fund, consisting of:

(A) the Special Redemption Accounts; and
(B) the Optional Redemption Accounts;

(iv) the Restricted Housing Fund, consisting of:

(A) the Security Account; and
(B) the Program Account.

(b) Within each of the Funds (other than the Restricted Housing Fund) the Trustee shall maintain a separate Series Account designated by a name or number descriptive of each Series of Bonds issued hereunder, for the purpose of recording the proceeds of such Bonds and any other amounts directed by the Series Resolution to be deposited therein, the Mortgage Loans or Mortgage-Backed Securities and Investment Obligations purchased therefrom, and the Revenues derived from such Mortgage Loans, Investment Obligations and Swap Agreements, if any, and from the reinvestment of the same, to the extent and in the manner required by Code Section 143 and 148 of Code.

(c) The Authority, in a Series Resolution or a Certificate of the Authority, may also establish separate Funds or Accounts and subaccounts to be held by the Trustee within any of the Funds, as specified in the Series Resolution or Certificate of the Authority.

(d) All Funds and Accounts shall be held by the Trustee in trust for application only in accordance with the provisions of this Resolution and the applicable Series Resolution.

(e) For the purposes of this Article IV, the references in the following sections to the various Accounts pertain to the specific Accounts established for each Series by the appropriate Series Resolution authorizing the issuance of said Series of Bonds.

This provision amended by Supplemental Resolution adopted October 6, 2004, and further amended by Supplemental Resolution adopted May 26, 2009.

SECTION 4.02. Deposit of Bond Proceeds and Other Contributed Moneys.

The proceeds of the sale and delivery of the Bonds of each Series, together with funds contributed by or on behalf of the Authority from any other source when directed by a Series Resolution, shall be deposited in the applicable Accounts for each Series set forth below or such other or additional Accounts established by the Series Resolution:

(i) To the Revenue Account, the amount, if any, received as accrued interest upon the delivery of the Bonds;

(ii) To the Costs of Issuance Account, the amount as shall be specified in the applicable Series Resolution as necessary to pay or provide for payment of Costs of Issuance;

(iii) To the Capitalized Interest Account, if applicable, the amount as shall be specified in the applicable Series Resolution.

(iv) To a separate, designated and segregated trust fund or account to be held by the Trustee or other depository, in the event that any Outstanding Bonds or other obligations, interest or redemption premiums are directed by the Series Resolution to be refunded pursuant to Section 2.04 (which depository may be a trustee previously designated under a resolution or indenture securing the refunded obligations), the amount needed (together with any other available funds) for payment or to provide for payment of such principal, interest, or redemption premiums.

(v) To the Acquisition Account, the sum of the balance of such proceeds.

SECTION 4.03. Program Fund; Acquisition Account.

(a) Deposit of Moneys. There shall be paid into the Acquisition Accounts established within the Program Fund the respective amounts of the proceeds of the Bonds and other moneys specified by Section 4.02 of this Resolution and by the applicable Series Resolution. There may also be paid into the Program Fund, and a designated Acquisition Account therein, at the option of the Authority, any moneys received by the Authority from any other source, unless required to be otherwise applied as provided by this Resolution or by the applicable Series Resolution.

(b) Application of Acquisition Accounts. Proceeds of the Bonds and other moneys deposited in the Acquisition Accounts shall be used and withdrawn as provided in the applicable Series Resolution, but, in any event, solely for the (l) purchase of Mortgage-Backed Securities or Mortgage Loans, and (2) the purchase or redemption of Bonds. Moneys directed by the Authority to be deposited in an Acquisition Account shall be used to purchase Mortgage-Backed Securities or redeem or purchase Bonds, as directed in a Certificate of the Authority.

(c) Unexpended Bond Proceeds. Proceeds of Bonds deposited in an Acquisition Account which are not used or to be used to purchase Mortgage-Backed Securities or Mortgage Loans by the end of the Delivery Period specified in such Series Resolution, or by such earlier date as may be required by the Code and specified in such Series Resolution, shall be transferred by the Trustee to the Special Redemption Account in accordance with the provisions of the applicable Series Resolution, and applied to redeem Bonds.

(d) Participations Subaccounts. Pursuant to a Series Resolution or a Certificate of the Authority, the Authority may establish a Participations Subaccount in any Acquisition Account. Pursuant to a Certificate of the Authority, the Authority may direct the Trustee to transfer Mortgage-Backed Securities or Mortgage Loans to one or more designated Participation Subaccounts that have been created under this Resolution, with the Revenues from such Mortgage-Backed Securities or Mortgage Loans to be applied as directed in a Certificate of the Authority. The Authority may deposit in a Participations Subaccount or transfer moneys to a Participations Subaccount from any source (unless such transfer is otherwise prohibited by this Resolution). Moneys deposited in a Participations Subaccount may be used and withdrawn as provided in the applicable Series Resolution or Certificate of the Authority to purchase Mortgage-Backed Securities or Mortgage Loans.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 4.04. Costs of Issuance Accounts.

(a) Upon the issuance, sale and delivery of the Bonds pursuant to this Resolution and a Series Resolution, the Trustee shall deposit in the applicable Costs of Issuance Account such moneys, if any, as shall be specified in the Series Resolution. Moneys in the Costs of Issuance Account shall be used to pay the Costs of Issuance of the Bonds and for no other purposes. The Trustee shall make disbursements from the applicable Costs of Issuance Account upon being furnished with an Authority Request, in form and substance satisfactory to the Trustee, setting forth: (A) the Person to whom payment is to be made, (B) the amount of payment, (C) that the disbursement is for a proper Cost of Issuance, and (D) that none of the items for which payment is to be made has been the basis for any prior disbursement from such Account. Any excess remaining upon payment of all Costs of Issuance of the applicable Series of Bonds shall (i) if not proceeds of the applicable Series of Bonds, be transferred by the Trustee to another Account established for the applicable Series of Bonds, or to the Program Account of the Restricted Housing Fund, or to the Authority and (ii) if proceeds of the applicable Series of Bonds, be transferred by the Trustee to the Acquisition Account or Capitalized Interest Account for the applicable Series of Bonds, upon receipt by the Trustee of a Certificate of the Authority stating that such moneys are no longer needed for the payment of Costs of Issuance, whereupon the applicable Costs of Issuance Account shall be closed.

(b) In the event that the moneys deposited in the applicable Costs of Issuance Account pursuant to Section 4.01 of this Resolution and the applicable Series Resolution are not sufficient to pay all Costs of Issuance incurred with respect to the applicable Series of Bonds, or in the event that no such deposit to pay Costs of Issuance with respect to the Bonds is made, the Costs of Issuance of the Bonds may be paid from any available funds of the Authority.

This provision amended by Supplemental Resolution adopted October 6, 2004, and further amended by Supplemental Resolution adopted May 26, 2009.

SECTION 4.05. Revenue Fund.

(a) Deposit of Revenues. All Revenues received by the Authority shall be paid to the Trustee immediately upon their receipt by the Authority. All Revenues, other than those required to be deposited in a Rebate Account as set forth in an Authority Request, shall be deposited by the Trustee in the applicable Revenue Account.

There may also be deposited in the Revenue Fund, at the option of the Authority, any other moneys of the Authority, unless required to be otherwise applied as provided by this Resolution.

(b) Accrued Interest on Mortgage Loans or Mortgage-Backed Securities. (i) Upon the purchase of Mortgage-Backed Securities or Mortgage Loans from the moneys on deposit in the applicable Acquisition Account, the Trustee shall, in accordance with the provisions of the applicable Series Resolution, withdraw from the applicable Revenue Account or, if funds available in the applicable Revenue Account are not sufficient, from the applicable Capitalized Interest Account, and pay to the applicable Servicer the then accrued and unpaid interest on such Mortgage-Backed Securities or Mortgage Loans.

(c) Payment of Bonds and Certain Expenses and Transfers to Certain Funds. The Trustee shall pay or transfer from the Revenue Accounts in the Revenue Fund, Program Expenses as specified in the applicable Series Resolution upon receipt of an Authority Request.

On each Bond Payment Date or date Bonds are to be purchased in accordance with the provisions of this Resolution and any applicable Series Resolution, the Trustee shall pay or transfer from the Revenue Accounts the following amounts in the following order of priority:

First, to the respective Paying Agents for any of the Bonds, (i) on each Bond Payment Date, the amounts required for Debt Service Payments due on the Outstanding Bonds on such Bond Payment Date (less amounts, if any, applied to pay interest on the Bonds from the Capitalized Interest Accounts under the applicable Series Resolution), (ii) on the date of purchase of any Bonds, the amounts required for the payment of the purchase price of the Outstanding Bonds being purchased, and (iii) on the date of purchase of any Bonds in lieu of redemption by Sinking Fund Installment, the amount (exclusive of accrued interest) required for the purchase of such Bonds, and all such amounts shall be applied by the respective recipients to such payments;

Second, unless otherwise expressly provided in the Series Resolution in respect of a Series of Bonds to which the Swap Agreement relates in whole or in part, on or before the applicable due dates, assuming the prior transfers pursuant to this subsection (c) have been made, to any Swap Counterparty, the Authority Swap Payments due pursuant to a Swap Agreement;

Third, to the credit of any other Fund or Account, the amount of any withdrawal previously made pursuant to Section 4.08 of this Resolution, in inverse order of such withdrawal, to the extent not previously restored;

Fourth, from the balance, if any, to the Authority the Authority Fee as specified in the applicable Series Resolution.

(d) Transfers and Payments from Capitalized Interest Accounts. Moneys deposited in a Capitalized Interest Account in accordance with the provisions of a Series Resolution shall be used to pay interest on the Bonds as provided in such Series Resolution, and to pay accrued interest upon the purchase of a Mortgage-Backed Security or a Mortgage Loan as provided in Section 4.05(b). Any amounts remaining in the applicable Capitalized Interest Account on the Bond Payment Date after the end of the Delivery Period (as specified in such Series Resolution) shall be transferred by the Trustee as specified in such Series Resolution.

(e) Transfers to and Withdrawals from Rebate Accounts. The Trustee shall make the following, and only the following, transfers to and withdrawals from the Rebate Accounts:

(A) If the net investment earnings received with respect to any Series exceed at any time the earnings permitted under Section 148 of the Code to be retained, the excess amount shall be paid over to the United States, at the times and in the manner provided in the applicable Series Resolution and Rebate Certificate. Such excess amount may be transferred to the applicable Rebate Account in the Revenue Fund at such times and in such amounts as may be required to assure compliance with Section 148 of the Code, notwithstanding the requirements of other Funds as set forth in subsection (c).

(B) Promptly upon receipt of a Certificate of the Authority to the effect that the amount on deposit in a Rebate Account exceeds the amount required to be on deposit therein for the purpose of making rebates to the United States in accordance with the applicable provisions of Section 148 of the Code, an amount equal to the amount of such excess shall be transferred for credit to the applicable Revenue Account, the applicable Special Redemption Account, or such other account or Fund as may be directed in such Certificate; and

(C) All amounts in the Rebate Accounts shall be used and withdrawn by the Trustee solely for the purposes set forth in this subsection. In the event that the amount in any Rebate Account is for any reason insufficient to pay to the United States the amounts due as provided in this subsection, the Trustee shall transfer to such Rebate Account the amount of such deficiency by withdrawing said amount from the following funds in the following order of priority, regardless of any other claim on such funds: (1) notwithstanding Section 4.07(b) hereof, the Security Account of the Restricted Housing Fund (to the extent of cash and cash equivalents on deposit therein); (2) the Revenue Fund; or (3) from any other Fund or Account established pursuant to this Resolution or the applicable Series Resolution.

(f) Application of Surplus Revenues. Any amounts remaining in a Revenue Account after making the payments and deposits required by subsections (b), (c) and (e) of this Section 4.05, shall be held in the Revenue Fund until and unless directed by Authority Request to be transferred to the Program Fund, the Redemption Fund, to the Authority or to the Program Account of the Restricted Housing Fund, subject to the provisions of the following paragraph.

Upon submission of a Projected Revenue Certificate, the Authority may, by Authority Request, direct the transfer to (i) the Authority, free and clear of any lien or pledge created by this Resolution or (ii) the Program Account of the Restricted Housing Fund, of an amount which is not required to produce Revenues equal to Debt Service Payments and required fund transfers and expenses in the current and all future Bond Years as set forth in the Projected Revenue Certificate, provided that (i) prior to any such transfer the Authority shall provide the Trustee with an opinion of Bond Counsel that such transfer is permitted by the provisions of this Resolution and any applicable Series Resolutions and will not, in itself, cause the interest on the Bonds to become subject to income taxation under Section 143 of the Code, and (ii) subsequent to such transfer, total assets of the Resolution exceed total liabilities (excluding assets and liabilities of the Program Account of the Restricted Housing Fund) by at least two percent (2%).

This provision amended by Supplemental Resolution adopted October 6, 2004, and further amended by Supplemental Resolution adopted May 26, 2009.

SECTION 4.06. Redemption Fund.

(a) Moneys deposited in the Special Redemption Accounts shall be applied by the Trustee to the purchase or redemption of Bonds pursuant to Article III of this Resolution and the Series Resolution.

(b) Moneys deposited in the Optional Redemption Accounts shall be used to purchase or redeem Bonds as directed by the Authority in accordance with Article III and the Series Resolution.

SECTION 4.07. Restricted Housing Fund

(a) The Trustee will establish a Security Account and a Program Account within the Restricted Housing Fund. Upon receipt of an Authority Request, the Trustee shall deposit in the applicable account of the Restricted Housing Fund any funds, securities or other investments, loans or other property provided by the Authority and not otherwise pledged hereunder, including surplus funds transferred to the Program Account of the Restricted Housing Fund pursuant to the provisions of Section 4.05(f) of this Resolution.

(b) Any moneys held in the Security Account of the Restricted Housing Fund may be invested or reinvested as may be directed by an Authorized Officer, only in Investment Obligations, and the Authority may purchase and sell such Investment Obligations from time to time as may be directed by an Authorized Officer. Any proceeds, interest or income earned with respect to any said investments shall be retained in the Security Account of the Restricted Housing Fund. Funds, securities and other investments, loans and other property held from time to time in the Security Account of the Restricted Housing Fund are available for, and pledged to, the payment of the Debt Service Payment on the Bonds when due and the payment of any other amounts required to be paid from time to time from the Funds and Accounts established pursuant to this Resolution or any Series Resolution, including Authority Swap Payments. Available funds on deposit in the Security Account of the Restricted Housing Fund may be used to make up deficiencies in the Revenue Fund and, unless otherwise directed by an Authorized Officer,

shall be transferred to the Revenue Fund if required on any Bond Payment Date or other payment date prior to any transfer otherwise required by Section 4.07(c) and Section 4.08 hereof.

The Authority may, by Authority Request, direct the Trustee to transfer an amount from the Security Account of the Restricted Housing Fund to (i) the Authority, free and clear of any lien or pledge created by this Resolution or (ii) the Program Account of the Restricted Housing Fund, provided that prior to any such transfer the Authority shall provide the Trustee with (x) an opinion of Bond Counsel that such transfer is permitted by the provisions of this Resolution and any applicable Series Resolution and will not, in itself, cause the interest on the Bonds to become subject to income taxation under Section 143 of the Code, (y) a certificate executed by an Authorized Officer demonstrating that, subsequent to such transfer, total assets of the Resolution exceed total liabilities (excluding assets and liabilities of the Program Account of the Restricted Housing Fund) by at least two percent (2%), and (z) if then required by any Rating Service, upon submission of a Projected Revenue Certificate, confirmation from the Rating Service having such a requirement that the proposed withdrawal of funds from the Security Account of the Restricted Housing Fund will not adversely affect the existing ratings on the Bonds by such Rating Service.

(c) Amounts on deposit in the Program Account of the Restricted Housing Fund may be used to make or purchase loans, make grants, and provide other subsidies and assistance in connection with (i) the Program and (ii) other programs of the Authority that facilitate the development and maintenance of a sufficient supply of safe and affordable single family residential housing in Iowa, including but not limited to Authority programs that finance the acquisition, construction, rehabilitation, improvement and betterment of single family property, upon such terms as the Authority may determine, or may be transferred to the Security Account of the Restricted Housing Fund or to the General Fund to be used for any purposes authorized by the Act.

Any moneys held in the Program Account of the Restricted Housing Fund may be invested or reinvested in such securities, loans or other investments as may be authorized by law and as may be directed by an Authorized Officer, which may include Investment Obligations, but is not restricted thereto. Any interest or income earned with respect to any said securities, loans or other property shall likewise be retained in the Program Account of the Restricted Housing Fund.

Subject to the uses permitted by this Section 4.07, funds, securities and other investments, loans and other property held from time to time in the Program Account of the Restricted Housing Fund are available for, and pledged to, the payment of the Debt Service Payment on the Bonds when due and the payment of any other amounts required to be paid from time to time from the Funds and Accounts established pursuant to this Resolution or any Series Resolution, including Authority Swap Payments; provided that the Authority may from time to time pledge and grant a security interest in all or any of the assets of the Program Account of the Restricted Housing Fund to any other Person or Persons in connection with the programmatic uses permitted by this Section 4.07 upon such terms as the Authority may determine, which pledge and security interest may be superior to, on a parity with, or subordinate to the pledge made under this Resolution. Available funds on deposit in the Program Account of the Restricted Housing Fund may be used to make up deficiencies in the Revenue Fund and, unless otherwise

directed by an Authorized Officer, shall be transferred to the Revenue Fund if required on any Bond Payment Date or other payment date prior to any transfer otherwise required by Section 4.08 hereof, but after any transfer under Section 4.07(b) hereof. Unless otherwise specified in a Series Resolution or other resolution of the Authority, the Authority shall not be required to maintain any minimum balance in the Program Account of the Restricted Housing Fund and makes no covenant to Bondholders or any other party that funds or other assets will be available in the Program Account of the Restricted Housing Fund in the event of a deficiency in the Revenue Fund on a Bond Payment Date or other payment date.

This provision added by Supplemental Resolution adopted October 6, 2004.

This provision amended by Supplemental Resolution adopted June 7, 2006, and further amended by Supplemental Resolution adopted May 26, 2009.

SECTION 4.08. Withdrawals from Funds to Prevent Default.

Notwithstanding any other provision of this Resolution, if on any Bond Payment Date, the amount in the Revenue Fund (other than the Rebate Accounts) is less than the amount of the Debt Service Payment becoming due and payable on such Bond Payment Date on all Outstanding Bonds, the Trustee, after making any transfer required by Section 4.07, shall transfer from the following Accounts to the Revenue Fund in the following order the amount of such deficit and apply such amount first to pay interest and then to pay Principal Installments, as necessary:

(a) Costs of Issuance Accounts,

(b) Optional Redemption Accounts,

(c) Special Redemption Accounts, and

(d) Acquisition Accounts.

Moneys in (l) the Redemption Fund which are to be used to redeem Bonds for which notice of redemption has been given or for which binding arrangements to purchase Bonds in lieu of redemption have been made by the Trustee or (2) the Acquisition Accounts against which the Authority has outstanding commitments to purchase Mortgage Loans or Mortgage-Backed Securities shall not be so applied.

The Authority covenants that it will pay to the Trustee for deposit in the Revenue Fund the amount of any remaining deficiency from the General Fund or any of the Authority's other revenues, moneys or assets, subject to the provisions of any other resolutions now or hereafter pledging or appropriating particular moneys, assets or revenues to particular bonds or other obligations or State laws designating or appropriating particular funds for a specified purpose.

This provision amended and section number changed by Supplemental Resolution adopted October 6, 2004.

SECTION 4.09. Prepayments.

All Mortgage Prepayments shall be initially deposited by the Trustee for credit to the applicable Revenue Account.

This provision amended and section number changed by Supplemental Resolution adopted October 6, 2004.

SECTION 4.10. Investment of Moneys Held by the Trustee.

(a) The provisions of this Section 4.10 shall apply to moneys in all Funds and Accounts held by the Trustee other than moneys held in the Restricted Housing Fund. The investment of moneys held in the Restricted Housing Fund shall be governed by the provisions of Section 4.07 of this Resolution.

(b) Moneys in all Funds and Accounts held by the Trustee shall be invested by the Trustee to the fullest extent possible in such Investment Obligations as the Authority shall direct, or as shall be specified in the applicable Series Resolution. The Trustee shall notify the Authority in writing, at least monthly, of all Investment Obligations purchased by the Trustee. The maturity date or the date on which such Investment Obligations so purchased may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes thereof as provided in this Resolution and the applicable Series Resolution.

(c) Amounts credited to any Fund or Account (except the Rebate Account) may be invested, together with amounts credited to one or more other Funds or Accounts, in the same Investment Obligation or Investment Obligations, provided that each such investment complies in all respects with the provisions of subsection (b) of this Section 4.10 as they apply to each Fund or Account for which the joint investment is made and the Trustee maintains separate records for each Fund and Account and such investments are accurately reflected therein.

(d) The Trustee may make any investment permitted by this Section 4.10 through or with its own commercial banking or bond departments unless otherwise directed by the Authority.

(e) In computing the amount in any Fund or Account, (i) Investment Obligations shall be valued at par or, if purchased at other than par, at their Amortized Value, in either event inclusive of accrued interest, and (ii) Mortgage-Backed Securities or Mortgage Loans shall be valued at 100% of the Outstanding principal balance thereof (inclusive of accrued interest).

(f) Except as otherwise specifically provided in this Resolution, the income or interest earned by, or increment to, all Funds and Accounts due to the investment thereof shall be transferred by the Trustee upon receipt thereof to the appropriate Account of the Revenue Fund (including the Rebate Account) in accordance with Section 4.05(a) of this Resolution.

(g) The Trustee, at the direction of the Authority, shall sell at the best price obtainable, or present for redemption, any Investment Obligation purchased by it as an

investment whenever it shall be necessary in order to provide moneys to meet any payment from the Fund or Account for which such investment was made. The Trustee may, to the extent required to make transfers of moneys among Funds and Accounts, transfer Investment Obligations.

This provision amended and section number changed by Supplemental Resolution adopted October 6, 2004, and further amended by Supplemental Resolution adopted May 26, 2009.

SECTION 4.11. Liability of Trustee for Investments.

The Trustee shall not be liable or responsible for the making of any investment authorized by the provisions of this Article IV in the manner provided in this Article IV or for any loss resulting from any such investment so made, except for its own negligence or misconduct.

Section number changed by Supplemental Resolution adopted October 6, 2004.

SECTION 4.12. General Fund.

All amounts deposited in the General Fund shall be free and clear of any lien or pledge created by the Bond Resolution or any Series Resolution and may be used by the Authority for any lawful purpose.

Section number changed by Supplemental Resolution adopted October 6, 2004.

ARTICLE V
PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Bondholders of the Bonds, as follows:

SECTION 5.01. Payment of Bonds.

The Authority shall duly and punctually pay or cause to be paid the principal or Redemption Price of every Bond and the interest thereon at the dates and places and in the manner mentioned in the Bonds according to the true intent and meaning thereof and shall duly pay or cause to be paid the Sinking Fund Installments, if any, becoming payable with respect to any Bonds.

SECTION 5.02. Extension of Payment of Bonds.

The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement. In case the maturity of any Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any Event of Default under this Resolution or the Series Resolution, to the benefit of this Resolution or the Series Resolution or to any payment out of the Revenues or Funds established by this Resolution or the Series Resolution, including Investment Obligations, if any, pledged under this Resolution or the Series Resolution or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to this Resolution or the Series Resolution) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest.

SECTION 5.03. Further Assurances.

At any and all times the Authority, so far as it may be authorized by law, shall make, do, execute, acknowledge and deliver, all and every such further acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and property, including the Mortgage Loans and Mortgage-Backed Securities and all rights therein, hereby pledged or assigned, or intended so to be, or which the Authority may become bound to pledge or assign. **This provision amended by Supplemental Resolution adopted October 6, 2004.**

SECTION 5.04. Power To Issue Bonds and Pledge Revenues and Other Funds.

The Authority is duly authorized under all applicable laws to issue the Bonds and to adopt this Resolution and to pledge the Revenues and other moneys, securities, rights and interests purported to be pledged by this Resolution in the manner and to the extent provided in this Resolution. The Revenues and other moneys, securities, rights and interests so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect

thereto (other than liens of Fiduciaries) prior to, or of equal rank with, the pledge created by this Resolution and all action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of this Resolution are and will be the legal and valid general obligations of the Authority, enforceable in accordance with their terms and the terms of this Resolution. The Authority, to the extent permitted by law, at all times shall defend, preserve and protect the pledge of the Revenues and other moneys, securities, rights and interests pledged under this Resolution and all the rights of the Bondholders under this Resolution against all claims and demands of all persons whomsoever.

To secure its obligation to make Agency Swap Payments to a Swap Counterparty pursuant to a Swap Agreement, the Authority may grant to the Swap Counterparty a subordinate and junior pledge and security interest (subordinate and junior to the pledge and security interest granted to the Bondholders) in all or any of the collateral pledged pursuant to the foregoing paragraph.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 5.05. Use of Bond Proceeds and Other Amounts.

The Authority will use the proceeds of Bonds and any other moneys deposited in the Funds and Accounts only in accordance with the provisions of this Resolution and the Series Resolutions. All moneys deposited in the Program Fund shall be used, except as otherwise provided in Article IV of this Resolution, only to purchase Mortgage-Backed Securities or Mortgage Loans.

SECTION 5.06. Program Covenants.

(a) The Authority agrees that the Trustee in its name or (to the extent required by law) in the name of the Authority may enforce all rights of the Authority and all obligations of any Mortgage Lenders under and pursuant to the Origination Agreements or of the Servicer under and pursuant to the Servicing Agreement for and on behalf of the Bondholders whether or not an Event of Default under this Resolution or the Series Resolutions has occurred or is continuing.

(b) The Authority from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act and with the provisions of the Resolution and the Series Resolutions, shall use and apply the proceeds of the Bonds and other moneys deposited in the Acquisition Accounts, to purchase Mortgage-Backed Securities or Mortgage Loans and consistent with sound banking practices and principles shall do all such acts and things necessary to receive and collect Revenues.

(c) The terms of any Origination Agreements and any Servicing Agreements shall be reasonably designed to assure that each Mortgage Loan purchased by a Servicer pursuant thereto meets applicable requirements under Section 143 of the Code as in effect or as otherwise applicable with respect to such Mortgage Loan and the Authority finds that Single Family Residences meeting the safe harbour guidelines of Section 143 of the Code are Single Family Residences suitable in the State for low and moderate income families, the financing of which

serves the public purpose of the Act and the Program, by adding to the inventory of housing in the State available for low and moderate income families.

SECTION 5.07. Tax Covenants.

(a) The Authority will not take any action or permit any action to be taken on its behalf, or fail to take any action or cause any action to be taken on its behalf, or cause or permit any circumstances within the Authority's control to arise, if such action, inaction or other circumstances would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(b) The Authority shall not use or permit the use of any proceeds of Bonds or any other funds of the Authority, directly or indirectly, to acquire any securities or obligations, and shall not permit the use of any amounts received by the Authority or Trustee with respect to the Mortgage Loans or Mortgage-Backed Securities in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code or an obligation that is "federally guaranteed" within the meaning of Section 149(b) of the Code. The Authority shall require that any person (or any "related person" as defined in Section 144(a)(3) of the Code) from whom it may acquire Mortgage-Backed Securities or Mortgage Loans shall not, pursuant to an arrangement, formal or informal, purchase Bonds in an amount related to the amount of Mortgage Loans or Mortgage-Backed Securities to be purchased from such person. The Authority specifically covenants to comply with the rebate requirement of Section 148(f) of the Code and to that end will comply with the Rebate Certificate.

(c) The Authority shall not use or permit the use of any proceeds of Bonds, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in more than ten percent (10%) of the proceeds of the Bonds being used in the trade or business of one or more nongovernmental persons.

(d) The Authority shall in good faith attempt to meet all the requirements of Sections 143(c) (principal residence requirements), 143(d) (3-year requirement), 143(e) (purchase price requirement), 143(f) (income requirement) and 143(i) (new mortgage requirement) of the Code before the Mortgage Loans are originated.

(e) To the extent required by Section 143(h) of the Code, an amount equal to twenty percent (20%) of the proceeds of each Series shall be made available for purposes of owner-financing of targeted area residences (within the meaning of Section 143 of the Code) for at least one year after the date on which proceeds of the Series are first made available for owner-financing with respect to Targeted Area residences, and the Authority shall attempt with reasonable diligence to use such amounts for purposes of qualified mortgages on such residences.

(f) The Authority shall file or cause to be filed on its behalf in a timely fashion all statements and reports required to be filed pursuant to Section 149(e) of the Code and the Treasury Regulations. The Authority shall also give to mortgagors the notice required by Section 143(m)(7) of the Code (relating to recapture in the event of disposition of the Home).

(g) Except as provided in the Rebate Certificate, with respect to Bonds issued prior to July 8, 1997. at no time during any Bond Year shall the aggregate amount of moneys in the Funds and Accounts that are invested in Investment Obligations with a yield materially higher than the Yield on the Bonds exceed 150% of the Annual Debt Service on the Bonds for the current Bond Year. As Mortgage Loans are repaid, the amounts in the Funds and Accounts invested in non-mortgage investments with a yield materially higher than the Yield on the Bonds shall be promptly and appropriately reduced as provided in the Rebate Certificate.

(h) The Trustee shall make transfers to and withdrawals from the Rebate Account pursuant to written instructions delivered by the Authority in accordance with the Rebate Certificate. Transfers shall be made from such Funds or Accounts as the Authority shall designate in its written instructions and pursuant to Section 4.05(e) hereof. Investment earnings on moneys in the Rebate Account shall be deposited into such Account. Losses on the investment of moneys in the Rebate Account shall be debited to such account. Moneys in the Rebate Account shall be paid to the United States as directed by the Authority, pursuant to the Rebate Certificate, in compliance with the timetable set forth in Section 148(f)(3) of the Code and the Rebate Certificate.

(i) The right is reserved by the Authority to amend this Section 5.07, pursuant to Section 8.01(d) in any manner consistent with Sections 143 and 148 of the Code and regulations thereunder in effect at the time of the amendment. Any such amendment may be made by Supplemental Bond Resolution adopted as provided in this Resolution.

(j) Notwithstanding anything above to the contrary, the right is reserved by the Authority to issue Bonds, the interest on which is intended to be includable in gross income for federal income tax purposes, pursuant to any Series Resolution so providing. Such Bonds shall not be subject to the provisions of this Section 5.07 and any other provisions of this Resolution that are necessary solely for the purposes of compliance with Sections 143 and 148 of the Code.

This provision amended by Supplemental Resolution adopted October 6, 2004.

ARTICLE VI
DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 6.01. Events of Default.

Each of the following events is hereby declared an "Event of Default" under this Resolution:

(a) The Authority shall fail to pay any Principal Installment or the Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(b) The Authority shall fail to pay any installment of interest on any Bond when and as the same shall become due and payable.

(c) The Authority shall fail to perform or observe any other covenant, agreement or condition on its part contained in this and the Series Resolution and such failure shall continue for a period of 45 days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than 25% in principal amount of the Bonds Outstanding; or

(d) The Authority shall file a petition seeking a composition of indebtedness under the Federal Bankruptcy Laws, or under any other applicable law or statute of the United States of America or of the State.

SECTION 6.02. Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default under paragraphs (a), (b) or (d) of Section 6.01, the Trustee may and, upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding shall give 30 days' notice in writing to the Authority and, if then required by law, to the governor and the Attorney General of the State, of its intention to declare all Bonds Outstanding immediately due and payable. At the end of such 30-day period, if such Event of Default is then continuing, the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding shall, by notice in writing to the Authority, declare all Bonds Outstanding immediately due and payable; then such Bonds shall become and be immediately due and payable, anything in the Bonds or in this Resolution to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds, an amount equal to the total principal amount of all such Bonds plus all interest accrued thereon and which will accrue thereon to the date of payment.

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Resolution, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms if (i) moneys shall have been deposited with the Trustee (other than in the Rebate Account) sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding Bonds; (ii) moneys shall have been deposited with the Trustee

sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agents; (iii) all other amounts then payable by the Authority under this Resolution shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

SECTION 6.03. Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Bondholders under the Act, the Bonds and this Resolution by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(i) Enforcement of the right of the Bondholders to collect and enforce the payment of principal of and interest due or becoming due on Mortgage Loans and collect and enforce any rights in respect to the Mortgages securing such Mortgage Loans and to require the Authority to carry out its duties and obligations under the terms of this Resolution, and to require the Authority to perform its duties under the Act;

(ii) Suit upon all or any part of the Bonds;

(iii) Civil action to require the Authority to account as if it were the trustee of an express trust for the Holders of Bonds;

(iv) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of Bonds; and

(v) Enforcement of any other right of the Bondholders conferred by law or by this Resolution.

(b) Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under this Resolution by any acts which may be unlawful or in violation of this Resolution, or (ii) to preserve or protect the interests of the Bondholders, provided that such request is in accordance with law and the provisions of this Resolution and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Holders of Bonds not making such request.

SECTION 6.04. Application of Revenues and Other Moneys After Default.

(a) The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay or cause to be paid

over to the Trustee (i) forthwith, all moneys and securities, if any, then held by the Authority in any Fund or Account under this Resolution, and (ii) as promptly as practicable after receipt thereof, all Revenues and other payments or receipts pledged under this Resolution.

(b) During the continuance of an Event of Default arising under paragraphs (a), (b) or (d) of Section 6.01 hereof, the Trustee shall apply such moneys, securities, Revenues (excluding amounts required to be deposited in the Rebate Account, which shall continue to be deposited in the Rebate Account) payments and receipts and the income therefrom as follows and in the following order:

(i) To the payment of the amounts required for reasonable and necessary Fiduciary Expenses;

(ii) To the payment of the interest and Principal Installments or Redemption Price then due on the Outstanding Bonds, subject to the provisions of Section 6.02 of this Resolution, as follows:

(A) Unless the principal of all the Outstanding Bonds shall become or have been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid Principal Installments or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of Principal Installments or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

(B) If the principal of all the Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

(iii) To the payment of Authority Swap Payments and any Program Expenses, to the extent determined by the Trustee.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 6.05. Remedies Not Exclusive.

No remedy by the terms of this Resolution conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Resolution or existing at law or in equity or by statute (including the Act) on or after the date of adoption of this Resolution.

SECTION 6.06. Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) under this Resolution or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds. Subject to the provisions of Section 7.04 of this Resolution, any recovery of judgment shall be for the equal benefit of the Holders of the Outstanding Bonds.

SECTION 6.07. Majority Bondholders Control Proceedings.

If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Resolution to the contrary, the Holders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of this Resolution or for the appointment of a receiver or any other proceedings under this Resolution, provided that such direction is in accordance with law and the provisions of this Resolution (including indemnity to the Trustee as provided in Section 6.03 of this Resolution) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondholders not joining in such direction and provided further that nothing in this Section 6.07 shall impair the right of the Trustee in its discretion to take any other action under this Resolution which it may deem property and which is not inconsistent with such direction by Bondholders.

Section reference changed by Supplemental Resolution adopted October 6, 2004.

SECTION 6.08. Individual Bondholder Action Restricted.

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Resolution or for the execution of any trust under this Resolution or for any remedy under this Resolution unless:

(i) an Event of Default has occurred under subsection (a) or (b) of Section 6.01 of this Resolution, as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing,

(ii) the Holders of at least 10% in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Resolution or to institute such action, suit or proceeding in its own name,

(iii) such Bondholders shall have offered the Trustee indemnity as provided in Section 8.03 of this Resolution, and

(iv) the Trustee shall have failed or refused to exercise the powers herein granted or to institute such action, suit or proceeding in its own name for a period of 60 days after receipt by its of such request and offer of indemnity.

(b) No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of this Resolution or to enforce any right under this Resolution except in the manner herein provided and for the equal benefit of the Holders of all Bonds Outstanding.

(c) Nothing contained in this Resolution shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond (i) to receive payment of the principal of or interest on such Bond, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Bond may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of this Resolution on the moneys, funds and properties pledged under this Resolution for the equal and ratable benefit of all Holders of Bonds.

SECTION 6.09. Termination of Proceedings.

In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bondholders, the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights under this Resolution, and all rights, remedies and powers of the Trustee and the Bondholders shall continue as if no such proceeding had been taken.

SECTION 6.10. Waiver and Non-Waiver of Event of Default.

(a) No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article VII to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Resolution, or before the completion of the enforcement of any other remedy under this Resolution.

(c) Notwithstanding anything contained in this Resolution to the contrary, the Trustee, upon the written request of the Holders of at least a majority of the aggregate principal amount of Bonds then Outstanding, shall waive any Event of Default under this Resolution and its consequences; provided, however, that except under the circumstances set forth in subsection (b) of section 6.02 of this Resolution or subsection (b) of this Section 6.10, a default in the payment of the principal of, premium, if any, or interest on, any Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Bonds at the time Outstanding.

(d) In case of any waiver by the Trustee of an Event of Default under this Resolution, the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights under this Resolution, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section 6.10.

SECTION 6.11. Notice of Defaults.

(a) Within 30 days after (i) the receipt of notice of an Event of Default as provided in Section 6.08(a)(i) of this Resolution or (ii) the occurrence of an Event of Default under Section 6.01(a) or (b) of this Resolution, of which the Trustee is deemed to have notice, the Trustee shall, unless such Event of Default shall have theretofore been cured, give written notice thereof by first class mail to each registered owner of Bonds then Outstanding, provided that, except in the case of a default in the payment of Principal Installments or the Redemption Price of or interest on any of the Bonds, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Bondholders.

(b) The Trustee shall immediately notify the Authority of any Event of Default known to the Trustee.

ARTICLE VII
CONCERNING THE FIDUCIARIES

SECTION 7.01. Trustee; Acceptance of Duties; and Appointment of Authenticating Agents.

(a) The Trustee is hereby appointed as Trustee and Paying Agent. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing an acceptance in substantially the form attached to this Resolution and by delivering the same to the Authority.

(b) Authenticating Agents.

(i) The Trustee may appoint, subject to prior approval by the Authority, one or more Authenticating Agents in connection with the Bonds, each of which shall have power to act, on behalf and in the name of the Trustee and subject to the Trustee's direction, in the receipt, authentication and delivery of Bonds in connection with transfers, exchanges and registrations under Article II and Sections 3.05 and 7.12 of this Resolution as fully to all intents and purposes as though such Authenticating Agent had been expressly authorized to receive, authenticate and deliver Bonds. For all purposes of this Resolution, the receipt, authentication and delivery of Bonds by the Authenticating Agent pursuant to this Section shall be deemed to be the receipt, authentication and delivery of Bonds "by the Trustee".

(ii) Any Authenticating Agent appointed by the Trustee pursuant to this Section shall be a bank or trust company organized under the laws of any state of the United states or a national banking association, in either case having its Corporate Trust Office in New York, New York, or such other location as designated by the Trustee and approved by the Authority, and having a combined capital and surplus aggregating at least $25,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

(iii) Each Authenticating Agent shall signify its acceptance of the duties and obligations imposed upon it by the Trustee pursuant to this Resolution by executing and delivering to the Trustee and to the Authority a written acceptance thereof.

(iv) Unless otherwise provided, the Corporate Trust Offices of the Authenticating Agents are designated as the respective offices or agencies of the Trustee for the authentication and delivery of Bonds.

SECTION 7.02. Additional Paying Agents; Appointment and Acceptance of Duties.

(a) The Authority may appoint one or more additional Paying Agents for the Bonds having the qualifications set forth in Section 7.13 for a successor Paying Agent.

(b) Each Paying Agent other than the Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

SECTION 7.03. Responsibilities of Fiduciaries.

(a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Resolution or of any Bonds issued under this Resolution or as to the security afforded by this Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Authority or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any suit in respect of this Resolution or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of subsection (b) of this Section 7.03, no Fiduciary shall be liable in connection with the performance of its duties under this Resolution except for its own negligence or willful misconduct.

(b) The Trustee shall have no responsibility to review the mortgage files in connection with the purchase of any Mortgage-Backed Securities or Mortgage Loans and shall be entitled to rely upon the certification of the Servicer with respect to the eligibility of the Mortgage Loans included in the pool. If the Trustee finds, however, any document or documents required to be delivered to the Trustee in connection with the purchase of a Mortgage-Backed Security or Mortgage Loan to be defective in any material respect, the Trustee promptly shall so notify the Authority and upon receipt of an Authority Request, shall pursue any and all remedies available therefor to the Authority under the Servicing Agreement.

(c) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Resolution, any Series Resolution, and any Servicing Agreement or Mortgage Origination Agreement to which it is a party. In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Resolution, any Series Resolution, and any Servicing Agreement or Mortgage Origination Agreement to which it is a party, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of the person's own affairs. Any provisions of this Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 7.03.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 7.04. Evidence on which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the Authority, and any counsel's opinion shall be full and complete authorization and protection in respect of

any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed conclusively to be proved and established by a Certificate of the Authority, and such Certificate of the Authority shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof; but in its discretion and in lieu thereof, the Fiduciary may accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

(c) Except as otherwise expressly provided in this Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision of this Resolution by the Authority to any Fiduciary shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

SECTION 7.05. Compensation of Fiduciaries; Fiduciary Liens.

Each Fiduciary shall be entitled to payment and reimbursement for reasonable fees for its services rendered under this Resolution and all advances, counsel fees and other expenses reasonably and necessarily made or incurred thereby in connection with such services. Upon an Event of Default arising under paragraphs (a), (b) or (d) of Section 6.01 hereof, but only upon such an Event of Default, each Fiduciary shall have a first lien with right of payment prior to payment on account of principal of and interest on any Bond for the foregoing fees, charges and expenses incurred by it on any and all moneys and Investment Obligations at any time held by it under this Resolution (other than in the Rebate Accounts, any right at law or in equity for the imposition of an express or implied lien thereon being deemed to be waived by each Fiduciary as part of its acceptance of its appointment as such).

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 7.06. Certain Permitted Acts.

Any Fiduciary may become the owner of any Bonds with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

SECTION 7.07. Resignation of Trustee.

The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Resolution as Trustee and as Paying Agent by giving not less than 60 days' written notice to the Authority and the Bondholders, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such

notice unless previously a successor shall have been appointed by the Authority or the Bondholders as provided in Section 7.09 of this Resolution, in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor Trustee has been appointed and has accepted such appointment pursuant to Section 7.09 of this Resolution.

SECTION 7.08. Removal of Trustee.

The Trustee may be removed (i) at any time by an instrument or concurrent instruments in writing, filed with the Trustee and the Authority, signed by the Bondholders representing at least 20% in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority, or (ii) by the Authority at any time, except upon the occurrence of or during the continuance of an Event of Default, for such cause as shall be determined in the sole discretion of the Authority by filing with the Trustee and each Servicer a notice of removal in the form of a Certificate of the Authority, in each case specifying the effective date of such removal. In no event, however, shall such removal take effect until a successor Trustee has been appointed and has accepted such appointment pursuant to Section 7.09 of this Resolution.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 7.09. Appointment of Successor Trustee; Co-Trustee; Temporary Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Authority covenants and agrees that it will thereupon appoint a successor Trustee.

(b) If in a proper case no appointment of a successor Trustee shall be made by the Authority pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Authority written notice as provided in Section 7.07 of this Resolution, or by the effective date of removal as specified pursuant to Section 7.08 of this Resolution, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or any Bondholder may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any successor Trustee appointed under the provisions of this Section shall be a bank or trust company or national banking association having capital and surplus aggregating at least $75,000,000 and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 7.10. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under this Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify each Servicer, any additional Paying Agents and the Depositories, if any, of its appointment as Trustee.

SECTION 7.11. Merger or Consolidation.

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 7.12. Adoption of Authentication.

In case any of the Bonds contemplated to be issued under this Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated. In case any of such Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in the name of the successor Trustee, and in all such cases such certificate shall have the same force as provided in the Bonds or in this Resolution with respect to the certificate of authentication of the Trustee.

SECTION 7.13. Resignation or Removal of Additional Paying Agent or Authenticating Agent and Appointment of Successors.

(a) Any additional Paying Agent appointed pursuant to Section 7.02 of this Resolution may at any time resign and be discharged of the duties and obligations created by this

Resolution by giving at least sixty (60) days' written notice to the Authority, the Trustee, and the other Paying Agents, if any. Any such Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Authority. Any successor Paying Agent shall be appointed by the Authority with the approval of the Trustee and shall be a commercial bank or trust company or a national banking association, having capital and surplus aggregating at least $10,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

(b) Any Authenticating Agent may resign at any time and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) days' prior written notice to the Trustee, the Authority and the other Authenticating Agents, if any. The Trustee shall, at any time, terminate the agency of any Authenticating Agent upon the request of the Authority made by Certificate of the Authority filed with the Trustee and such Authenticating Agent. Any successor Authenticating Agent shall be appointed by the Trustee in accordance with the provisions of Section 7.01(b) of this Resolution.

(c) In the event of the resignation or removal of any Paying Agent or Authenticating Agent, such Paying Agent or Authenticating Agent shall pay over, assign and deliver any moneys held by it as Paying Agent or any Bonds held by it as Authenticating Agent, as the case may be, to its successor, or if there be no successor, to the Trustee.

SECTION 7.14. Information to Rating Services.

The Trustee shall furnish information concerning the Bonds and the Program to the Rating Services upon reasonable written request and shall inform the Rating Services with respect to any Series providing for the purchase of Mortgage-Backed Securities upon the first purchase of a Mortgage-Backed Security from the Servicer. The Trustee shall also notify the Rating Services upon any withdrawal from funds pursuant to Section 4.08 hereof, and upon the occurrence of an Event of Default pursuant to Section 6.01 hereof.

In addition, the Trustee shall also give notice of any Supplemental Resolution, any Amendment to the Resolution or any Series Resolution, any issuance of a new Series of Bonds, the appointment of any successor trustee, and any termination of or substitution for an investment agreement entered into in connection with a Series of Bonds, in the manner provided herein, to the Rating Services' at their respective addresses set forth in Section 11.10 hereof.

Section reference changed by Supplemental Resolution adopted October 6, 2004.

ARTICLE VIII
SUPPLEMENTAL RESOLUTIONS

SECTION 8.01. Supplemental Resolutions Effective Upon Filing With The Trustee.

For any one or more of the following purposes, and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon the filing with the Trustee of a copy thereof, shall be fully effective in accordance with its terms:

(a) To close the Bond Resolution against, or provide limitations and restrictions in addition to the limitations and restriction contained in the Bond Resolution on, the issuance of future Bonds or of other bonds, obligations or evidences of indebtedness.

(b) To add to the covenants and agreements of the Authority in this Resolution or any Series Resolution other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) To add to the limitations and restrictions in this Resolution or any Series Resolution other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(d) To amend Section 5.07 in any manner consistent with Sections 143 and 148 of the Code as in effect at the time of the amendment.

(e) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by this Resolution or any Series Resolution of the Revenues or of any other moneys, securities or funds; or

(f) To modify any of the provisions of this Resolution or any Series Resolution in any respect whatever, provided that the modification, in the sole judgment of the Authority, is reasonably necessary to assure that the interest on the Bonds remains exempt from income taxation under Section 143 of the Code to the extent applicable; and

(g) To specify, determine or authorize by Series Resolution any and all matters and things relative to the Bonds of a Series or the proceeds thereof which are not contrary to or inconsistent with this Resolution as theretofore in effect.

SECTION 8.02. Supplemental Resolutions Effective Upon Consent of Trustee.

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon the filing with the Trustee of a copy thereof and the filing with the Trustee and the Authority of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(i) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution or any Series Resolution;

(ii) To insert such provisions clarifying matters or questions arising under this Resolution or any Series Resolution as are necessary or desirable and are not contrary to or inconsistent with this Resolution theretofore in effect;

(iii) To provide for additional duties of the Trustee;

(iv) To waive any right reserved to the Authority, provided that the loss of such right shall not adversely impair the Revenues (other than amounts required to be deposited in the Rebate Account) available to pay the Outstanding Bonds; or

(v) To make any other change which in the judgment of the Trustee does not materially affect the Bondholders (and the Trustee may rely upon the respective opinions of the Rating Services as to whether the underlying rating of the Bonds, determined without regard to any credit enhancement provided by a Person other than the Authority, will be adversely affected as conclusively establishing whether the change will materially adversely affect the security of the Bondholders). **This provision amended by Supplemental Resolution Adopted October 6, 2004, effective September 15, 2007.**

SECTION 8.03. Supplemental Resolution Requiring Consent of Bondholders.

At any time or from time to time, the Authority may adopt a Supplemental Resolution subject to consent by the Bondholders in accordance with and subject to the provisions of Article IX, which Supplemental Resolution, upon compliance with the provisions of said Article IX, shall become fully effective in accordance with its terms as provided in said Article IX.

SECTION 8.04. General Provisions.

(a) The Resolution and any Series Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article VIII and Article X. Nothing contained in this Article VIII or Article IX shall affect or limit the right or obligations of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 6.03 of this Resolution or the right or obligations of the Authority to execute and deliver to any Fiduciary any instrument which elsewhere in this Resolution it is provided shall be delivered to said Fiduciary.

(b)(i) Any Supplemental Resolution referred to and permitted or authorized by Section 8.01 and 8.02 of this Resolution may be adopted by the Authority without notice to or consent by any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively; (ii) The copy of every Supplemental Resolution, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution and is valid and binding upon the Authority and enforceable in accordance with its terms (subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and to the availability of equitable remedies); (iii) The copy of every Supplemental Resolution adopted pursuant to Section 8.01(d) or (e) of this Resolution, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel to the effect that (A) any such

modification made pursuant to Section 8.01(d) is reasonably designed to assure that the interest on the Bonds remains exempt from income taxation under Section 143 of the Code and (B) any such modification made pursuant to Section 8.01(e) will not cause the interest on the Bonds to become subject to income taxation under Section 143 of the Code.

(c) The Trustee is hereby authorized to accept the delivery of and consent to any Supplemental Resolution and, subject to a requirement of Bondholders' consent, if any, to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action shall be fully protected in relying on an opinion of counsel that such Supplemental Resolution or document is authorized or permitted by the provisions of this Resolution.

(d) Notwithstanding any other provisions of this Resolution, no Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

ARTICLE IX
AMENDMENTS AND MODIFICATIONS REQUIRING CONSENT OF BONDHOLDERS

SECTION 9.01. Mailing.

Any provision in this Article IX for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid only:

(a) To each registered owner of Bonds then Outstanding at the owner's address, if any, appearing upon the registration books of the Authority kept by the Trustee, and

(b) To the Trustee.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 9.02. Powers of Amendment.

Any modification or amendment of the Resolution or any Series Resolution and of the rights and obligations of the Authority and of the Bondholders under the Resolution or any Series Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in Section 9.03 of this Resolution of the Holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Bondholders of all such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

SECTION 9.03. Consent of Holders of Bonds.

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 9.02 of this Resolution, to take effect when and as provided in this Section 9.03. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to the Holders of the Bonds. Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 9.02 of this Resolution and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, subject to State and federal bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights and to the availability of equitable remedies, and (ii) a notice shall have been mailed as hereinafter in this Section 9.03 provided. Any such consent shall be binding upon the Bondholder giving such consent and,

anything in Section 13.02 of this Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Bondholder thereof has notice thereof) unless such consent is revoked in writing by the Bondholder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 9.03 provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Bondholders of the required percentage of Bonds shall have filed their consent to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that the Bondholders of such required percentage of Bonds have filed such requests. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentage of Bonds and will be effective as provided in this Section 9.03, may be given to Bondholders by the Authority by mailing such notice to Bondholders not more than 90 days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee hereinabove provided for is filed. The Authority shall file with the Trustee a Certificate of the Authority as to the mailing thereof. A record, consisting of the papers required or permitted by this Section 9.03 to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Holders of all Bonds at the expiration of 30 days after the filing with the Trustee of the Certificate of the Authority as to mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that any Fiduciary and the Authority during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action or to refrain from taking such action, with respect to such Supplemental Resolution, as they may deem expedient.

SECTION 9.04. Modifications by Unanimous Consent.

The terms and provisions of the Resolution or any Supplemental Resolution and the rights and obligations of the Authority and of the Bondholders may be modified or amended in any respect upon the issuance and filing by the Authority of a Supplemental Resolution and the consent of the Bondholders of all Bonds then Outstanding, such consent to be given as provided in Section 9.03 of this Resolution, except that no notice of such consent to Bondholders either by mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondholders.

SECTION 9.05. Notation on Bonds.

Bonds delivered after the effective date of any action taken as provided in Article VIII of this Resolution or this Article IX, may, and if the Trustee so determines, shall, bear a notation by

endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of any Bondholder of any Bond Outstanding at such effective date and presentation of the Bondholder's Bond for the purpose at the Corporate Trust Office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, delivered, and upon demand of the Bondholders of any Bond then Outstanding shall be exchanged for Bonds of the same maturity then Outstanding, upon surrender of such Bonds.

This provision amended by Supplemental Resolution adopted October 6, 2004.

ARTICLE X
DISCHARGE OF RESOLUTION; DEFEASANCE OF BONDS

SECTION 10.01. Discharge of Resolution in Entirety.

If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, and all Fiduciary Expenses, then the pledge provided in Section 1.04 of this Resolution and all covenants, agreements and other obligations of the Authority to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Authority all moneys or securities held by them pursuant to the Resolution which are not required for the payment of principal or Redemption Price, if applicable, of or interest on Bonds not theretofore surrendered for such payment or redemption.

SECTION 10.02. Defeasance of Bonds.

Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or any one or more additional Paying Agents (through deposit by the Authority or moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in Section 10.01 of this Resolution. Any Outstanding Bonds of a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in Section 10.01 of this Resolution if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail notice of redemption of such Bonds on said date as provided in Article III; (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be; and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail a notice to the Bondholders of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 10.02 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price of said Bonds. Neither Defeasance Obligations nor moneys deposited with the Trustee pursuant to this Section 10.02 nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, of and interest on said Bonds and any bonds or other obligations issued by the Authority the proceeds of which were used to acquire such Defeasance Obligations, in whole or in part; provided, that no such principal of or interest on such Defeasance Obligations shall be applied to the payment of the principal or redemption price of or

interest on such bonds or other obligations unless (x) the Trustee shall have received a schedule showing, for each year from the date of deposit of such Defeasance obligations until the redemption date or maturity date of said Bonds, as the case may be, the amount of principal of and interest on such Defeasance Obligations and moneys, if any, deposited with the Trustee at the same time which will be available to pay the principal or Redemption Price of and interest due on said Bonds in each such year, plus the amount of any excess in each such year, and (y) the amount of such principal of or interest on such Defeasance Obligations to be so applied to the payment of such bonds or other obligations does not exceed in any year the amount of such excess for, or accumulated and unexpended to, such year. Notwithstanding any other provision of this Section 10.02, any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Trustee, if not then needed for such purpose, shall to the extent practicable and consistent with the provisions of Section 6.14 hereof be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, of and interest due and to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

ARTICLE XI
MISCELLANEOUS

SECTION 11.01. Failure to Present Bonds.

Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years (or such other period as specified by the applicable escheat laws of the State) after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six years (or such other period as specified by the applicable escheat laws of the State) after the date of deposit of such moneys if deposited with the Fiduciary after the date when such Bonds became due and payable, shall, at the written request of the Authority be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Authority for the payment of such Bonds.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 11.02. Evidence of Signatures of Bondholders and Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or the holding by any person of the Bonds shall be sufficient for any purpose of this Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Bondholder or the Bondholder's attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to said person the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his or her authority.

(ii) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

(b) Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 11.03. Moneys Held for Particular Bonds.

Subject to the provisions of Section 11.01, the amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

Section reference changed by Supplemental Resolution adopted October 6, 2004

SECTION 11.04. Preservation and Inspection of Documents.

All documents received by any Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary, and any Bondholders and their agents and their representatives, any of whom may make copies thereof.

SECTION 11.05. Parties Interested Herein.

Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority, the Fiduciaries and the Bondholders any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation of the Resolution; and all the covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries and the Bondholders.

SECTION 11.06. No Recourse on the Bonds.

No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Resolution against any officer or employee of the Authority or any person executing the Bonds.

SECTION 11.07. Severability of Invalid Provisions.

If any one or more of the covenants or agreements provided in the Resolution on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Resolution.

SECTION 11.08. Successors.

Whenever in the Resolution the Authority is named or referred to, it shall be deemed to include any entity which may succeed to the principal functions and powers of the Authority, and all the covenants and agreements contained in the Resolution by or on behalf of the Authority shall bind and inure to the benefit of said successor whether so expressed or not.

SECTION 11.09. Consents and Approvals.

Whenever the written consent or approval of the Authority, Fiduciaries or Bondholders shall be required under the provisions of the Resolution, such consent or approval shall not be unreasonably withheld or delayed.

SECTION 11.10. Notices, Demands and Requests.

All notices, demands and requests to be given or made under the Resolution to or by the Authority or the Trustee shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows:

(a) Authority: Iowa Finance Authority
Suite 250
100 East Grand Avenue
Des Moines, Iowa 50309
Attention: Executive Director

(b) Trustee: Wells Fargo Bank, National Association
Sixth and Marquette
N9303-110
Minneapolis, Minnesota 55479
Attention: Corporate Trust Dept.

(c) Notices to the Rating Services:

Standard & Poor's Rating Services
25 Broadway
New York, NY 10004
Attention: Mortgage Surveillance Group

Moody's Investors Service
99 Church Street
New York, NY 10007
Attention: Public Finance--Asset-Backed Group

Either the Authority or the Trustee or either of the Rating Services may change the address listed for it above at any time upon written notice of such change sent by United States mail, postage prepaid, to the Authority or the Trustee, as the case may be.

This provision amended by Supplemental Resolution adopted October 6, 2004.

SECTION 11.11. Exclusion of Bonds.

Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in Article VI or Article IX of the Resolution, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in said Article VI or Article IX. At the time of any consent or other action taken under said Article VI or Article IX, the Authority shall furnish the Trustee a Certificate of the Authority, upon which the Trustee may rely, describing all Bonds to be excluded.

SECTION 11.12. Applicable Law.

The Resolution shall be governed exclusively by the applicable laws of the State.

SECTION 11.13. Table of Contents and Sections Headings Not Controlling.

The Table of Contents and the headings of the several Articles and Sections of this Resolution have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Resolution.

SECTION 11.14. Effective Date.

This Resolution shall take effect immediately upon its adoption.

CERTIFICATE

The undersigned, Secretary and Executive Director of the Iowa Finance Authority, DOES HEREBY CERTIFY that the foregoing is a true and correct copy of the Single Family Mortgage Bond Resolution of said Authority, including all amendments thereto through the date hereof, and that said Bond Resolution has not been altered, amended or repealed except as shown in the foregoing copy, and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Authority this ____ day of _____, 200_.

_____

Secretary/Executive Director

(Seal)

4832-5568-5646\1

EXECUTION COPY

MASTER INDENTURE OF TRUST

between

IOWA FINANCE AUTHORITY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

Dated as of June 15, 2005

and as amended by that Supplemental Indenture dated June 15, 2009

PROVIDING FOR THE ISSUANCE OF
MULTIFAMILY HOUSING BONDS
OF THE IOWA FINANCE AUTHORITY

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[Not a part of this Master Indenture of Trust; for convenience of reference only.]

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MASTER INDENTURE OF TRUST

This MASTER INDENTURE OF TRUST, dated as of June 15, 2005 (together with all supplements hereto and amendments hereof entered into in accordance with the provisions hereof, the "Master Indenture"), is entered into by and between the IOWA FINANCE AUTHORITY, a public instrumentality and agency of the State of Iowa (the "Authority"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association duly organized under the laws of the United States of America, with its principal corporate trust office in Minneapolis, Minnesota, as Trustee (together with any successor trustee under this Master Indenture, the "Trustee").

W I T N E S S E T H:

WHEREAS, pursuant to the Constitution and the laws of the State of Iowa, particularly Chapter 16, Code of Iowa, 2005, as amended (the "Act"), the Authority is authorized to carry out the public purposes described in the Act by issuing its general obligation bonds and by entering into any agreements made in connection therewith; and

WHEREAS, for the purpose of providing funds for the purpose of facilitating the development and maintenance of a sufficient supply of multifamily residential housing in Iowa at prices and rentals that persons of low or moderate income can afford, the Authority has determined to authorize the issuance of its Multifamily Housing Bonds (the "Bonds") pursuant to this Master Indenture and one or more supplemental indentures ("Supplemental Indentures") and to enter into this Master Indenture to secure the Bonds as hereinafter provided; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Master Indenture and the related Supplemental Indentures provided, the valid, binding and legal general obligations of the Authority according to the import thereof, and to constitute this Master Indenture a valid assignment and pledge of the amounts pledged to the payment of principal of, premium, if any, and interest on the Bonds, and the creation, execution and delivery of this Master Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof and of the related Supplemental Indentures, have in all respects been duly authorized;

NOW, THEREFORE, THIS MASTER INDENTURE OF TRUST WITNESSETH:

GRANTING CLAUSES

The Authority, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Holders thereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, interest and redemption premium, if any, on the Bonds according to their tenor and effect and to secure the performance and observance by the Authority of all the covenants expressed or implied herein and in the Bonds, does hereby irrevocably grant, pledge and assign all of its right, title and interest and

grant a security interest in, pledge, assign and transfer the following described property, rights, privileges and franchises (collectively, the "Trust Estate") unto the Trustee and its successors in trust, to wit:

GRANTING CLAUSE FIRST

All proceeds of Bonds, all Revenues, all Prepayments, all Recovery Payments, all Agreements, Notes and Collateral Documents provided to the Authority by Borrowers, any other securities (including without limitation all Investment Obligations) made and purchased from proceeds of Bonds, and all income and receipts therefrom (except Escrow Payments and except for Authority Fees, unless otherwise specified in a Supplemental Indenture) (each as hereinafter defined).

GRANTING CLAUSE SECOND

All cash and securities from time to time held by the Trustee or other Fiduciary under and subject to the terms of this Master Indenture or any Supplemental Indenture (excluding cash or securities held in the Rebate Fund).

GRANTING CLAUSE THIRD

Any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder by the Authority, or by anyone in its behalf or with its written consent, to the Trustee which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors in trust and assigns forever.

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of all the Bonds, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Bond over any other Bond, by reason of priority in the issue, sale or negotiation thereof or otherwise, all in accordance with the terms hereof; and upon the terms and trusts herein set forth for the equal and proportionate benefit and security of all present and future owners of all Bonds without preference of any Bond over any other Bond, except as otherwise herein provided, and for enforcement of the payment of the Bonds in accordance with their terms, and all other sums payable hereunder or on the Bonds and for the performance of and compliance with the obligations, covenants and conditions of this Master Indenture, as if all the Bonds at any time outstanding had been authenticated, executed and delivered simultaneously with the execution and delivery of this Master Indenture, all as herein set forth;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and interest on the Bonds due

or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made as required under Article IX hereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Master Indenture and each and every Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof and each and every Supplemental Indenture, then upon such final payments this Master Indenture and each and every Supplemental Indenture and the rights hereby and thereby granted shall cease, terminate and be void; otherwise this Master Indenture and each and every Supplemental Indenture to be and remain in full force and effect;

THIS MASTER INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder and under each and every Supplemental Indenture are to be issued, authenticated and delivered, and all said property, rights and interests, including, without limitation, the amounts hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter and in the related Supplemental Indenture expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners from time to time, or at any time, of the Bonds, or any part thereof, as follows (subject, however, to the provisions of Section 1.02 hereof):

ARTICLE I

DETERMINATIONS AND DEFINITIONS

SECTION 101. Authority and Purpose. This Master Indenture is entered into by the Authority under authority of and in accordance with the provisions of the Act for the purpose of facilitating the development and maintenance of a sufficient supply of multifamily residential housing in Iowa at prices and rentals that persons of low or moderate income can afford, by providing funds to make Loans to owners of rental property occupied or to be occupied primarily by low and moderate income families to finance the acquisition, construction, rehabilitation, improvement and betterment of rental property and, in conjunction therewith, refinance existing indebtedness if determined to be necessary to assure stable and affordable rentals and provide additional or improved security to the Authority.

SECTION 102. Contract with Trustee and Bondholders. In consideration of the acceptance by the Trustee of the trusts herein created and of the purchase and acceptance of Bonds of any Series issued hereunder by any who shall from time to time be Holders thereof:

(1) the provisions of this Master Indenture and the applicable Supplemental Indenture shall be a contract of the Authority with the Trustee and the Holders of the Bonds;

(2) the pledge made and security interests granted in the Granting Clauses hereof and the covenants and agreements herein set forth, to be performed by and on behalf of the Authority, shall be for the equal benefit, protection and security of Holders of all such Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bond over any other except as expressly provided or permitted herein or in a Supplemental Indenture;

(3) the Authority covenants that it will cause to be paid to and deposited with the Trustee, or to its credit with Depositories designated by the Authority, and pledges and grants to the Trustee a security interest in, all proceeds of Bonds, all Agreements, Notes and Collateral Documents provided to the Authority by Borrowers, any other securities (including without limitation all Investment Obligations) made and purchased from such proceeds, and all income and receipts therefrom;

(4) this pledge is valid and binding from the time when made, and the Bond proceeds, Agreements, Notes, Collateral Documents, Investment Obligations and other securities, and all related income and receipts pledged and hereafter received by the Authority shall immediately be subject to the lien thereof without any physical delivery or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, whether or not such parties have notice thereof; and

(5) the Bonds are general obligations of the Authority, payable out of any of its moneys, assets or revenues, subject to the provisions of any other resolutions, contracts or agreements now or hereafter pledging and appropriating particular moneys, assets or revenues to particular notes or bonds, or State or federal laws designating or appropriating particular funds for a specified purpose.

SECTION 103. Definitions. In this Master Indenture, unless a different meaning clearly appears from the context, the following terms have the following respective meanings:

Account means one or more of the accounts created pursuant to this Master Indenture or any Supplemental Indenture.

Accountant's Report means an opinion or report signed by any certified public accountant or firm of certified public accountants (who may be the accountant or firm that regularly audits the books and accounts of the Authority) from time to time selected by the Authority and acceptable to the Trustee.

Act means Chapter 16, Code of Iowa, 2005, as amended and supplemented from time to time.

Agreement means a loan agreement or similar contract, including the exhibits attached thereto, pursuant to which the Authority makes a Loan to a Borrower, including any amendment thereof or supplement thereto entered into from time to time in accordance with the provisions hereof and thereof.

Amortized Value means for securities purchased at (i) par, the par value; and (ii) a premium above or a discount below par, the value as of any given date obtained by multiplying the total amount of the premium or the discount at which such securities were purchased by a fraction, the numerator of which is the number of days remaining to the maturity or redemption date on such securities at the time of such purchase and the denominator of which is the number of days reflected in the numerator *plus* the number of days having passed from the date of such purchase; and (a) in the case of securities purchased at a premium, by deducting the product thus obtained from the purchase price, and (b) in the case of securities purchased at a discount, by adding the product thus obtained to the purchase price; provided that, with respect to securities deposited in any Fund or Account by the Authority for no consideration, such securities shall be treated as purchased by the Trustee at fair market value as of the date of such deposit.

Appreciated Amount means with respect to a Deferred Interest Bond, (i) as of any date of computation with respect to any Deferred Interest Bond up to the date, if any, set forth in the Supplemental Indenture authorizing such Deferred Interest Bond as the date on which such Deferred Interest Bond shall commence to bear interest payable thereafter on applicable Interest Payment Dates, an amount equal to the initial principal amount of such Deferred Interest Bond plus the interest accrued on such Deferred Interest Bond from the date of original issuance of such Deferred Interest Bond to the applicable Interest Payment Date next preceding the date of computation or the date of computation if an applicable Interest Payment Date, such increased

amount to accrue at the rate per annum set forth in the Supplemental Indenture authorizing such Deferred Interest Bonds, compounded on each applicable Interest Payment Date, plus, if such date of computation shall not be an applicable Interest Payment Date, a portion of the difference between the Appreciated Amount as of the immediately preceding applicable Interest Payment Date (or the date of original issuance if the date of computation is prior to the first applicable Interest Payment Date succeeding the date of original issuance) and the Appreciated Amount as of the immediately succeeding applicable Interest Payment Date, calculated based upon an assumption that the Appreciated Amount accrues in equal daily amounts on the basis set forth in the Supplemental Indenture authorizing such Deferred Interest Bonds; and (ii) as of any date of computation on and after the date, if any, set forth in the Supplemental Indenture authorizing such Deferred Interest Bond as the date on which such Deferred Interest Bond shall commence to bear interest payable thereafter on applicable Interest Payment Dates, the Appreciated Amount as of such current interest payment commencement date.

For the purposes of (i) actions, requests, notifications, consents or directions of Bondholders under this Master Indenture, (ii) required payment upon default or anticipated default pursuant to acceleration of maturity or otherwise as described in Article X hereof, the calculation of the Appreciated Amount shall be as of the applicable Interest Payment Dates for such Deferred Interest Bond, as specified in a Supplemental Indenture, preceding such date of calculation (unless such date of calculation shall be an Interest Payment Date, in which case, as of the date of calculation).

Authority means the Iowa Finance Authority, a public instrumentality and agency of the State established by the Act, and any body, authority or other entity which may hereafter by law succeed to the powers, duties and functions of the Authority.

Authority Certificate means a certificate of the Authority executed by an Authorized Officer.

Authority Fee means any fee so designated in the applicable Supplemental Indenture

Authorized Officer means the Chairperson, Vice Chairperson, or Executive Director of the Authority or any other person authorized by resolution of the Authority to perform an act or sign a document.

Bond means any Bond authorized under this Master Indenture and issued pursuant to a Supplemental Indenture.

Bond Fund means the Fund so designated which is established and created by Section 401 hereof.

Bondholder means the registered owner of any outstanding Bond or Bonds.

Bond Requirement means as of any particular date of calculation, the sum of (i) that amount of the interest to become due on each Series of Outstanding Bonds at its next Interest

Payment Date, the deposit of which, once each month between that and the last such Interest Payment Date (or if none, since the Issue Date), would produce a sum sufficient to pay such interest; (ii) that amount of the principal due on each Series of Outstanding Bonds at its next Principal Installment Date, the deposit of which, once each month between that and the last such Principal Installment Date, (or if none, since the Issue Date), would produce a sum sufficient to pay such principal; (iii) any amount referred to in clauses (i) and (ii) which has not been deposited in the Bond Fund in any month preceding the date of calculation; (iv) any principal and interest due and unpaid before the date of calculation; and (v) interest accrued on any such principal and (to the extent lawful) on any such interest at the same rate as that borne by the principal before its maturity.

For purposes of computing interest due or to become due on the Bonds for purposes of the foregoing definition, and for all other purposes under this Master Indenture (i) if the Authority's variable rate liability on all or a portion of any Bonds has been swapped to a fixed rate liability, interest payable with respect to said Bonds shall be calculated as if the Bonds bear interest at said fixed rate; (ii) if the Authority's fixed rate liability on all or a portion of any Bonds has been swapped to a variable rate liability, interest payable with respect to said Bonds shall be calculated as if the Bonds bear interest at a variable rate; and (iii) the Authority's variable rate liability on Bonds bearing interest at a variable rate, or deemed to bear interest at a variable rate, shall be calculated as if such Bonds bear interest at the maximum rate permitted pursuant to the applicable Supplemental Indenture or hedge documentation, or such lesser rate as the Authority may certify to the Trustee from time to time by Authority Certificate with the consent of each Rating Agency.

Book-Entry System means such system for registering the Bonds of one or more Series as set forth in a Supplemental Indenture.

Borrower Accounts means the Accounts in the Program Fund and Project Account so designated which are established and created pursuant to Section 302 hereof.

Borrower means a housing sponsor as defined in the Act, to the extent permitted by the Act and the rules of the Authority thereunder (including the Authority or any corporation, authority or instrumentality created or controlled by the Authority).

Business Day means any day other than a Saturday or Sunday or other day on which the Principal Office of the Trustee is authorized to be closed for regular business, or a day on which banks located in the City of New York are authorized to be closed for regular business, or a day on which the New York Stock Exchange is closed.

Capitalized Interest Accounts means the Accounts in the Program Fund so designated which may be established pursuant to Section 302 hereof.

Cash Equivalent means a letter of credit, insurance policy, surety, guarantee or other security arrangement (as defined and provided for in a Supplemental Indenture), which Cash Equivalent shall have such terms necessary to maintain the Rating of the Bonds.

Chairperson means the Chairperson of the Authority.

Code means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder; each reference to a Section of the Code herein shall be deemed to include the United States Treasury regulations proposed or in effect thereunder and applied to the Bonds or the use of the proceeds thereof, and also includes all amendments and successor provisions unless the context clearly requires otherwise.

Collateral Document means any mortgage, letter of credit, guaranty agreement or other document or agreement (other than an Agreement or Note) received by the Authority in connection with a Loan and securing the obligations of the Borrower under a related Agreement and Note.

Cost of Issuance means all items of expense payable or reimbursable directly or indirectly by the Authority and related to the authorization, sale and issuance of Bonds, including but not limited to bond discounts, expenses of printing, reproducing documents, filing and recording, initial fees and charges of Fiduciaries, bond insurers, credit enhancers and liquidity providers and for legal, financial consulting, bond underwriting and other professional service and consultation, credit ratings and execution of Bonds, and other costs, charges and fees in connection with the foregoing (including, in the case of Bonds issued to refund Outstanding Bonds, redemption premiums and costs and expenses of discharging said refunded Bonds).

Cost of Issuance Accounts means the Accounts in the Program Fund so designated which may be established pursuant to Section 302 hereof.

Counsel's Opinion means an opinion signed by any attorney or firm of attorneys (who may be counsel to the Authority or an attorney or firm of attorneys retained by it in other connections) licensed to practice in the state in which he, she or it maintains an office, selected or employed by the Authority and satisfactory to the Trustee.

Current Interest Bond means any Bond the interest on which is payable on Interest Payment Dates during each year of its term, or portion of its term, or to a prior date on which the Bond is duly called for redemption, as provided in the applicable Supplemental Indenture.

Debt Service Reserve Fund means the Fund so designated which is established and created by Section 401 hereof.

Debt Service Reserve Requirement means, as of any particular date of calculation, an amount equal to the sum of amounts computed for each Series of Outstanding Bonds, each in accordance with the applicable Supplemental Indenture.

Deferred Interest Bonds means the Bonds so designated in a Supplemental Indenture but shall not include any such Bond from and after the date, if any, on which such Bond will bear interest that is payable to the Holder of such Bond prior to its scheduled maturity.

Depository means each bank, trust company and national banking association appointed pursuant to Section 1101 to act as a depository, and any successor thereof designated by or pursuant to Article XI hereof.

Development means a specific improvement or structure constituting qualified residential housing as defined in the Act, containing units for possession pursuant to a leasehold estate or cooperative ownership, and financed in whole or in part by the issuance of Bonds.

Escrow Accounts means the accounts held by Servicers or by the Authority for the making of Escrow Payments pursuant to Section 411 hereof.

Escrow Payment means any payment made in order to obtain or maintain mortgage insurance and fire and other hazard insurance, including payments for any federal, state, local or private program intended to assist in providing mortgages, and any payments required to be made pursuant to an Agreement or a Collateral Document for taxes or other governmental charges or other similar charges to a Borrower customarily required to be escrowed, and payments or charges constituting construction or operating contingency, performance or completion or replacement reserves required pursuant to the applicable Agreement or Collateral Document.

Excess Earnings means excess investment earnings, net of any credits or offsets thereto, which must be rebated to the United States pursuant to Section 148 of the Code.

Executive Director means the Executive Director of the Authority.

Expense Fund means the Fund so designated which is established by Section 401 hereof.

Expense Requirement means such amount of money as may from time to time by a Supplemental Indenture or a supplement or amendment to this Master Indenture be determined to be necessary for the payment of costs and expenses of the Authority pursuant to the Program (other than costs and expenses properly payable from a Cost of Issuance Account).

Event of Default means any event defined as such in Section 1101 hereof.

FDIC means the Federal Deposit Insurance Corporation or any successor thereto.

Federal Agency Obligations means bonds, debentures or other obligations issued by Fannie Mae (excluding interest-only securities and stripped mortgage-backed securities valued greater than par), the Federal Home Loan Mortgage Corporation (only senior debt obligations which guarantee timely payment of principal and interest) or the Government National Mortgage Association, and any other obligations of any authority or agency controlled or supervised by and acting as an instrumentality of the United States Government pursuant to authority granted by the Congress of the United States whose timely payment is directly or indirectly unconditionally guaranteed by the United States of America.

Federal Obligations means direct obligations of the United States or other obligations the timely payment of principal and interest of which is fully and unconditionally guaranteed by the United States.

Fiduciary means the Trustee, a Depository or a Paying Agent.

Fiscal Year means the period of twelve (12) calendar months commencing on July 1 in any calendar year and ending on June 30 in the following year.

Fund means one or more of the funds created pursuant to this Master Indenture or any Supplemental Indenture.

General Fund means the fund so designated which was established and created by a resolution of the Authority adopted August 4, 1977.

Holder means, in respect of a Bond, the registered owner thereof.

Interest Payment Date means each date on which interest on any Series of Bonds is required to be paid pursuant to their terms and the terms of the applicable Supplemental Indenture.

Investment Obligation means any of the following which at the time are legal investments for funds held under this Master Indenture which are then proposed to be invested hereunder: (a) Federal Obligations; (b) obligations of any state of the United States of America or any political subdivision of such a state (such obligations of which are rated in one of the two highest long-term rating categories by a Rating Agency); (c) Federal Agency Obligations; (d) repurchase agreements collateralized by securities described in (a), (b) or (c) above with any institution that will not adversely affect the Rating on Outstanding Bonds at the time of purchase; (e) any of the following obligations that would not adversely affect the Rating on Outstanding Bonds at the time of purchase: (1) time deposits, certificates of deposit or any other deposit with federally or state-chartered banks (including the Trustee and its affiliates), the deposits of which are fully insured by the FDIC, (2) commercial paper, (3) shares of a money market mutual fund or other collective investment fund registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, having assets of at least $100 million, and (4) any other investment with a financial institution, and (f) such other investments as specified in a Supplemental Indenture as shall not cause the Rating on Outstanding Bonds to be lowered.

Issue Date means, in respect of a Series of Bonds, the date as of which Bonds of the Series are issued and from which interest thereon accrues, as specified by the applicable Supplemental Indenture in accordance with Section 202 hereof.

Loan means a loan by the Authority to a Borrower pursuant to an Agreement for the financing and/or refinancing of a Development for the purposes set forth in Section 101 hereof.

Master Indenture means this Master Indenture of Trust, dated as of June 15, 2005, as it may from time to time be amended, modified or supplemented as herein provided by a Supplemental Indenture.

Multifamily Restricted Housing Fund means the Fund so designated which is established by Section 401 hereof. **This definition amended by Supplemental Indenture dated as of June 15, 2009.**

Note means the promissory note executed by the Borrower evidencing and securing its obligation to repay the Loan in accordance with the terms of the Agreement.

Outstanding means a reference as of any particular time to all Bonds theretofore delivered except (i) any Bond canceled by the Trustee, or proven to the satisfaction of the Trustee to have been canceled by the Authority or by any other Fiduciary, at or before that time, and (ii) any Bond for the payment or redemption of which either (a) money equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (b) Federal Obligations or money in the amounts, of the maturities and otherwise as described and required under the provisions of Article IX hereof, has been deposited with one or more Fiduciaries in trust (whether upon or prior to the maturity or redemption date of the Bond) and, except in the case of a Bond to be paid at maturity, of which notice of redemption has been given or provided for in accordance with Article VII hereof, and (iii) any Bond in lieu of or in substitution for which another Bond has been delivered pursuant to Section 605, 607 or 906 hereof; provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds registered in the name of the Authority shall be disregarded and deemed not to be Outstanding, except that in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be disregarded.

Paying Agent means any paying agent for Bonds appointed by or pursuant to Section 202 or Section 1102 hereof, and its successor or successors and any other corporation or association which may at any time be substituted in place pursuant to this Master Indenture.

Person means any individual, corporation, partnership, limited liability company, limited liability partnership, joint venture, association, joint stock company, trust, unincorporated association or government or agency or political subdivision thereof.

Prepayment means any money received from a payment of principal pursuant to a Note in excess of the scheduled payments of principal then due, other than money constituting a Recovery Payment.

Principal or principal means (a) unless otherwise provided herein or in a Supplemental Indenture, as such term references the principal amount of a Deferred Interest Bond or Deferred

Interest Bonds, the Appreciated Amount thereof, and (b) as such term references the principal amount of any other Bond or Bonds, the principal amount at maturity of such Bond or Bonds.

Principal Installment Date means each date upon which the principal of any Series of Bonds is required to be paid (whether at maturity or upon redemption, including sinking fund redemption) in accordance with their terms and the terms of the applicable Supplemental Indenture.

Principal Office means with respect to a Fiduciary, its principal or head office or corporate trust or principal trust office in the city in which the Fiduciary is described as being located, as may be specified in writing by the Fiduciary to the Authority and each other Fiduciary.

Program means the Authority's program of making Loans for the purposes specified in Section 101 hereof.

Program Fund means the Multifamily Housing Program Fund created in Section 302 hereof.

Project Account means the Account in the Program Fund so designated which is established and created pursuant to Section 302 hereof.

Rating means, with respect to any Series of Bonds, the then-current rating or ratings assigned by the Rating Agency pursuant to the request of the Authority, without regard to the benefit of any bond insurance or other credit enhancement relating to any Bond of such Series.

Rating Agency means a nationally recognized Person that has outstanding a credit rating on any Series of Outstanding Bonds pursuant to the request of the Authority.

Rating Confirmation means a writing from each Rating Agency stating that its Rating on Outstanding Bonds will not be reduced or withdrawn as a result of the action proposed to be taken.

Rebate Fund means the Fund so designated which is established by Section 401 hereof.

Record Date means any Regular Record Date, Special Record Date or Redemption Record Date.

Recovery Payment means any money received or recovered by the Authority, in excess of the expenses necessarily incurred by the Authority in collection thereof, from (i) the sale or other disposition of a Development acquired by the Authority, or (ii) condemnation of a Development or part thereof, or (iii) other proceedings taken in the event of default by the Borrower, or (iv) the sale or other disposition of a Note, and related Agreement and Collateral Documents, in default for the purpose of realizing on the Authority's interest therein, or (v) mortgage insurance or guaranty or hazard insurance.

Redemption Fund means the Fund so designated which is established and created by Section 401 hereof.

Redemption Price means when used with respect to a Bond or portion thereof, the principal amount of any Current Interest Bond or the Appreciated Amount of any Deferred Interest Bond, plus the applicable premium, if any, payable upon redemption in accordance with its terms.

Redemption Record Date means the date or dates set forth as such in the Supplemental Indenture authorizing the issuance of one or more Series of Bonds.

Refunding Issue means the Bonds delivered pursuant to Section 204 hereof.

Regular Record Date means the date or dates set forth as such in the Supplemental Indenture authorizing the issuance of one or more Series of Bonds.

Revenue Fund means the Fund so designated which is established and created by Section 401 hereof.

Revenues means all payments, proceeds, rents, charges and other income derived by or for the account of the Authority from or related to the Program, including, without limitation, the scheduled amortization payments of principal of and interest on the Notes and income from Investment Obligations, and amounts received pursuant to interest rate swap agreements or similar agreements, but not including Prepayments, Recovery Payments or Escrow Payments, and not including inspection, financing, application, commitment or similar fees or charges of the Authority which are included in the original principal amount of a Loan.

Serial Bonds means Bonds so designated in a Supplemental Indenture.

Series means all Bonds delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to Article III hereof.

Servicer means the Authority or any bank, trust company, savings bank, national banking association, savings and loan association, building and loan association, life insurance company, or other institution authorized to transact business in the State, which shall execute a Servicing Agreement.

Servicing Agreement means a contractual agreement of the Authority with a Servicer for the servicing of Loans.

Sinking Fund Installment means any amount of money required by or pursuant to a Supplemental Indenture to be paid on a specified date by the Authority toward the retirement of any particular Term Bonds before maturity.

Sinking Fund Installment Date means the date on which a Sinking Fund Installment is payable.

Special Record Date means the date or dates set forth as such in the Supplemental Indenture authorizing the issuance of one or more Series of Bonds.

State means the State of Iowa.

Supplemental Indenture means an indenture amending or supplementing this Master Indenture entered into by the Authority in accordance with the terms of Article VIII hereof.

Suspense Account means the account in the Redemption Fund so designated which is established and created by Section 407 hereof.

Term Bonds means Bonds so designated in a Supplemental Indenture.

Trust Estate means the moneys, Investment Obligations and income therefrom, Collateral Documents and other agreements and assets described in the Granting Clauses hereof or Section 102 hereof and pledged to the Trustee to secure the payment of the principal and Redemption Price of, and interest on, the Bonds.

Trustee means Wells Fargo Bank, National Association, and its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to this Master Indenture.

SECTION 104. Interpretation. The following principles govern the interpretation of other words and phrases used in this Master Indenture:

(1) articles, sections, paragraphs and clauses mentioned by number only are those so numbered which are contained in this Master Indenture;

(2) captions, titles or headings preceding any article or section herein, and any table of contents or index attached hereto, are solely for convenience of reference and are not part of this Master Indenture and shall not affect its meaning, construction or effect;

(3) terms such as "herein," "hereunder," "hereby," "hereto," and "hereof" refer to this Master Indenture and not to any particular section thereof unless so indicated; "heretofore" and "hereafter" mean before and after the date of this Master Indenture, respectively;

(4) words importing the masculine gender include the feminine and neuter genders;

(5) words importing the maturity of a Bond do not include or connote the becoming due of such Bond upon redemption thereof prior to maturity pursuant to this Master Indenture or the payment of the Redemption Price thereof;

(6) words importing the redemption or redeeming or calling for redemption of a Bond do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond;

(7) words importing the singular number include the plural number, and vice versa; and

(8) unless the context clearly requires otherwise, "or" is not intended to be exclusive, but is intended to permit or encompass one, more or all of the alternatives conjoined.

SECTION 105. Parties Interested Herein. Nothing in this Master Indenture expressed or implied is intended or shall be construed to confer upon or to give to any Person, other than the Authority, the Fiduciaries and the Holders of the Bonds, any right, remedy or claim under or by reason of this Master Indenture or any covenant, stipulation, obligation, agreement or condition therein, all of which shall be for the sole and exclusive benefit of the Authority, the Fiduciaries and the Holders of the Bonds.

SECTION 106. Compliance Certificates and Opinions. Upon any application or request by the Authority to the Trustee or any other Fiduciary to take any action under any provision of this Master Indenture, the Authority shall furnish to the Trustee or such Fiduciary an Authority Certificate stating that all conditions precedent, if any, provided for in this Master Indenture relating to the proposed action have been complied with and a Counsel's Opinion stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of an Authority Certificate and a Counsel's Opinion is specifically required by any provision of this Master Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Master Indenture shall include:

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with;

(4) a statement whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 107. Form of Documents Delivered to Fiduciary. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an Authorized Officer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel. Any Counsel's Opinion may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an official or officials of the Authority stating that the information with respect to such factual matters is in the possession of the Authority.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Master Indenture, they may, but need not, be consolidated and form one instrument.

An "application" for the authentication and delivery of Bonds, or the release of property, or the withdrawal of cash, under any provision of this Master Indenture, shall consist of, and shall not be deemed complete until the Fiduciary shall have been furnished with, all such documents, cash, Bonds, securities and other instruments as are required by such provision to establish the right of the Authority to the transaction applied for, and the date of such application shall be deemed to be the date upon which such application shall be so completed.

Wherever in this Master Indenture, in connection with any application or certificate or report to the Trustee or other Fiduciary, it is provided that the Authority shall deliver any document as a condition of the granting of such application, or as evidence of the Authority's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Authority to have such application granted or to the sufficiency of such certificate or report.

ARTICLE II

AUTHORIZATION OF BONDS

SECTION 201. Authorization. In order to provide sufficient funds for the Program, Bonds of the Authority designated as Multifamily Housing Bonds are authorized to be issued from time to time without limitation as to amount except as provided in this Master Indenture or by law, and shall be issued subject to the terms, conditions and limitations established in this Master Indenture and in one or more Supplemental Indentures hereinafter provided. Each Series shall bear a letter or number designation sufficient to distinguish it from any other Series, and each Series, the interest on which is includable in gross income for federal income tax purposes as set forth in a Counsel's Opinion delivered at time of issuance thereof, may contain an additional word or words in the title thereof descriptive of such tax status. Bonds of any Series may be authorized to be issued in the form of Serial Bonds or Term Bonds or both.

SECTION 202. Supplemental Indentures Authorizing Series of Bonds. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall include a determination by the Authority to the effect that the principal amount of the Series of Bonds authorized thereby is necessary to provide sufficient funds to be used and expended for the Program, and shall specify and determine as to that Series:

(1) the authorized principal amount;

(2) the purposes for which the proceeds may be used, which shall be to provide funds for one or more of the following:

(i) for the making of Loans;

(ii) for the refunding of Outstanding Bonds (including the reimbursement of funds to the Authority temporarily advanced to retire such Outstanding Bonds);

(iii) for the refunding of outstanding obligations (including interest thereon and redemption premiums with respect thereto), whether or not issued by the Authority, that were issued to finance or refinance one or more Developments (provided that, in connection with such refunding, there shall be transferred into this Master Indenture cash, investments, loans or other assets which, in the aggregate and together with any amounts which could otherwise be withdrawn from the Multifamily Restricted Housing Fund pursuant to the provisions of Section 409 hereof, have a value (computed in accordance with Section 1105(D) hereof) not less than the amount of proceeds of the Bonds disbursed to the trustee or holders of such outstanding obligations); and

(iv) incident to these purposes, for the funding of a discount and the deposit of amounts determined by or pursuant to this Master Indenture to be credited and paid into the Funds and Accounts referred to in Sections 302 and 401 hereof;

(3) the form, title, designation, and manner of numbering and lettering of the Bonds of such Series;

(4) the date or dates of maturity of the Bonds of such Series, and the Issue Date of the Series;

(5) the rate or rates, including any maximum rate, or, if all or a portion of the Bonds of such Series may bear interest from time to time at other than a fixed rate to maturity, the manner of determining the rate or rates of the Bonds of such Series, and their Interest Payment Dates;

(6) the Bonds of such Series which are Term Bonds (if any) and those which are Serial Bonds (if any);

(7) the Redemption Price or Prices and Redemption Date or Dates and other terms of redemption (if any) of the Bonds of such Series;

(8) the Record Dates for the Bonds of such Series;

(9) if not already determined pursuant hereto, the Fiduciaries and the securities depositary, if any;

(10) the amount and date of each Sinking Fund Installment, if any, required to be paid;

(11) the purchasers and terms of sale, or the manner in which the Bonds of such Series are to be sold and provisions for the sale thereof;

(12) the use of the proceeds of the Bonds of such Series, including the amounts (if any) to be deposited in any Fund or Account from the proceeds of the Bonds of such Series or otherwise;

(13) whether Bonds of such Series are to be secured by one or more Collateral Documents and, if so, the general form and nature of such Collateral Documents;

(14) if the Bonds of such Series are to be insured, in whole or in part, by any bond insurer and, if so, any provisions required to be included in the Supplemental Indenture by the designated bond insurer;

(15) whether Bonds of such Series are to contain any tender or put options or similar provisions and, if so, whether and to what extent such tender or put option will be secured by a liquidity facility and any alternative liquidity facility and whether such Bonds are to be remarketed following or in connection with such tender or put and, if so, the identity of any remarketing agent and the substantial form of any remarketing agreement relating to such Bonds;

(16) with respect to any Series of Bonds, the interest on which is intended to be excluded from gross income of the Holders thereof for federal income tax purposes, such certifications, covenants and provisions as may be necessary or appropriate to establish compliance with the provisions of applicable federal tax law and to maintain continuing compliance with any such provisions;

(17) the applicable Authority Fee, if any; and

(18) any other provisions deemed advisable by the Authority, not in conflict with or in substitution for the provisions of this Master Indenture.

Section 202(2)(iii) amended by Supplemental Indenture dated as of June 15, 2009.

SECTION 203. Conditions Precedent to the Issuance of Bonds.

(A) After execution of a Supplemental Indenture authorizing the issuance of a Series of Bonds and compliance with all requirements set forth therein, Bonds of a Series may be executed on behalf of the Authority and delivered to the purchasers or underwriters thereof, but only upon and subject to the further conditions stated in this Section.

(B) There shall be delivered to the Trustee:

(1) copies of this Master Indenture and a fully executed Supplemental Indenture authorizing such Series of Bonds;

(2) A Counsel's Opinion, dated the date of delivery thereof, to the effect that: (A) the Authority is a public instrumentality and agency of the State, with the powers, among others, to issue the Bonds and to perform its obligations under this Master Indenture and the applicable Supplemental Indenture; (B) the Bonds are valid general obligations of the Authority for which its full faith and credit are pledged, and are payable from any of the Authority's revenues, assets or moneys, subject to the provisions of any other resolutions, contracts or agreements now or hereafter pledging particular moneys, assets, or revenues to other bonds or notes, or State or federal laws and regulations designating or appropriating particular funds for a specified purpose; and (C) this Master Indenture and the applicable Supplemental Indenture have been validly authorized, executed and delivered and create a valid pledge of and security interest in the Trust Estate pledged hereby and thereby, except that (i) no opinion need be expressed as to the effect upon such enforceability of bankruptcy, insolvency, reorganization, moratorium and other similar laws theretofore or thereafter enacted for the relief of debtors and (ii) no opinion need be expressed as to the availability of the remedy of specific performance, mandamus, injunctive relief or any other equitable remedy;

(3) a certificate from the Authority (i) stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Master Indenture or in any Supplemental Indenture that will not be

cured upon the issuance of such Series of Bonds; (ii) directing that the Trustee authenticate and deliver such Bonds and containing instructions as to the delivery of such Bonds and the deposit of the proceeds thereof and other funds, if any, furnished by the Authority; (iii) certifying that after such issuance there will be scheduled payments of principal and interest on Loans then held by the Authority and Loans to be made or purchased by the Authority from the proceeds of such Bonds which, with any other legally enforceable payments with respect to such Loans or with respect to this Master Indenture, and with interest or other income estimated by the Authority to be derived from the investment or deposit of money available therefor in all Funds and Accounts created by this Master Indenture (other than the Rebate Fund), will be sufficient to pay when due the principal of and interest on the Bonds then Outstanding and the additional Bonds to be issued; and (iv) certifying that the balance in the Debt Service Reserve Fund immediately prior to the issuance of the Bonds is not less than the Debt Service Reserve Requirement computed with reference to the Outstanding Bonds (except Outstanding Bonds, if any, which are to be refunded by the additional Bonds);

(4) a certificate from the Trustee (i) stating that the Trustee has received the documents required to be furnished by the Authority pursuant to this Section 203(B); and (ii) that the amount of Bond proceeds and/or funds to be deposited in the Debt Service Reserve Fund, if any, is sufficient to increase the amount in that Fund to the Debt Service Reserve Requirement, giving effect to the issuance of the additional Bonds and excluding Outstanding Bonds, if any, which are to be refunded by the additional Bonds, as computed by the Trustee;

(5) written verification from each Rating Agency that the issuance of such Series of Bonds will not, in and of itself, cause the Rating on any Series of Outstanding Bonds to be reduced or withdrawn;

(6) if such Series of Bonds is to have the benefit of a liquidity facility or be secured by credit enhancement, the executed liquidity facility or credit enhancement or evidence that all conditions precedent to the issuance of such liquidity facility or credit enhancement have been met as of the date of issuance of such Series of Bonds; and

(7) such further documents and opinions as may be specified in the Supplemental Indenture or any bond purchase agreement relating to such Series of Bonds.

SECTION 204. Provisions for Refunding Issue. (A) Bonds of one or more Series may be issued and delivered, subject to the provisions and limitations of this Section 204, for the purpose of refunding any Bonds then Outstanding. The Supplemental Indenture authorizing each such Series of Bonds of a Refunding Issue shall set forth that the purposes for which such Series of Bonds is issued are the payment or redemption of any part or all of the Bonds of any one or more Series then Outstanding, and, if the expenses of such issuance and payment or redemption are not otherwise provided for, the payment of the expenses of such issuance and redemption, and shall contain a description of the Bonds to be redeemed.

(B) The Bonds of the Series of a Refunding Issue may be delivered by the Authority only if:

(1) There shall be deposited with the Trustee either:

(a) moneys in an amount sufficient to effect payment at the applicable maturity or redemption date of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which moneys shall be held by the Trustee in a separate account irrevocably in trust for the Holders of Outstanding Bonds being refunded; or

(b) Investment Obligations in such principal amounts, having such maturities, bearing such interest and otherwise having such terms and qualifications as shall be required to pay the applicable maturity or redemption price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which Investment Obligations and moneys shall be held in trust for the Holders of Outstanding Bonds being refunded;

(2) The Authority shall have given irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds so to be redeemed on a redemption date specified in such instructions and to give notice in the manner provided in Section 704 hereof that the moneys payable upon such redemption will be available on said redemption date for payment to the Holders of the Bonds entitled thereto;

(3) The Trustee shall furnish to the Authority at the time of delivery of the Series of Bonds of the Refunding Issue a certificate or other evidence satisfactory to the Trustee stating that it holds or there is being held in trust the Investment Obligations and/or moneys required to effect such redemption; and

(4) The requirements set forth in Section 203 hereof, to the extent applicable, have been satisfied.

SECTION 205. Other Obligations. So long as any Bonds are Outstanding, the Authority hereby covenants that it will not create or permit the creation of or issue any obligations or create any additional indebtedness (other than additional Series of Bonds) which will be secured by a superior or equal charge or superior or equal lien on the Trust Estate pledged hereunder or will be payable, on an equal or superior basis, from any of the Funds or Accounts established and created by or pursuant to this Master Indenture. The Authority may, however, issue evidences of indebtedness (including general obligations of the Authority) not issued and secured under this Master Indenture.

This provision shall not be construed as prohibiting the Authority from entering into hedging transactions, such as interest rate swaps, in connection with the issuance of any Series of Bonds, or in connection with the payment of any Series of Outstanding Bonds.

ARTICLE III

APPLICATION OF BOND PROCEEDS

SECTION 301. Pledge of Bond Proceeds. Subject to the liens of Fiduciaries for compensation and expenses under Section 1108 hereof, all proceeds of Bonds deposited to the credit of each Account in the Program Fund, and all obligations held as investments thereof and the proceeds of such investments, shall be held in trust and applied only as directed in this Article III, and are assigned and pledged to the Trustee, pending such application, for the benefit of the Holders of Bonds and for the security of the payment of the principal and Redemption Price of, and interest on, Bonds, with the force and effect stated in the Granting Clauses and Section 102 hereof, and shall at all times be subject to the lien of this assignment and pledge until paid out or transferred as herein provided.

SECTION 302. Program Fund and Accounts. A special trust fund designated as the Iowa Finance Authority Multifamily Housing Program Fund is created and established and shall be deposited with and held by the Trustee, or by Depositories in the name of the Trustee. Within this Fund the Trustee shall maintain the following trust Accounts:

(1) a Project Account for each Series of Bonds issued to make Loans and, within said Project Account, a Borrower Account for each Development financed in whole or in part by a Loan from the proceeds of said Series of Bonds;

(2) a Capitalized Interest Account when created by a Supplemental Indenture for any Series of Bonds;

(3) a Cost of Issuance Account when created by a Supplemental Indenture for any Series of Bonds; and

(4) any other Accounts authorized by a Supplemental Indenture.

SECTION 303. Deposit of Bond Proceeds. The proceeds of sale of each Series of Bonds shall be deposited with the Trustee on the date of delivery of the Bonds and credited in the following amounts to the following trust funds and accounts created in Sections 302 and 401 hereof:

(1) to the Debt Service Reserve Fund (or a separate Account therein if created by the Supplemental Indenture) the amount, if any, needed to increase the balance therein to the Debt Service Reserve Requirement;

(2) to the Bond Fund (or a separate Account therein if created by the Supplemental Indenture) the amount, if any, of interest accrued on the Bonds of the Series from their Issue Date to their date of delivery;

(3) to the Redemption Fund (or a separate Account therein if created by the Supplemental Indenture), the amount needed for payment (or provision for payment in accordance with Article IX hereof) of the principal or Redemption Price of, and interest on, Bonds, if any, which are directed by the applicable Supplemental Indenture to be refunded;

(4) to the Expense Fund the amount, if any, needed to increase the balance therein to the Expense Requirement;

(5) to the applicable Cost of Issuance Account the amount, if any, stated in an Authority Certificate to be needed for payment of the Cost of Issuance of the Bonds;

(6) to the applicable Capitalized Interest Account (if one is created by the Supplemental Indenture) and otherwise to the Bond Fund (or a separate Account therein if one is created by the Supplemental Indenture), the amount, if any, stated in an Authority Certificate to be needed to pay interest accruing on the Bonds before Revenues are estimated to be received and available and sufficient for that purpose; and

(7) to the Project Account established by the applicable Supplemental Indenture, the amount allocated to it by the Supplemental Indenture.

SECTION 304. Cost of Issuance Accounts. Money in each Cost of Issuance Account shall be held by the Trustee and applied to the payment of the Cost of Issuance of the Series of Bonds for which it is created, upon receipt of an Authority Certificate stating the Person to whom and the purpose for which each payment is to be made and the amount thereof. After receipt of an Authority Certificate stating that the Cost of Issuance in respect of a Series of Bonds has been fully paid, the Trustee shall transfer any remaining balance to one or more Borrower Accounts in the Project Account created by the Supplemental Indenture, to the Revenue Fund (or a separate Account therein if created by the Supplemental Indenture) or to the Redemption Fund (or a separate Account therein if created by the Supplemental Indenture), as directed by an Authorized Officer.

SECTION 305. Capitalized Interest Accounts. Money in each Capitalized Interest Account shall be held by the Trustee and, to the extent available, transferred to the Bond Fund (or a separate Account therein if created by the Supplemental Indenture) at such time or times as the Trustee may determine to meet the Bond Requirement attributable to interest on the Series of Bonds for which it is created. Such transfers shall be continued until all money in the Capitalized Interest Account has been so transferred, whereupon the Account shall be closed.

SECTION 306. Project Account and Borrower Accounts. (A) The Trustee shall create specific Borrower Accounts within the Project Account, upon receipt of an Authority Certificate, to finance specific Developments and the Trustee shall from time to time pay out or permit the designated Depository to pay out money in any such Borrower Account held for the purpose of making a Loan, but only upon delivery to the Trustee of the executed Agreement, Note, any related Collateral Documents and an opinion of counsel regarding the enforceability of said

Agreement, Note and related Collateral Documents against the Borrower, all relating to the Loan and upon receipt by the Trustee (or by the Depository with a copy to the Trustee) of an Authority Certificate as to each payment or withdrawal, stating:

(i) the name of the party or parties to, and the Development for, which the payment is to be made;

(ii) the amount to be paid to each such party; and

(iii) that all conditions precedent to the disbursement set forth in the Supplemental Indenture and any Collateral Documents relating to the Loan have been met.

(B) The Trustee or Depository shall pay each such item from the applicable Borrower Account to the Authority or at the Authority's direction, or shall make arrangements for the transfer and deposit of the amount for such payment, as the Authority shall request.

(C) Unless otherwise directed pursuant to an Authority Certificate, all interest and other income from time to time received from the deposit and investment of money in the Project Account or any Borrower Account shall remain in and be credited to the Project Account or applicable Borrower Account until such time as said Account is closed pursuant to subsection (D) of this Section 306.

(D) The Authority covenants that, promptly upon the fulfillment of its commitment to make a Loan to a Borrower, or upon revocation of the commitment by the Authority before a substantial disbursement of funds thereunder, it will deliver to the Trustee an Authority Certificate stating such fact and the amount of money, if any, remaining in the applicable Borrower Account, and directing this amount to be transferred by the Trustee and deposited in one or more other designated Borrower Accounts or in the Redemption Fund (or a separate Account therein if created by the Supplemental Indenture).

SECTION 307. Program. (A) The Authority shall from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act as then amended and in effect and with the provisions of this Master Indenture, use and apply the proceeds of the Bonds, to the extent not required by this Master Indenture for other Program purposes, to make Loans pursuant to the Act and this Master Indenture, and shall do all such acts and things as are necessary to receive and collect Revenues, Prepayments, Recovery Payments and Escrow Payments, consistent with sound practices and principles, and shall diligently enforce and take all steps, actions and proceedings reasonably necessary in the judgment of the Authority for the enforcement of all terms, covenants and conditions of the Notes, Agreements and Collateral Documents relating to the Loans.

(B) There shall at all times be scheduled payments of principal and interest on the Agreements and Notes pledged under this Master Indenture which, when added to interest and other income estimated by the Authority to be derived from the investment or deposit of money

in any Fund or Account created by this Master Indenture (other than the Rebate Fund), will be sufficient to pay the principal of and interest on all Outstanding Bonds.

(C) The Authority reserves the right to modify or amend the provisions of any Agreement, Note or Collateral Document, including modifications which reamortize, reduce or forgive payments otherwise required to be made pursuant thereto, or security otherwise required to be provided pursuant thereto, provided that (i) subsequent to such modification or amendment the Authority will be in compliance with paragraph (B) of this Section and (ii) the Authority has obtained and delivered a Rating Confirmation to the Trustee.

SECTION 308. Release of Loans. The Agency may sell or transfer any Loan or other obligation securing a Loan free and clear of the lien and pledge of this Master Indenture provided that an Authorized Officer determines in an Authority Certificate delivered to the Trustee that after such sale or transfer the Agency will remain in compliance with Section 307(B) hereof.

ARTICLE IV

APPLICATION OF REVENUES AND OTHER MONEYS

SECTION 401. Establishment of Funds. The Authority hereby establishes and creates a series of special Funds to be held by the Trustee or by Depositories in the name of the Trustee, designated collectively, together with the Program Fund, as the Iowa Finance Authority Multifamily Housing Trust Funds and designated individually as follows:

(1) a Revenue Fund;

(2) a Bond Fund;

(3) an Expense Fund;

(4) a Debt Service Reserve Fund;

(5) a Redemption Fund;

(6) a Rebate Fund; and

(7) a Multifamily Restricted Housing Fund.

Section 401(7) amended by Supplemental Indenture dated as of June 15, 2009.

SECTION 402. Deposits. The Authority will collect and deposit, or will require a Servicer to collect and deposit, with the Trustee or a Depository, on the date of receipt so far as practicable, all Revenues, Prepayments and Recovery Payments receivable from Borrowers. The Trustee shall be accountable only for moneys actually so deposited. All moneys so deposited shall be credited on the books of the Depository and the Trustee as follows:

(1) Except as otherwise directed pursuant to Section 409 hereof, Revenues to the Revenue Fund; and

(2) Except as otherwise directed pursuant to Section 409 hereof, Prepayments and Recovery Payments to the Redemption Fund.

SECTION 403. Revenue Fund. As of the first and on or before the tenth day of each month after the first delivery of Bonds, from any money in the Revenue Fund then held by the Trustee and Depositories, the Trustee shall credit on its books to each of the following Funds the amount indicated in the following tabulation, or so much thereof as remains after first crediting to each Fund preceding it in the tabulation the full amount indicated for that Fund:

(1) to the Bond Fund (and such separate Accounts therein as may be designated by one or more Supplemental Indentures), the amount needed to increase the aggregate balance therein to the Bond Requirement;

(2) to the Debt Service Reserve Fund (and such separate Accounts therein as may be designated by one or more Supplemental Indentures), the amount, if any, needed to increase the aggregate balance therein to the Debt Service Reserve Requirement;

(3) to the Expense Fund, the amount required to increase the balance therein to the Expense Requirement (provided that the Authority may elect to receive the Expense Requirement from time to time by payment directly from the Revenue Fund upon providing the Trustee with the Authority Certificate as required by Section 406(A) hereof);

(4) to the Authority for Authority Fees as specified in the applicable Supplemental Indenture; and

(5) when authorized by an Authority Certificate, the Trustee shall credit any remaining Revenues to the Multifamily Restricted Housing Fund.

Any investment earnings on moneys held in the Revenue Fund shall be credited to the Revenue Fund as received, unless directed by an Authority Certificate to be transferred or credited by the Trustee to another Fund or Account.

Section 403(5) amended by Supplemental Indenture dated as of June 15, 2009.

SECTION 404. Bond Fund. (A) The Trustee shall withdraw from the Bond Fund, prior to each Interest Payment Date, an amount equal to the unpaid interest due on the outstanding Bonds on or before that date, and shall cause it to be applied to the payment of said interest when due, or shall transmit it to one or more Paying Agents who shall apply it to such payment as provided in Supplemental Indentures.

(B) If the withdrawals required under paragraph (A) of this Section 404 on the same and every prior date have been made, the Trustee shall withdraw from the Bond Fund, prior to each Principal Installment Date, an amount equal to the principal amount of the outstanding Bonds maturing or subject to redemption on or before that date and shall cause it to be applied to the payment or redemption of the principal of said Bonds when due or transmit it to Paying Agents who shall apply it to such payment.

(C) Subject to the provisions of Sections 706 and 707 hereof, as soon as practicable after the forty-fifth and before the thirtieth day prior to each Sinking Fund Installment Date, unless a different notice period is required by the applicable Supplemental Indenture, the Trustee shall call for redemption on that date the principal amount of Outstanding Term Bonds entitled to said Sinking Fund Installment, and on that date the Trustee shall apply the money in the Bond Fund to the payment of the Redemption Price of the Outstanding Term Bonds so called for redemption.

(D) Any investment earnings on moneys held in the Bond Fund shall be credited to the Revenue Fund as received, unless directed by an Authority Certificate to be transferred or credited by the Trustee to another Fund or Account.

SECTION 405. Debt Service Reserve Fund. (A) If at any time there is not a sufficient amount in the Bond Fund to provide for the payment when due of the principal and Redemption Price of, and interest on, the Outstanding Bonds, and such deficiency cannot be cured by the transfer of funds from the Multifamily Restricted Housing Fund pursuant to Section 409 hereof, the Trustee shall withdraw from the Debt Service Reserve Fund and pay into the Bond Fund the amount of the deficiency then remaining. The Trustee shall notify the Authority in writing ten (10) days prior to any such withdrawal from the Debt Service Reserve Fund.

(B) So long as any such credit or transfer does not reduce the amount in the Debt Service Reserve Fund below the Debt Service Reserve Requirement, any investment earnings on moneys held in the Debt Service Reserve Fund shall be credited to the Revenue Fund as received, unless directed by an Authority Certificate to be transferred or credited by the Trustee to another Fund or Account. Any balance in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement shall, at the option of the Authority and upon the direction of an Authority Certificate, be transferred or credited by the Trustee to the Revenue Fund or other Fund or Account as directed by such Authorized Officer.

(C) The Debt Service Reserve Requirement with respect to an applicable Series of Bonds may be funded through Cash Equivalents. In connection with any discussion in this Master Indenture of "amount," "moneys," "funds" or "balance" on deposit in or held for the credit of the Debt Service Reserve Fund, "amount," "moneys," "funds" or "balance" shall be deemed to include said Cash Equivalents.

Section 405(A) amended by Supplemental Indenture dated as of June 15, 2009.

SECTION 406. Expense Fund. (A) Money deposited in the Expense Fund, if any, shall be disbursed for the payment of continuing expenses of the Program (including operating and maintenance expenses of Developments in the possession of the Authority) upon receipt of an Authority Certificate stating the name of the party to be paid, the amount to be paid and the purpose of the payment.

(B) Investment earnings or other money held in the Expense Fund in excess of the Expense Requirement shall be credited by the Trustee to the Revenue Fund as received, unless directed by an Authority Certificate to be transferred or credited by the Trustee to another Fund or Account.

SECTION 407. Redemption Fund. (A) The Trustee shall establish a Suspense Account in the Redemption Fund, to which it shall credit, except as otherwise directed pursuant to Section 409 hereof, all Prepayments and Recovery Payments, and all surplus amounts transferred from Borrower Accounts under Section 306 hereof, each of which shall be used and applied, as directed by an Authority Certificate and at such time as the Authority determines, either (i) to

provide additional funds to a Borrower Account for an increase in the amount of a Loan authorized by the Authority, or (ii) for the establishment of one or more Borrower Accounts for new Loans made by the Authority, or (iii) for the purchase or redemption of Outstanding Bonds; provided that as of the first day of each month while any Prepayment or Recovery Payment is held in the Suspense Account, the Trustee shall transfer from that Account to the Revenue Fund (or appropriate separate Account therein as established by a Supplemental Indenture) the originally scheduled monthly payment of principal of the Loan with respect to which the Prepayment or Recovery Payment was received less the amount of any monthly payment of principal actually received with respect to said Loan, if such transfer is required in order to meet the Bond Requirement.

(B) By Authority Certificate the Authority may authorize the increase of any Loan or the making of a new Loan as contemplated in paragraph (A) of this Section, and for that purpose may appropriate any money at the time available in or transferred to the Redemption Fund in accordance with the provisions of this Article IV to one or more designated Borrower Accounts for disbursement pursuant to Section 306 hereof. Upon the filing with the Trustee of the Authority Certificate, the Trustee shall withdraw from the Redemption Fund and deposit the amount authorized in each Borrower Account designated in the Certificate.

(C) Upon receipt of the Authority Certificate referred to in Section 702 hereof, the Trustee shall apply money in the Redemption Fund not otherwise applied in accordance with paragraphs (A) and (B) of this Section 407 to the purchase of Bonds designated in the Certificate at the most advantageous price obtainable with due diligence. Bonds not so purchased may be redeemed at a Redemption Price determined by the applicable Supplemental Indenture at the time and in the manner provided in Article VII hereof. Bonds shall not be purchased pursuant to this paragraph during the period of forty-five (45) days next preceding a redemption date from money to be applied to the redemption of Bonds on such date.

(E) Any investment earnings on moneys held in the Redemption Fund shall be credited to the Revenue Fund as received, unless directed by an Authority Certificate to be transferred or credited by the Trustee to another Fund or Account.

SECTION 408. Rebate Fund. (A) Amounts deposited and held in the Rebate Fund shall not be part of the Trust Estate and shall not be subject to the pledge or lien of this Master Indenture. Such amounts are hereby dedicated, subject only to any withdrawals permitted by the Authority pursuant to this Section 408, to the extent required to make any payments pursuant to Section 148 of the Code in respect of Bonds. Investment earnings on any moneys in the Rebate Fund shall be credited thereto.

(B) The Trustee shall establish in the Rebate Fund a separate account for each "issue" of Bonds within the meaning of the Code (each such account herein referred to as a "Series Rebate Account"). On or before August 1 of each year, the Trustee shall forward to the Authority information as of the preceding June 30 with respect to the balance of the investments in each of the Series Rebate Accounts. Annually, within 45 days after the end of the bond year established

in the tax or arbitrage certificate for an issue of Bonds, the Authority shall (i) file with the Trustee an Authority Certificate containing a computation of the Excess Earnings, if any, relating to each issue of Bonds, and (ii) transfer to the Trustee, or direct the Trustee to transfer from a designated Fund or Account established under this Master Indenture, an amount of funds which, together with any prior transfers, equals the amount of such Excess Earnings, to be deposited by the Trustee into the related Series Rebate Account in the Rebate Fund to the extent necessary to comply with the Code.

(C) If at any time the computations delivered pursuant to subsection (B) above show that the balance in a Series Rebate Account exceeds the amount of Excess Earnings in respect of the issue of Bonds, the Authority may direct the Trustee by Authority Certificate to withdraw from the related Series Rebate Account and transfer to the Revenue Fund or any other Fund or Account or to the Authority any amount in the Series Rebate Account in excess of the Excess Earnings so computed.

(D) The Authority shall, in accordance with the requirements of Section 148 of the Code, pay over moneys in the Rebate Fund to the United States of America at such times and in such amounts as shall be determined by the Authority in accordance with the requirements of the Code applicable to an issue of Bonds.

SECTION 409. Multifamily Restricted Housing Fund. (A) Amounts in the Multifamily Restricted Housing Fund may be used to make or purchase loans, make grants, and provide other subsidies and assistance in connection with the Program, upon such terms as the Authority may determine, or may be transferred to the General Fund to be used for any purposes authorized by the Act. Upon receipt of an Authority Certificate, the Trustee shall deposit in the Multifamily Restricted Housing Fund any funds, securities or other investments, loans or other property provided by the Authority and not otherwise pledged hereunder, including surplus funds transferred to the Multifamily Restricted Housing Fund pursuant to the provisions of Section 403 hereof.

(B) In connection with any Development financed in whole or in part by a Loan made from the funds held in the Multifamily Restricted Housing Fund, the Authority may direct by Authority Certificate that (i) one or more subaccounts be created and administered within the Multifamily Restricted Housing Fund in connection with said Loan as specified in the Authority Certificate and (ii) Revenues, Prepayments and Recovery Payments received by the Authority with respect to said Loan (or the portion thereof made from the Multifamily Restricted Housing Fund) be redeposited directly into the Multifamily Restricted Housing Fund.

(C) Subject to the programmatic uses permitted by this Section 409, funds, securities and other investments, loans and other property held from time to time in the Multifamily Restricted Housing Fund shall be part of the Trust Estate and pledged to the payment of the interest on and the principal and Redemption Price of the Bonds when due and the payment of any other amounts required to be paid from time to time from the Funds and Accounts established pursuant to this Master Indenture or any Supplemental Indenture. Cash and cash equivalent funds on

deposit in the Multifamily Restricted Housing Fund may be used to make up deficiencies in said Funds and Accounts for such purposes, and shall be transferred to the Bond Fund when required on any Interest Payment Date or Principal Installment Date prior to any transfer otherwise required by Section 405 hereof. Unless otherwise specified in a Supplemental Indenture or other resolution of the Authority, the Authority shall not be required to maintain any minimum balance of funds or assets in the Multifamily Restricted Housing Fund and the Authority makes no covenant to Bondholders or any other Person that funds or other assets will be available in the Multifamily Restricted Housing Fund in the event of a deficiency in the Bond Fund on an Interest Payment Date or Principal Installment Date or other payment date or in the event the balance in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement.

(D) Any moneys held in the Multifamily Restricted Housing Fund may be invested or reinvested in such securities, loans or other investments as may be authorized by law and as may be directed by Authority Certificate, which may include Investment Obligations, but is not restricted thereto. Any interest or income earned with respect to any said securities, loans or other property shall be credited to the Multifamily Restricted Housing Fund.

Section 409 amended by Supplemental Indenture dated as of June 15, 2009.

SECTION 410. Escrow Accounts. Escrow Payments received by the Authority or a Servicer, whether separately or as part of some other payment, shall be deposited in an Escrow Account to be established and held by the Authority, or by the Servicer if so provided in the Servicing Agreement and shall be promptly applied by the Authority or Servicer, as the case may be, to the purpose for which such payments were received, and any such payments received by the Trustee, whether separately or as part of some other payment, shall immediately be paid by the Trustee to the Authority or Servicer, as directed by Authority Certificate, and applied by the Authority or Servicer, as the case may be, to the purpose for which they were received.

ARTICLE V

PARTICULAR COVENANTS

SECTION 501. General. The Authority hereby covenants and agrees with the Trustee and with the Holders of the Bonds and makes provisions which shall be a part of its contract with such Holders, to the effect and with the purpose set forth in the following provisions and Sections of this Article V. The provisions of this Article V shall be effective from and after the time of the delivery by the Authority of the first Bond issued under this Master Indenture.

SECTION 502. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid the principal and Redemption Price of and interest on the Bonds, at the dates and places and in the manner mentioned in the Bonds and related Supplemental Indentures according to the true intent and meaning thereof, and shall pay or cause to be paid to the Trustee any part of any Sinking Fund Installments payable into the Bond Fund pursuant to any provision of this Master Indenture and related Supplemental Indentures.

SECTION 503. Personnel and Servicing of the Program. The Authority shall at all times appoint, retain and employ competent personnel for the purpose of carrying out the Program and shall establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges, and all persons employed by the Authority shall be qualified for their respective positions.

SECTION 504. Tax Covenants. The provisions of this Section 504 shall apply only to the Bonds as to which the related Supplemental Indenture shall determine that interest thereon shall be excludable from gross income for federal income tax purposes. The Authority shall take no action which may cause interest on the Bonds to be included in gross income for federal income tax purposes and shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on the Bonds shall not be includable in gross income for federal income tax purposes.

The Authority covenants and certifies to and for the benefit of the Holders of the Bonds from time to time Outstanding that so long as any of the Bonds remain Outstanding, moneys on deposit in any Fund or Account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to such covenant, the Authority obligates itself, to the extent permitted by law, to comply throughout the term of the issue of the Bonds with the requirements of Section 148 of the Code.

In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Master Indenture, the Authority shall so direct the Trustee in writing. The Trustee shall take such action as may be necessary in accordance with such instructions and shall be deemed to be in compliance hereof to the extent it follows such instructions.

SECTION 505. Accounts and Reports. (A) The Authority shall keep, or cause to be kept, proper books of records and accounts in which complete and accurate entries shall be made of all its transactions relating to the Program Fund and all Funds and Accounts established by or pursuant to this Master Indenture, and relating to the General Fund, which shall at all reasonable times be subject to the inspection of the Trustee or of the Holders (or beneficial owners if their names and addresses have been filed with the Trustee for such purposes) of an aggregate of not less than ten percent (10%) in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

(B) Upon request by the Authority, the Trustee shall forward to the Authority, on the Business Day following any transaction in connection with a Fund or Account, a statement of such transaction in reasonable detail and form. After the first day, and on or before the tenth day, of each month, the Trustee shall use its best efforts to forward to the Authority a statement of account for transactions during the preceding month and balances as of the last day of such month in reasonable detail and form. The information required to be supplied to the Authority pursuant to this paragraph may, upon the agreement of the Authority and the Trustee, be supplied to the Authority in such other manner as shall be satisfactory to the Authority.

(C) Annually, within one hundred fifty (150) days after the close of each Fiscal Year, the Authority shall cause a report of audit of its financial records and an Accountant's Report with respect thereto to be made and filed with the Trustee, with each Rating Agency, with any State officials or other Persons as required by the Act, and with any other Persons specified in any continuing disclosure agreements executed by the Authority in connection with the issuance of the Bonds. The report shall show (i) receipts and expenditures for the Fiscal Year and (ii) assets, liabilities and fund balances at the end of the Fiscal Year, for all Funds established by this Master Indenture (which may be consolidated) and for the General Fund. Notwithstanding any other provision of this Master Indenture, receipts and expenditures shall be accrued and assets shall be valued in such manner as is deemed by the Accountant to be necessary to present fairly the financial position of such Funds at the end of the Fiscal Year and the results of operations for the Fiscal Year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding Fiscal Year.

(D) A copy of each audit report and Accountant's Report shall be mailed promptly by the Authority upon request to the managing underwriters of each Series of Bonds and to each Bondholder or beneficial owner who shall have filed his, her or its name and address with the Authority for such purpose.

SECTION 506. Compliance with Conditions Precedent. Upon the Issue Date of any of the Bonds, all conditions, acts and things required by law or by this Master Indenture or applicable Supplemental Indenture to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed, and such Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by law.

SECTION 507. Further Assurance. At any and all times the Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning or confirming all and singular the rights, Revenues, Prepayments, Recovery Payments, Funds and Accounts and Collateral Documents pledged, assigned and established pursuant to this Master Indenture, including the investments, if any, and other moneys, securities and investments hereby pledged or assigned, or assigned in trust, or intended so to be, or which the Authority may hereafter become bound to pledge or assign in trust.

SECTION 508. Powers as to Bonds and Pledge. The Authority is duly authorized pursuant to law to authorize and issue the Bonds, to adopt this Master Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Master Indenture, and to assign, transfer, and set over unto the Trustee in trust the proceeds of the sale of the Bonds held in such Funds or the Accounts thereof or any securities or investments purchased with such proceeds of the sale of Bonds, including the income thereof, purported to be so assigned in trust by this Master Indenture, in the manner and to the extent provided in this Master Indenture. The Trust Estate so pledged and the proceeds of sale of the Bonds so held in trust are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment in trust created by this Master Indenture, and all corporate action on the part of the Authority to that end has been duly and validly taken. The Bonds and the provisions of this Master Indenture and related Supplemental Indentures are and will be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of this Master Indenture and related Supplemental Indentures. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Trust Estate, and the assignment in trust of the proceeds of sale of the Bonds created by this Master Indenture, and all the rights of the Bondholders under this Master Indenture, against all claims and demands of all Persons whomsoever.

ARTICLE VI

GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 601. Medium of Payment; Form and Date. (A) The Bonds of each Series shall be issued in the form of fully registered bonds without coupons, as more fully specified by the Supplemental Indenture.

(B) The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Payment of principal and Redemption Price of, and interest on, the Bonds shall be made in the manner specified in a Supplemental Indenture to the Persons in whose name each Bond is registered at the close of business on the Regular Record Date, Redemption Record Date, or Special Record Date, as the case may be. CUSIP number identification with appropriate dollar amount of payment pertaining to each CUSIP number (if such payment represents payment on more than one Bond identified by a particular CUSIP number) shall accompany all payments of principal of, premium, if any, and interest on the Bonds.

(C) Bonds of each Series shall be dated, as originally issued, as of the date or dates specified in the Supplemental Indenture authorizing the issuance thereof and the Trustee shall date each Bond as of the date of its authentication.

(D) All Bonds of each Series shall mature or be subject to a Sinking Fund Installment, if any, on the date or dates fixed by a Supplemental Indenture. Interest on all Current Interest Bonds of each Series shall be payable on the dates set forth in the applicable Supplemental Indenture. The first installment of interest due on the Bonds of a Series may be for such period as the Authority shall fix by Supplemental Indenture. Interest on any Deferred Interest Bonds of a Series shall be payable as set forth in a Supplemental Indenture (which may be upon maturity or earlier redemption of such Bonds or such date or dates prior to maturity or earlier redemption of such Bonds as specified in a Supplemental Indenture).

(E) Each Bond delivered under this Master Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

SECTION 602. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Master Indenture as may be necessary or desirable to comply with custom, or otherwise, as may be determined by the Authority prior to the delivery thereof.

SECTION 603. Execution. The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chairperson, attested by the manual or facsimile signature of its Executive Director, or in such other manner as may be permitted by law and specified by Supplemental Indenture. In case any one or more of the members, officers or

employees of the Authority who shall have signed any of the Bonds or whose signature appears on any of the Bonds shall cease to be such member, officer or employee before the Bonds are actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed them or whose signature appears thereon had not ceased to hold such office or be so employed. Any Bond of a Series may be signed on behalf of the Authority by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment by the Authority, although at the Issue Date of the Bonds of such Series such persons may not have been authorized or have held such office or employment. Unless the Bonds have been executed by manual signature of at least one Authorized Officer of the Authority, they shall not be delivered to the purchasers or underwriters thereof, or delivered upon transfer, exchange or replacement pursuant to the provisions of Sections 605, 606 and 607 hereof, until signed manually by a person authorized to act on behalf of the Trustee, as authenticating agent.

SECTION 604. Negotiability, Transfer and Registry. All the Bonds issued under this Master Indenture shall be negotiable as provided in Article 8 of the Uniform Commercial Code, subject to the provisions for registration and transfer contained in this Master Indenture and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Authority shall maintain and keep, at the Principal Office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purposes of said office, subject to any provisions in a Supplemental Indenture relating to the registration of a Series of Bonds pursuant to a Book Entry System, the Authority shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain Outstanding, the Authority shall make all necessary provisions to permit the exchange of Bonds at the Principal Office of the Trustee, subject to any provisions contained in a Supplemental Indenture relating to the registration of a Series of Bonds pursuant to a Book Entry System.

SECTION 605. Transfer and Exchange of Bonds. (A) Subject to any provisions contained in a Supplemental Indenture relating to the registration of a Series of Bonds pursuant to a Book Entry System, each Bond shall be transferable only upon the books of the Authority at the Principal Office of the Trustee by the Holder thereof in person or by the Holder's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Holder or the Holder's duly authorized attorney. Upon the transfer of any such Bond, the Authority shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. Bonds, upon surrender thereof at the Principal Office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder or the Holder's attorney duly authorized in writing, may, at the option of the Holder, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity of any of the authorized denominations.

(B) The Authority and any Fiduciary may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Authority as the absolute owner of

such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary. The Authority agrees to indemnify and save any Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such Holder.

(C) The transfer or exchange of Bonds of a particular Series may be further limited as provided in the Supplemental Indenture relating thereto.

SECTION 606. Regulations for Exchange and Transfer. Subject to any provisions contained in a Supplemental Indenture relating to the registration of a Series of Bonds pursuant to a Book Entry System, in all cases in which the privilege of exchanging Bonds or transferring registered Bonds is exercised, the Authority shall execute and deliver Bonds in accordance with the provisions of this Master Indenture. All Bonds surrendered in any such exchanges or transfers shall be held by the Trustee in safekeeping until directed by the Authority to be canceled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive (exclusive of any exchange upon partial redemption of a Bond), the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Authority shall not be obligated to make any such exchange or transfer of Bonds of any Series and maturity during the fifteen (15) days next proceeding any proposed redemption of Bonds of such Series and maturity or of any Bond or portion thereof selected for redemption.

SECTION 607. Bonds Mutilated, Destroyed, Stolen or Lost. If (i) any mutilated Bond is surrendered to the Trustee, or the Authority and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and (ii) there is evidenced to the Authority and the Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Trustee that such Bond has been acquired by a bona fide purchaser, the Authority shall execute and deliver a new Bond of like Series, maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon complying with such other reasonable regulations as the Trustee may prescribe and paying such expenses as the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be canceled by it and evidence of such cancellation shall be given to the Authority.

SECTION 608. Preparation of Bonds. The Bonds of each Series shall be prepared and delivered in accordance with the Supplemental Indenture authorizing their issuance.

SECTION 609. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of

payment of any of the claims for interest and, in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled in case of any default under this Master Indenture to the benefit of this Master Indenture or to any payment out of any assets of the Authority or the funds (except funds held in trust for the payment of particular Bonds) held by any Fiduciary, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has occurred and has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue refunding Bonds as provided in Article II hereof, and such issuance shall not be deemed to constitute an extension of the maturity of any Bond or of the time of payment of any claim for interest

SECTION 610. Money Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, pending such payment, be set aside and held in trust by it for the Holders of the Bonds entitled thereto, and for the purposes of this Master Indenture such interest, principal or Redemption Price, after the due date thereof, shall no longer be considered to be unpaid. The Trustee shall notify the Authority of any moneys so held for the payment of interest or principal or premium due with respect to particular Bonds which remain in the custody of the Trustee or Paying Agent on the date which is two years after the date on which such Bonds matured or were redeemed (or 90 days prior to the day such moneys would, under the laws of the State escheat or be required to be paid to the State, if such date is earlier) and, upon a written request from the Authority, shall return such funds to the Authority upon such request, and the Holders of such Bonds shall thereafter look only to the Authority for payment.

SECTION 611. Cancellation of Bonds. All Bonds purchased, redeemed or paid shall, if surrendered to the Authority or any Paying Agent, be canceled by it and delivered to the Trustee, or if surrendered to the Trustee, be canceled by it. No such Bonds shall be deemed Outstanding under this Master Indenture and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and destroyed and a certificate thereof delivered to the Authority.

SECTION 612. Book-Entry Form of Bonds. Notwithstanding anything herein to the contrary, the Authority may elect, by Supplemental Indenture, that Bonds for a particular Series be registered pursuant to a Book Entry System, without certificates being provided or available to the Holders thereof.

ARTICLE VII

REDEMPTION OF BONDS

SECTION 701. Procedure and Prices. The Bonds of any Series which are redeemable prior to maturity shall be subject to redemption by or on behalf of the Authority prior to maturity upon receipt by the Trustee of the Authority Certificate referred to in Section 702 hereof and upon notice as provided in this Article VII, to such extent, through application of such moneys, at such time or times, in such order, and on such other terms and conditions as shall be provided

by this Master Indenture and the applicable Supplemental Indenture, and in all cases at a price equal to the principal amount of each Bond or portion thereof to be redeemed plus such redemption premium or differing redemption premiums (if any) as shall be set forth in said Bonds and applicable upon such redemption, together with any interest accrued to the redemption date.

SECTION 702. Selection of Bonds To Be Purchased or Redeemed. (A) Any Bonds to be purchased or redeemed by the Trustee, except as part of a Sinking Fund Installment, shall be purchased or redeemed by the Trustee only upon receipt by the Trustee of an Authority Certificate determining or certifying the following:

(1) the Series of Bonds to be purchased or redeemed;

(2) the maturities within such Series from which Bonds are to be purchased or redeemed;

(3) the principal amount, and maximum price of Bonds, within such maturities to be purchased or redeemed;

(4) if any of the Bonds to be purchased or redeemed as designated in clauses (1) through (3) above are Term Bonds, the dates on which Sinking Fund Installments are to be reduced and the amount by which the Sinking Fund Installments so determined are to be reduced, provided that the aggregate of such reductions in Sinking Fund Installments shall equal the aggregate principal amount of Term Bonds to be purchased or redeemed; and

(5) that upon purchase or redemption of Bonds pursuant to the determinations made under the provisions of clauses (1) through (4) hereinabove, the Authority will be in compliance with its covenant contained in Paragraph (C) of this Section 702.

(B) Unless otherwise provided in a Series Resolution, the Authority shall give written notice to the Trustee of its election to redeem Bonds which are subject to optional redemption and of the redemption date at least forty-five (45) days prior to the redemption date or at such later date as shall be acceptable to the Trustee. In the event that the required notice of redemption shall be given (except for a conditional notice as authorized by the last paragraph of Section 704 hereof), the Authority covenants that it will, prior to the redemption date (but not necessarily prior to the date on which notice of redemption shall have been given as provided in Section 704 hereof), pay to the Trustee an amount of funds which, in addition to any other moneys available therefor held by the Trustee, will be sufficient to redeem at the Redemption Price thereof, plus interest accrued to the redemption date, all of the Bonds which are to be redeemed.

(C) The Authority will not at any time cause Bonds to be purchased or redeemed at its option if this would have any material adverse effect on its ability to pay when due the principal of and interest on the Bonds Outstanding after such purchase or redemption.

SECTION 703. Selection of Bonds To Be Redeemed at Random. Unless otherwise specified in a Supplemental Indenture, in the event of redemption of less than all Bonds of like Series and maturity, the Trustee shall assign to each registered Bond of such Series and maturity then outstanding a distinctive number for each $5,000 of the principal amount of such Bond and shall select at random, using such method of selection as it shall deem proper in its discretion and in accordance with the rules and policies of the Depository, if any, and from the numbers so assigned to such Bonds, as many numbers as, at $5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. Only so much of the principal amount of each such Bond of a denomination of more than $5,000 shall be redeemed as shall equal $5,000 for each number assigned to it and so selected. For the purposes of this Section 703, Bonds which have theretofore been selected at random for redemption shall not be deemed outstanding.

SECTION 704. Notice of Redemption. When the Trustee shall be required or authorized, or shall receive notice from the Authority of its election pursuant to Section 702 hereof to redeem Bonds, the Trustee shall in accordance with the terms and provisions of the Bonds and of this Master Indenture and applicable Supplemental Indenture, select the Bonds to be redeemed and shall give notice, in the name of the Authority, of the redemption of Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the CUSIP numbers of such Bonds, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of a Bond to be redeemed in part only, such notice shall also specify the portion of the principal amount to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portion of the principal thereof in the case of a Bond to be redeemed in part only, with interest accrued to such date, and that from and after such date interest thereon shall cease to accrue and be payable. Unless a different period is specified in the applicable Supplemental Indenture, the Trustee shall mail a copy of such notice, first-class mail, postage prepaid, not less than thirty (30) days but not more than sixty (60) days before such redemption date, to the Holder of any Bond all or a portion of which is to be redeemed, at the Holder's last address appearing upon the registry books, but failure so to mail any such notice or any defect in such notice shall not be a condition precedent to or affect the validity of any proceedings for the redemption of other Bonds.

In addition, the Trustee will send (no more than sixty (60) days after the date for redemption) a further notice of redemption to each Holder who has not presented his, her or its Bond for redemption within 30 days subsequent to the Redemption Date. Each such notice will be sent by first-class mail, postage prepaid.

Any notice of redemption pursuant to this Section 704 may, if directed by the Authority, be given specifying that the redemption of the Bonds called for redemption is made conditional upon the deposit of sufficient amounts to pay the Redemption Price therefor on the redemption date and, if amounts are not so available, such notice of redemption shall be cancelled and be

null and void and the Bonds so called for redemption and subject to such conditional redemption notice shall continue to remain Outstanding.

SECTION 705. Payment and Cancellation of Bonds Redeemed and Purchased. Except as otherwise provided in the last paragraph of Section 704 hereof, notice having been given in the manner provided in Section 704 hereof, the Bonds or portions thereof called for redemption and specified in said notice shall become due and payable on the redemption date specified in said notice at the Redemption Prices thereof applicable on such date, plus unpaid interest on said Bonds or portions thereof accrued to such date, and, upon presentation and surrender thereof at the place or places specified in said notice together with, if requested by the Trustee, a written instrument of transfer duly executed by the Holder thereof or by the Holder's attorney duly authorized in writing, said Bonds or portions thereof shall be paid at the said Redemption Prices, plus unpaid interest on said Bonds or portions thereof accrued to such date. If there shall be so called for redemption less than all of a Bond, the Authority shall execute and cause to be delivered, upon surrender of such Bond to the Trustee, without charge to the Holder thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, at the option of the Holder thereof, Bonds of like Series, designation, interest rate and maturity in any of the authorized denominations. If, on such redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest thereon accrued and unpaid to such date, shall be held by or on the behalf of the Trustee so as to be available therefor on such date and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable, and said Bonds shall no longer be considered as Outstanding hereunder. All moneys held by or on behalf of the Trustee for the redemption of particular Bonds shall be held in trust for the account of the Holders of the Bonds so to be redeemed. All Bonds so redeemed or purchased shall be canceled by the Trustee.

SECTION 706. Redeemed Bonds as Satisfaction of Sinking Fund Installments. Upon any purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established pursuant to a Supplemental Indenture (other than by application of Sinking Fund Installments), an amount equal to the applicable Redemption Prices thereof (as specified in a Supplemental Indenture) shall be credited towards a part of all or any one or more of such Sinking Fund Installments, as directed by an Authority Certificate delivered to the Trustee by the forty-fifth day preceding the next date a Sinking Fund Installment is due, as directed in a Supplemental Indenture, or, failing any such direction, toward such Sinking Fund Installments on a proportionate basis. Such applicable Redemption Prices shall be the respective Redemption Prices which would be applicable upon the redemption of such Bonds from the respective Sinking Fund Installments on the due dates thereof. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of the calculation of principal installments due on a future date.

SECTION 707. Purchase of Bonds; Tenders. Unless expressly provided otherwise herein, if at any time moneys are held in any Fund or Account hereunder or in a Supplemental Indenture to be used to redeem Bonds, in lieu of such redemption the Authority may direct the Trustee to use part or all of such moneys to purchase Bonds of the respective Series, interest rates and maturities that would otherwise be subject to redemption from such moneys. The purchase price of such Bonds shall not exceed the applicable Redemption Price of the Bonds which would be redeemed but for the operation of this Section 707 (accrued interest to be paid from the same Fund or Account from which accrued interest would be paid upon the redemption of such Bonds). Any such purchase must be completed prior to the time notice would otherwise be required to be given to redeem the related Bonds. All Bonds so purchased shall be cancelled by the Trustee and applied as a credit against the Authority's obligation to redeem such Bonds from such moneys. Savings resulting from the purchase of Bonds at less than their respective Redemption Prices shall be used to purchase or redeem additional Bonds to the extent permitted by the provisions hereof and the relevant Supplemental Indenture or, at the request of the Authority, and upon receipt of a Counsel's Opinion that such action will not adversely affect the tax-exempt status of interest on the Bonds, transferred to the Multifamily Restricted Housing Fund.

The Authority may direct the Trustee, on behalf of the Authority, to request the submission of tenders following notice requesting such submission prior to making the purchases authorized pursuant to the preceding paragraph. The Authority may specify the maximum and minimum periods of time which shall transpire between the date upon which such notice is to be given and the date upon which such tenders are to be accepted. No tenders shall be considered or accepted at any price exceeding the price specified in the preceding paragraph for the purchase of Bonds. The Authority shall accept bids with the lowest price and in the event the moneys available for purchase pursuant to such tenders are not sufficient to permit acceptance of all tenders and if there shall be tenders at an equal price above the amount of moneys available for purchase, then the Authority shall select randomly, or in such manner as it shall determine in its discretion, the Bonds tendered which shall be purchased.

Section 707 amended by Supplemental Indenture dated as of June 15, 2009.

ARTICLE VIII

SUPPLEMENTAL INDENTURES

SECTION 801. Supplemental Indentures Effective Without Consents. Without the consent of the Holders of any Bonds, at any time or from time to time, the Authority and the Trustee may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any one or more of the following purposes, which Supplemental Indenture shall be fully effective in accordance with its terms:

(1) to close this Master Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Master Indenture on, the issuance in future of Bonds or of other notes, bonds, obligations or evidences of indebtedness;

(2) to authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Section 202 hereof, and also any other matters and things relative to such Bonds or the proceeds thereof which are not contrary to or inconsistent with this Master Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds;

(3) to add to the covenants or agreements of the Authority in this Master Indenture other covenants or agreements to be observed by the Authority which are not contrary to or inconsistent with this Master Indenture as theretofore in effect;

(4) to add to the limitations or restrictions in this Master Indenture other limitations or restrictions to be observed by the Authority which are not contrary to or inconsistent with this Master Indenture as theretofore in effect;

(5) to surrender any right, power or privilege reserved to or conferred upon the Authority by this Master Indenture; and

(6) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Master Indenture, of the Revenues, Prepayments, Recovery Payments, Collateral Documents or any other moneys, securities, Funds or Accounts.

SECTION 802. Supplemental Indentures Effective upon Consent of Trustee. Without the consent of the Holders of any Bonds, at any time or from time to time, the Authority and the Trustee may enter into one or more indentures supplemental hereto, for any one or more of the following purposes, which Supplemental Indenture, upon filing with the Trustee and the Authority of an instrument in writing made by the Trustee consenting to such Supplemental Indenture, shall be fully effective in accordance with its terms:

(1) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Master Indenture;

(2) to insert such provisions clarifying matters or questions arising under this Master Indenture as are necessary or desirable and are not contrary to or inconsistent with this Master Indenture as theretofore in effect; and

(3) to make any change (other than a change requiring the consent of the Holders of all Outstanding Bonds affected thereby pursuant to Section 804 hereof) which, in the opinion of the Trustee will not materially adversely affect the Bondholders (in providing its opinion, the Trustee may conclusively rely upon written notification from each Rating Agency that such change will not cause the underlying Rating on any Series of Outstanding Bonds to be reduced or withdrawn as conclusively establishing that said change will not materially adversely affect the security of the Bondholders).

Any such Supplemental Indenture may also contain one or more of the purposes specified in Section 801 hereof, and in that event, the consent of the Trustee required by this Section 802 shall be applicable only to those provisions of such Supplemental Indenture as shall contain one or more of the purposes set forth in this Section 802.

SECTION 803. Supplemental Indentures Not Affecting Bondholders. Without the consent of the Holders of any Bonds, at any time or from time to time, the Authority and the Trustee may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, modifying any of the provisions of this Master Indenture or releasing the Authority from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained; provided, however, that that (i) no Bonds are Outstanding at the time the Supplemental Indenture becomes effective, or (ii) such Supplemental Indenture by it terms is applicable only to the obligations, covenants, agreements, limitations, conditions and restrictions of and upon the Authority in relation to the Holders of Bonds issued after it becomes effective. Any such Supplemental Indenture shall become effective upon execution and delivery or at such other time as may be provided therein.

SECTION 804. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of Supplemental Indentures permitted by Sections 801, 802 and 803 hereof and subject to the terms and provisions contained in this Section 804, and not otherwise, (a) the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding at the time such consent is given and (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, the Holders of not less than a majority in aggregate principal amount of the Bonds of the particular Series Outstanding affected at the time such consent is given shall have the right, from time to time, anything contained in this Master Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of indentures supplemental hereto, in form satisfactory to the Trustee, for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Indenture or in any Supplemental Indentures;

provided, however, that, except as set forth in Section 805 hereof, nothing in this Section 804 contained shall permit, or be construed as permitting, without the consent of the Holders of all Outstanding Bonds, (i) an extension of the maturity or Sinking Fund Installment of the principal of or the time for payment of the interest on any Bond issued hereunder, (ii) a reduction in the principal amount of any Bond or the rate of interest (except as otherwise provided in a Supplemental Indenture), or sinking fund redemption requirements, thereon, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, or (v) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of a Fiduciary without the written consent of the Fiduciary.

For the purposes of this Section 804, Bonds of any particular Series shall be deemed to be "affected" by a modification or amendment of this Master Indenture if the same adversely affects or diminishes the rights of the holders of Bonds of such Series. The Trustee, relying upon Counsel's Opinion, may determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity would be affected by a modification or amendment of this Master Indenture, and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds.

SECTION 805. Modifications by Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of this Article VIII, the terms and provisions of this Master Indenture, and the rights and obligations of the Authority and the Holders of the Bonds, in any particular, may be modified or amended in any respect upon the execution by the Authority and the Trustee and filing in accordance with the provisions of this Article VIII of a supplemental indenture making such modification or amendment and the consent to such supplemental indenture of the Holders of all of the Bonds then Outstanding, such consent to be given and proved as provided in Section 806 hereof, except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of its written assent thereto.

In addition, the Authority may enter into an agreement with any Bondholder restricting one or more rights of such Bondholder, provided that such agreement shall affect only such Bondholder (or assigns) and such agreement shall not grant such Bondholder any rights or privileges not afforded other Bondholders.

SECTION 806. Consent of Bondholders. At any time or from time to time, the Authority and the Trustee may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, making a modification or amendment permitted by the provisions of Section 804 or 805 hereof, to take effect when and as provided in this Section 806. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Authority), together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to the Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of such

Supplemental Resolution when consented to as herein provided). Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when, (a) there shall have been filed with the Trustee (i) the written consent of the Holders of the percentage of Outstanding Bonds specified in Section 804 or 805 hereof, as the case may be and (ii) a Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully entered into by the Authority in accordance with the provisions of this Master Indenture, is authorized or permitted by the provisions of this Master Indenture, and, when effective, will be valid and binding upon the Authority and enforceable in accordance with its terms, and (b) a notice shall have been given as hereinafter provided in this Section 806. Each such consent shall be effective only if executed by a Holder of Bonds as of the date such consent is given.

In connection with this Section 806, any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), but, notwithstanding the provisions of Section 1201 hereof, such consent may be revoked in writing by the filing with the Trustee, not later than the time when the written statement of the Trustee hereinafter in this Section 806 provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with the Trustee.

The Authority may establish a record date for purposes of the solicitation of consents from the Holders of Bonds and shall give the Trustee notice thereof.

At any time after the Holders of the required percentage of Bonds shall have filed their consents to such Supplemental Indenture, the Trustee shall make and file with the Authority a written statement that the Holders of such required percentage of Bonds have filed and given such consents and that proof of the holding of such Bonds has been examined and found sufficient by the Trustee. Such written statement shall be conclusive that such consents have been so filed and have been given. At any time thereafter notice, stating in substance that such Supplemental Indenture (which may be referred to as a supplemental indenture entered into by the Authority and the Trustee on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentage of Bonds and will be effective as provided in this Section 806, shall be mailed to Bondholders. The Authority shall file with the Trustee proof of the mailing thereof. A record, consisting of the papers required or permitted by this Section 806 to be made by or filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such modification or amendment shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Holders of all Bonds at the expiration of thirty (30) days after the filing with the Trustee of proof of the mailing of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such thirty-day period; provided, however, that any Fiduciary and the Authority during such thirty-day period and any further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to

refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient

SECTION 807. Authorization to Trustee. The Trustee is authorized to enter into any supplemental indenture referred to and permitted or authorized by Section 801, 802, 803, 804 or 805 hereof, upon satisfaction of any requirements with respect thereto, to consent to such supplemental indenture as provided in such Section and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on a Counsel's Opinion that such supplemental indenture is authorized or permitted by the provisions of this Master Indenture or contains no provisions which are contrary to or inconsistent with this Master Indenture as theretofore in effect.

SECTION 808. Notation on Bonds. Bonds delivered after the effective date of any action taken as in this Article VIII provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and upon demand of the Holder of any Bond Outstanding at such effective date and presentation of such Bond for the purpose at the Principal Office of the Trustee suitable notation shall be made on such Bond by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action may be prepared and delivered, and upon demand of the Holder of any Bond then outstanding may be exchanged, without cost to such Bondholder, for Bonds of the same Series, designation, maturity and interest rate then outstanding, upon surrender of such Bonds. Every Holder of any outstanding Bond shall, however, by his purchase and retention of such Bond, be deemed to consent to be bound by every modification and amendment of this Master Indenture adopted in accordance with the provisions of this Article VIII, whether or not noted or endorsed on or incorporated in such Bond.

SECTION 809. Restriction on Amendments. This Master Indenture shall not be amended, supplemented or modified in any respect except as provided in and in accordance with and subject to the provisions of this Article VIII. Nothing in this Article VIII contained shall affect or limit the right or obligation of the Authority to pass, make, do, execute, acknowledge or deliver any resolution, act, deed, conveyance, assignment, transfer or assurance pursuant to the provisions of Article V hereof or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which elsewhere in this Master Indenture it is provided shall be delivered to said Fiduciary.

SECTION 810. Notice to Rating Agencies. The Authority shall forward a copy of any Supplemental Indenture (in substantially final form) to each Rating Agency.

ARTICLE IX

DISCHARGE OF LIEN

SECTION 901. Payment of Indebtedness; Satisfaction and Discharge of Master Indenture. Whenever the conditions specified in either clause (1) or clause (2) of the following subsection (A), and the conditions specified in the following subsections (B) and (C) shall exist, namely:

(A) either

(1) all Bonds theretofore authenticated and delivered have been canceled by the Trustee or delivered to the Trustee for cancellation, excluding, however,

(a) Bonds for the payment of which money has theretofore been deposited in trust or segregated and held in trust by the Trustee and thereafter repaid to the Authority or discharged from such trust, as provided in Section 610 hereof, and

(b) Bonds alleged to have been destroyed, lost or stolen which have been replaced or paid as provided in Section 607 hereof, and (1) which, prior to the satisfaction and discharge of this Master Indenture as hereinafter provided, have not been presented to the Trustee with a claim of ownership and enforceability by the Holder thereof, or (2) whose enforceability by the Holder thereof has been determined adversely to the Holder by a court of competent jurisdiction or other competent tribunal;

or

(2) the Authority has deposited or caused to be deposited with the Trustee as trust funds in trust cash or Federal Obligations, which do not permit the redemption thereof at the option of the issuer, the principal of, premium, if any, and interest on which when due (or upon the redemption thereof at the option of the holder), will, without reinvestment, provide cash which, together with the cash, if any, on deposit or deposited with the Trustee at the same time, shall be sufficient to pay and discharge the entire indebtedness on Bonds not theretofore cancelled by the Trustee or delivered to the Trustee for cancellation, for principal and interest (and premium, if any) which have become due and payable, or to the stated maturity or Redemption Date, as the case may be, and has made arrangements satisfactory to the Trustee for the giving of notice of redemption, if any, by the Trustee in the name, and at the expense, of the Authority in the same manner as is provided by Section 702 hereof;

(B) the Authority has paid, caused to be paid or made arrangements satisfactory to the Trustee for the payment of all other sums payable hereunder by the Issuer until the Bonds are so paid, including, without limitation, any amount payable (whether before or after payment of the Bonds) to the United States under Section 504 hereof; and

(C) the Authority has delivered to the Trustee an Authority Certificate and a Counsel's Opinion each stating that all conditions herein provided for relating to the satisfaction and discharge of this Master Indenture have been complied with;

then, upon deliver of an Authority Certificate this Master Indenture and the lien, rights and interests hereby granted shall cease, determine and become null and void, and the Trustee and each co-trustee and separate trustee, if any, then acting as such hereunder shall, at the expense of the Authority, execute and deliver such instruments of satisfaction as may be necessary, and forthwith the estate, right, title and interest of the Trustee in and to all of the Trust Estate (except the cash or Federal Obligations deposited as required above) shall thereupon be discharged and satisfied, and the Trustee shall in such case transfer, deliver and pay the same to the Authority or as provided in an Authority Certificate.

The deposit required by subsection (A), clause (2) may be made with respect to any particular Bonds or Series of Bonds, in which case such Bonds shall no longer be deemed to be Outstanding under the terms of this Master Indenture, and the Holders of such defeased Bonds shall be secured only by such trust funds and not by any other part of the Trust Estate created by this Master Indenture and this Master Indenture shall remain in full force and effect to protect the interests of the Holders of Bonds remaining Outstanding thereafter. Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to their stated maturity, no deposit under subsection (A), clause (2) shall be deemed a payment of such Bonds as aforesaid until the Authority shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instruction to mail, as soon as practicable, a notice to the Holders of such Bonds and to each Rating Agency that the deposit required has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 901 and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal amount or redemption price, if applicable, on said Bonds and, if a maturity date is stated, whether or not such Bonds continue to be subject to redemption.

All moneys so deposited with the Trustee as provided in this Section 901 may at the direction of the Authority also be invested and reinvested in Federal Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Federal Obligations in the hands of the Trustee pursuant to this Section 901 which is not required for the payment of the Bonds and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the Revenue Fund as and when realized and collected for such an application as are other moneys deposited in such Fund.

In the absence of delivery of an Authority Certificate as aforesaid, the payment of all Bonds Outstanding shall not render this Master Indenture inoperative or prevent the Authority from issuing additional Series of Bonds from time to time thereafter as herein provided.

SECTION 902. Application of Deposited Money. Notwithstanding any provision of any other Article of this Master Indenture which may be contrary to the provisions of this Article IX, all moneys or Federal Obligations set aside and held in trust pursuant to Section 901(A) hereof

shall be held in a special escrow account in trust and applied by the Trustee to the payment (either directly or through the Paying Agents), to the Persons entitled thereto, of the principal of (and premium, if any) and interest on said Bonds.

SECTION 903. Redemption After Satisfaction of Master Indenture. Notwithstanding anything to the contrary herein, whenever the conditions specified in Section 901 hereof have been met for all or any particular Bonds designated by the Authority, the optional redemption rights described in a Supplemental Indenture in respect of any Series of Bonds shall remain available with respect to such Bonds, unless, in connection with making the deposit described in Section 901 hereof, the Authority irrevocably waives the right to redeem said Bonds or portions thereof. The right to redeem Bonds as herein provided may be exercised only if the Authority delivers to the Trustee (i) an opinion of an independent certified public accountant verifying that amounts on deposit in the escrow fund with respect to such Bonds to be redeemed, together with the expected earnings thereon, will be sufficient to provide for the payment of such Bonds on the redemption date and (ii) an opinion of nationally recognized bond counsel to the effect that such earlier redemption will not adversely affect the validity of the Bonds or the exemption from federal income taxation of interest payable thereon.

SECTION 904. Amendments. Anything in Article VIII hereof to the contrary notwithstanding, if moneys or Federal Obligations have been deposited or set aside with the Trustee pursuant to this Article IX for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article IX shall be made without the consent of the Holder of each Bond affected thereby.

ARTICLE X

EVENTS OF DEFAULT, REMEDIES

SECTION 1001. Events of Default. Each of the following shall constitute an event of default under Indenture and is herein called an "Event of Default":

(A) Interest on any of the Bonds is not paid by the Authority on any date when due or the principal of any Bonds is not paid by the Authority at maturity or the redemption price of any Bond is not paid by the Authority at a Redemption Date at which such Bonds have been called for redemption;

(B) If there is a default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Authority in this Master Indenture or in the Bonds contained, and such default is not remedied after notice thereof pursuant to Section 1010 hereof; or

(C) If the Authority shall file any petition seeking relief under the federal bankruptcy laws or under any other applicable law or statute of the United States of America or of the State.

If the Authority determines that an Event of Default has occurred under Section 1001(B) or (C), the Authority shall promptly notify the Trustee thereof.

Upon the occurrence of an Event of Default as set forth above and of which the Trustee has knowledge or has been provided a notice from the Authority regarding an Event of Default, and upon the cure, if any, of any such Event of Default, in either case, the Trustee shall provide written notice thereof to the Authority and the Holders of the Bonds Outstanding (and each beneficial owner who has filed a written notice with the Trustee requesting the same) within 10 days of receiving such notice or learning of the Event of Default or the occurrence of such Event of Default.

SECTION 1002. Acceleration; Annulment of Acceleration. (A) Upon the occurrence of an Event of Default under paragraphs (A) or (C) of Section 1001, the Trustee may and, upon the written request of the Holders of not less than 50% in aggregate principal amount of Bonds Outstanding, shall, give 30 days' notice in writing to the Authority and, if then required by law, to the Governor and the Attorney General of the State, of its intention to declare all Bonds Outstanding immediately due and payable. At the end of such 30-day period, if such Event of Default is then continuing, the Trustee may, and upon the written request of the Holders of not less than 50% in aggregate principal amount of Bonds Outstanding shall, by notice in writing to the Authority, declare all Bonds Outstanding immediately due and payable; then such Bonds shall become and be immediately due and payable, anything in the Bonds or in this Master Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds, an amount equal to the total principal amount of all such Bonds plus all interest accrued thereon and which will accrue thereon to the date of payment.

(B) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Master Indenture, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms if (i) moneys shall have been deposited with the Trustee (other than in the Escrow Accounts and Rebate Fund) sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding Bonds; (ii) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agents; (iii) all other amounts then payable by the Authority under this Master Indenture shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

SECTION 1003. Additional Remedies and Enforcement of Remedies. (A) Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Holders of not less than 50% in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Bondholders under the Act, the Bonds and this Master Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(1) Enforcement of the right of the Bondholders to collect and enforce the payment of principal of and interest due or becoming due on the Loans and Notes, and to collect and enforce any rights in respect to the Agreements and other Collateral Documents, and to require the Authority to carry out its duties and obligations under the terms of this Master Indenture, and to require the Authority to perform its duties under the Act;

(2) Suit upon all or any part of the Bonds;

(3) Civil action to require the Authority to account as if it were the trustee of an express trust for the Holders of Bonds;

(4) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of Bonds; and

(5) Enforcement of any other right of the Bondholders conferred by law or by this Master Indenture.

(B) Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than 50% in aggregate principal amount of the Bonds then

Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under this Master Indenture by any acts which may be unlawful or in violation of this Master Indenture, or (ii) to preserve or protect the interests of the Bondholders, provided that such request is in accordance with law and the provisions of this Master Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Holders of Bonds not making such request.

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

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

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

SECTION 1004. Right of Bondholders To Direct Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Master Indenture to the contrary, the Holders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of this Master Indenture or for the appointment of a receiver or any other proceedings under this Master Indenture, provided that such direction is in accordance with law and the provisions of this Master Indenture (including indemnity to the Trustee as provided in Section 1103 hereof) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondholders not joining in such direction and provided further that nothing in this Section 1004 shall impair the right of the Trustee in its discretion to take any other action under this Master Indenture which it may deem proper and which is not inconsistent with such direction by Bondholders.

SECTION 1005. Appointment of Receivers. Upon the occurrence of an Event of Default and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Master Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 1006. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article X shall (in the case of a default described in Section 1001(A) hereof, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee and of any related expenses necessary to maintain the security for the Bonds) be deposited in the Bond Fund and all moneys in the Bond Fund (other than moneys held for redemption of Bonds duly called for redemption) shall be applied as follows:

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

FIRST: To the payment to the Persons entitled thereto of all interest then due on the Bonds, in the order of the maturity of such interest and, if the amount available shall not be sufficient to pay in full said amount, then to the payment ratably, according to the amounts due to the Persons entitled thereto, without any discrimination or privilege;

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

THIRD: To be held for the payment to the Persons entitled thereto as the same shall become due of the principal amount of and interest on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest then due and owing thereon, payment shall be made ratably according to the amount of principal due on such date to the Persons entitled thereto without any discrimination or privilege.

(b) If the principal amount of all the Bonds shall have become or shall have been declared due, all such moneys shall be applied to the payment of the principal amount and interest then due and unpaid upon the Bonds, without preference or priority of principal amount over interest or of interest over principal amount, or of any installment of interest over any other installment of interest, or of any Bond over any

other Bond, ratably, according to the amounts due respectively for principal amount and interest, to the Persons entitled thereto without any discrimination or privilege.

(c) If the principal amount of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article X then, subject to the provisions of subsection (b) of this Section 1006 in the event that the principal amount of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a) of this Section 1006.

Whenever moneys are to be applied pursuant to the provisions of this Section 1006, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amount to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal amounts of and interest on all Bonds have been paid under the provisions of this Section 1006 and all fees, expenses and charges of the Trustee and any Paying Agent have been paid, any balance remaining in the Bond Fund shall be paid to the Authority.

SECTION 1007. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Master Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Holder of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Holders of the Outstanding Bonds.

SECTION 1008. Rights and Remedies of Bondholders. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Master Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (1) a default has occurred of which the Trustee has actual notice or has been notified as provided in Section 1001 hereof, (2) such default shall have become an Event of Default and the Holders of not less than 50% in aggregate principal amount of Bonds then Outstanding or, if such Event of Default is an Event of Default described in clause (a) of Section 1001 hereof, by the Holders of not less than 50% in aggregate principal amount of Bonds then Outstanding of the Series with respect to which such Event of Default has happened, shall have given written notice to the Trustee and shall have offered it reasonable

opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in their own name or names, (3) such Bondholders have offered to the Trustee indemnity as provided in Section 1103 hereof, and (4) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Master Indenture, and to any action or cause of action for the enforcement of this Master Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Master Indenture by his, her or its action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Bonds then Outstanding, subject to the provisions of this Master Indenture. However, nothing contained in this Master Indenture shall affect or impair the right of any Holder to enforce the payment of the principal of and interest on any Bond it owns at and after the maturity or upon the redemption thereof, or the obligation of the Authority to pay the principal of and interest on any such Bond issued hereunder to the Holder thereof at the time, place, from the source and in the manner in the Bonds expressed.

SECTION 1009. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Master Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Authority, the Trustee and the Bondholders shall be restored, subject to any final determination in such proceeding, to their former positions and rights hereunder, respectively, with regard to the property herein subject to this Master Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

SECTION 1010. Waivers of Events of Default. The Trustee may at its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Holders of (a) more than 66-2/3% in aggregate principal amount of all the Bonds then Outstanding in respect of which default in the payment of principal amount or interest, or both, exists or (b) more than 50% in aggregate principal amount of all Bonds then Outstanding in the case of any other default; provided, however, that there shall not be waived (i) any Event of Default in the payment of the principal amount of any Outstanding Bonds at the date of maturity or sinking fund redemption date specified therein or (ii) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest or all arrears of payments of principal amount when due, as the case may be, with interest on overdue principal at the rate borne by the Bonds, and all fees and expenses of the Trustee in connection with such default shall have been paid or provided for. In case of any such waiver or rescission, the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

SECTION 1011. Notice of Defaults Under Section 1001(B); Opportunity of the Authority To Cure Such Defaults. Anything herein to the contrary notwithstanding, no default under Section 1001(B) hereof shall constitute an Event of Default until actual notice of such default by first class mail, postage prepaid, shall be given to the Authority by the Trustee or by the Holders of not less than 25% in aggregate principal amount of all Bonds Outstanding and the Authority shall have had 60 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected.

ARTICLE XI

THE FIDUCIARIES

SECTION 1101. Trustee and Depositories; Appointment and Acceptance. (A) There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise corporate trust powers, having a combined capital, surplus and undivided profits of at least $75,000,000 (provided, that the initial Trustee and any successor Trustee which is an affiliate of the initial Trustee shall be deemed to meet this requirement if it is a member of a bank holding system, the aggregate combined capital, surplus and undivided profits of which is at least $75,000,000), subject to supervision or examination by a federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 1101, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 1101, it shall resign immediately in the manner and with the effect hereinafter specified in this Article XI.

(B) The Authority may by resolution appoint Depositories of money held under the provisions of this Master Indenture, each of whom shall be a bank, trust company, or national banking association having trust powers, qualified under the provisions of Section 1105 hereof to receive deposits in the amounts from time to time held by it as invested trust accounts or time deposits. Each Depository shall signify its acceptance of the duties and obligations imposed upon it by this Master Indenture by executing and delivering to the Authority and the Trustee written acceptance thereof. The Trustee may be a Depository of any Fund, subject to the provisions of Section 1105 hereof.

SECTION 1102. Paying Agents. The Authority shall appoint one or more Paying Agents for each Series of Bonds by Supplemental Indenture adopted prior to their delivery, and may at any time or from time to time by Supplemental Indenture appoint one or more other Paying Agents for such Bonds. Each Paying Agent shall be a bank, trust company or national banking association, having trust powers and having a capital and surplus aggregating at least Seventy-Five Million Dollars ($75,000,000), if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Master Indenture. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Master Indenture by executing and delivering to the Authority and the Trustee a written acceptance thereof. The Trustee may be appointed and may act as a Paying Agent.

SECTION 1103. Responsibilities of Fiduciaries. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority, and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the

validity or sufficiency of this Master Indenture or any Bonds issued hereunder or in respect of the security afforded by this Master Indenture, and no Fiduciary shall incur any responsibility in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the Authority or others in accordance with this Master Indenture, except the Trustee to the extent such proceeds are paid to the Trustee in its capacity as Trustee. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability, to institute or defend any action or suit in respect of this Master Indenture or Bonds, or to advance any of its own moneys, unless properly indemnified. No Fiduciary shall be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

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

The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorneys (who may but need not be the attorney or attorneys for the Authority) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction in good faith in reliance upon such opinion or advice.

Unless an officer of the corporate trust department of the Trustee shall have actual knowledge thereof, the Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except defaults under Section 1001(A) hereof unless the Trustee shall be specifically notified in writing of such default by the Authority or a court of law or by any Holder of Bonds. All notices or other instruments required by this Master Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

The permissive right of the Trustee to do things enumerated in this Master Indenture shall not, unless otherwise provided herein, be construed as a duty and it shall not be answerable for other than its negligence or willful default.

At any and all reasonable times, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect any and all of the books, papers and records of the Authority pertaining to the receipts under the Bonds, and to duplicate such memoranda in regard thereto as may be desired.

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

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

SECTION 1104. Funds Held in Trust. All money held by any Fiduciary, as such, at any time pursuant to the terms of this Master Indenture shall be and is hereby assigned, transferred and set over unto such Fiduciary in trust for the purposes and under the terms and conditions of this Master Indenture.

SECTION 1105. Investment and Deposit of Funds. (A) Subject to instructions from time to time received from an Authorized Officer (which need not be in writing), and with the objective of assuring the maximum yield reasonably possible on money held in each Fund, each Fiduciary shall keep all money held by it invested and reinvested, as continuously as reasonably possible, in Investment Obligations defined in Section 103 hereof (including interest-bearing time deposits and certificates of deposit). All Investment Obligations shall mature (or be redeemable at the option of the holder) and bear interest payable at the times and in the amounts estimated to be necessary to provide funds for Loan disbursements and for the payment of the principal of and interest and premium, if any, on Bonds when due or when scheduled for redemption pursuant to applicable Supplemental Indentures. The maturity date of a security purchased under a repurchase agreement shall be deemed to be any date on which, with such notice as may be required, the security may be repurchased. The maturity date of a time deposit or certificate of deposit shall be deemed to be any date on which, with such notice as may be required, the deposit may be withdrawn without loss of interest.

(B) Money in separate Funds may be commingled for the purpose of investment or deposit, subject to instructions from an Authorized Officer, to the extent possible in conformity with the provisions of paragraph (A) of this Section 1105. Moneys in separate Funds or Accounts may be invested in common trust funds or pools of which such money forms a part pursuant to the terms of which each Fund or Account is allocated a share of a pooled security proportionate to the amount contributed to the purchase price of the pooled security, subject to the provisions of paragraph (A) of this Section 1105 and to the restrictions on Investment

Obligations imposed by each Supplemental Indenture. Investments shall be sold at the best price obtainable, and amounts held in certificates of deposit or time deposits shall be withdrawn whenever necessary in order to make any disbursement for purchase of Loans, payment of expenses or debt service on the Bonds. Investment Obligations need not be disposed of to make required transfers from one Fund or Account to another, but one or more Investment Obligations or portions thereof may be transferred in lieu of cash.

(C) Subject to approval by an Authorized Officer, the Trustee or another Fiduciary may apply money pertaining to any Fund or Account created by or pursuant to this Master Indenture to the purchase of Investment Obligations owned by it in its individual capacity, and may sell to itself in its individual capacity Investment Obligations held by it in any such Fund or Account as such Fiduciary.

(D) No Fiduciary shall be liable or responsible for any loss resulting from an investment made in accordance with this Master Indenture. In computing the amount in any Fund or Account held by the Trustee under the provisions of this Master Indenture, obligations purchased by the Trustee or transferred by the Authority to the Trustee as an investment of moneys therein shall be valued at the Amortized Value, plus the amount of accrued interest, except that securities covered by repurchase agreements shall be valued at market price. Where market prices for obligations held by the Trustee are not readily available, the Trustee may determine the market price for such obligations in such manner as it deems reasonable. To the extent that moneys are invested pursuant to an investment agreement, such investment agreement shall be valued at par, unless the provider of the investment agreement is in default of its payments thereunder in which case it shall be valued as provided in the immediately preceding sentence.

SECTION 1106. Evidence on which Fiduciaries May Act. Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Authority Certificate stating the same, and such Authority Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Master Indenture upon the faith thereof, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by or on behalf of the Authority to any Fiduciary shall be sufficiently executed if executed by an Authorized Officer.

SECTION 1107. Preservation and Inspection of Documents. All reports, certificates, statements, and other documents received by any Fiduciary under the provisions of this Master Indenture shall be retained in its possession and shall be available at all reasonable times for inspection by the Authority, any other Fiduciary or any Bondholder, and their agents and their representatives, any of whom may make copies thereof, but any such reports, certificates, statements or other documents may, at the election of such Fiduciary, be destroyed or otherwise disposed of at any time six (6) years after the date that Bonds are no longer outstanding.

SECTION 1108. Compensation and Expenses. Unless otherwise provided by contract with the Fiduciary, the Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered by it hereunder, and also reimbursement for all its reasonable expenses, charges, legal fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties hereunder. In an Event of Default hereunder, but only upon an Event of Default, each Fiduciary shall have a lien for its compensation and expenses on any and all funds at any time held by it hereunder in the priority set forth in Section 1006 hereof.

The Authority shall indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful default. The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Master Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal and the defeasance or discharge of this Master Indenture and final payment of the Bonds.

SECTION 1109. Certain Permitted Acts. Any Fiduciary may become the Holder of or may deal in Bonds as fully and with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Master Indenture, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds Outstanding.

SECTION 1110. Resignation of Fiduciary. A Fiduciary, or any successor thereof, may at any time resign and be discharged of its duties and obligations created by this Master Indenture by giving not less than sixty (60) days' written notice to the Authority and each Rating Agency, and delivering notice thereof to the Bondholders. Such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority or Bondholders as herein provided, in which event such resignation shall take effect immediately on the appointment of a successor, or unless no successor has been so appointed, in which event such resignation shall not take effect until the appointment of a successor.

SECTION 1111. Removal. A Fiduciary, or any successor thereof, may be removed at any time by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, or may be removed by the Authority if it is not then in default in its obligations hereunder, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Bondholders or by their attorneys duly authorized in writing and delivered to the Authority and each Rating Agency, or by resolution duly adopted by the Authority and delivered to each Rating Agency; provided that no such removal shall become effective until a successor has been appointed pursuant to Section 1112 hereof. Copies of each such instrument or resolution shall be delivered by the Authority to each other Fiduciary and any successor thereof.

SECTION 1112. Appointment of Successor Fiduciary. In case at any time a Fiduciary, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of such Fiduciary or its property shall be appointed, or if any public officer shall take charge or control of such Fiduciary or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to such successor Fiduciary, notification thereof being given to the Authority, each Rating Agency, the predecessor Fiduciary and any other Fiduciaries. Pending such appointment, the Authority shall forthwith appoint a Fiduciary to fill such vacancy until a successor Fiduciary shall be appointed by Bondholders as herein authorized. The Authority shall mail notice of any such appointment to all affected Bondholders and each Rating Agency within twenty days after such appointment which notice shall specify the reason for the change. Any successor Fiduciary appointed by the Authority shall, immediately and without further act, be superseded by a Fiduciary appointed by Bondholders. If in a proper case no appointment of a successor Fiduciary shall be made pursuant to the foregoing provisions of this Section 1112 within forty-five (45) days after the Fiduciary shall have given to the Authority written notice as provided in Section 1110 hereof, or after the occurrence of any other event requiring or authorizing such appointment, the Fiduciary or any other Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint such successor Fiduciary. Any Fiduciary appointed under the provisions of this Section 1112 shall have the qualifications prescribed for its predecessor in Section 1101 or Section 1102 hereof.

SECTION 1113. Transfer of Rights and Property to Successor Fiduciary. Any successor Fiduciary appointed hereunder shall execute, acknowledge and deliver to its predecessor Fiduciary, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Fiduciary, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if named herein as such Fiduciary, but the Fiduciary ceasing to act shall nevertheless, on the written request of the Authority or of the successor Fiduciary, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such

other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Fiduciary all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Master Indenture, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor Fiduciary any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Fiduciary shall promptly notify the other Fiduciaries of its appointment as such Fiduciary.

SECTION 1114. Merger or Consolidation. Any Person into which any Fiduciary may be merged or converted or with which it may be consolidated or any Person resulting from any merger, conversion or consolidation to which it shall be a party or any Person to which such Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such Person shall be a bank or trust company or national banking association which is qualified to be a successor to such Fiduciary under Section 1101 or Section 1102 hereof and shall be authorized by law to perform all the duties imposed upon it by this Master Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 1115. No Investigation. The Trustee is not required to make any inquiry or investigation into the facts or matter stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, director, consent, order, approval, bond, debenture, agreement, note, collateral document, or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee determines to make such further inquiry or investigation, it is entitled to examine the books, records and premises of the Authority, in person or by agent or attorney.

ARTICLE XII

MISCELLANEOUS

SECTION 1201. Evidence of Signatures of Bondholders and Ownership of Bonds. (A) Any request, consent, revocation of consent or other instrument which this Master Indenture may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the authorized execution of any such instrument shall be sufficient for any purpose of this Master Indenture if made in the following manner, or in any other manner satisfactory to the Trustee which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) the fact and date of the execution by any Bondholder or his or her attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act that the person signing such instrument acknowledged to him or her the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer, or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, trust company or financial firm or corporation (including members of the National Association of Securities Dealers, Inc.) satisfactory to the Trustee that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof;

(2) the authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary; and

(3) the holding of Bonds, the amount, numbers and other identification thereof, and the date of holding the same, shall be proved by the registry books maintained by the Trustee pursuant to Article VI hereof.

(B) Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders of such Bond in respect of anything done or suffered to be done hereunder by the Authority or any Fiduciary in accordance therewith.

SECTION 1202. No Recourse on Bonds. No recourse shall be had for the payment of the principal of or the interest on the Bonds or for any claim based thereon or on this Master Indenture against any employee, member or officer of the Authority or any person executing the Bonds.

SECTION 1203. Notices, Demands and Requests. All notices, demands and requests to be given or made under this Master Indenture to or by the Authority or the Trustee shall be in

writing and shall be properly made if sent by first-class mail, postage prepaid, and addressed as follows:

(a) Authority: Iowa Finance Authority
Suite 250
100 East Grand Avenue
Des Moines, Iowa 50309
Attention: Executive Director

(b) Trustee: Wells Fargo Bank, National Association
Sixth and Marquette
N9303-110
Minneapolis, Minnesota 55479
Attn: Corporate Trust Dept.

Either the Authority or the Trustee may change the address listed for it above at any time upon written notice of such change sent by United States mail, postage prepaid, to the Authority or the Trustee, as the case may be.

Any Rating Agency may notify the Authority and the Trustee from time to time of the address to which notices and other communications under this Master Indenture shall be sent to it.

SECTION 1204. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of, or the date fixed for redemption of, any Bond shall not be a Business Day, then payment of interest or principal 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.

SECTION 1205. Information to Each Rating Agency. The Trustee shall furnish information concerning the Bonds and the Program to each Rating Agency upon reasonable request. The Trustee shall provide written notification to each Rating Agency of the termination of any investment agreement. If not otherwise provided pursuant to the terms of this Master Indenture or a Supplemental Indenture, the Trustee shall also provide written notification to each Rating Agency of (i) any proposed defeasance of Bonds pursuant to Article IX hereof (and will obtain a Rating Confirmation as a precondition to any defeasance of a Series of Bonds all or a portion of the Bonds of which bear interest at other than a fixed rate to maturity), (ii) any expiration, termination, substitution or amendment relating to a liquidity facility relating to Bonds of a Series all or a portion of which bear interest at other than a fixed rate to maturity; (iii) any redemption in whole or acceleration of Bonds of a Series all or a portion of which bear interest at other than a fixed rate to maturity; and (iv) any resignation or removal of the Trustee and appointment of a successor.

SECTION 1206. Law Applicable. The interpretation and construction of this Master Indenture shall be governed by laws of the State without regard to the conflicts-of-law principles thereof.

SECTION 1207. Severability. If any provision, covenant or agreement in this Master Indenture on the part of the Authority or any Fiduciary to be performed, or any application thereof to any particular circumstances, would be contrary to law, it shall be deemed separable from and shall in no way affect the validity of any other provision, covenant, or agreement contained in or application of this Master Indenture or the Bonds.

SECTION 1208. Execution Counterparts. This Master Indenture may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the IOWA FINANCE AUTHORITY and WELLS FARGO BANK, NATIONAL ASSOCIATION , as Trustee, have caused this Master Indenture of Trust to be executed in their respective corporate names, all as of the day and year first written above.

IOWA FINANCE AUTHORITY

By _____
Vincent C. Lintz
Chairperson

Attest:

_____
Bret L. Mills
Secretary/Executive Director

(Seal)

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

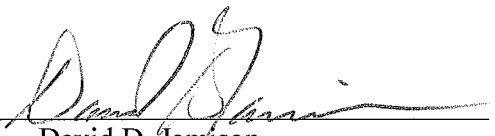
_____
By Mary Ann Thuesen
Its Vice President

CERTIFICATE AS TO MASTER INDENTURE OF TRUST

The undersigned Executive Director of the Iowa Finance Authority DOES HEREBY CERTIFY that the foregoing is a true and correct copy of the Master Indenture of Trust dated as of June 15, 2005, as amended and supplemented through the date hereof (the "Master Indenture"), between the Authority and Wells Fargo Bank, National Association, and that said Master Indenture has not been altered, amended or repealed, and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Authority as of this 28th day of October, 2011.

IOWA FINANCE AUTHORITY

By 

David D. Jamison
Executive Director

(Seal)

AMENDED AND RESTATED

MASTER TRUST AGREEMENT

Dated as of September 1, 2022

between

IOWA FINANCE AUTHORITY

and

COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION
as Master Trustee

relating to

Iowa Water Pollution Control Works and Drinking Water Facilities Financing Programs

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EXHIBIT A – FORM OF OFFICER'S CERTIFICATE

AMENDED AND RESTATED MASTER TRUST AGREEMENT
DATED AS OF SEPTEMBER 1, 2022

THIS AMENDED AND RESTATED MASTER TRUST AGREEMENT (this "Master Trust Agreement"), entered into as of September 1, 2022, between the Iowa Finance Authority, a public instrumentality and agency organized and existing under and by virtue of the laws of the State of Iowa (the "Authority"), and Computershare Trust Company, National Association, successor to Wells Fargo Bank, National Association (the "Master Trustee").

WITNESSETH:

WHEREAS, the Authority is authorized pursuant to Chapter 16 and Chapter 455B of the Code of Iowa, 2021, as amended (together, the "Act"), to finance the acquisition, construction and equipping of wastewater treatment and drinking water facilities, and to issue revenue bonds for this purpose; and

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

WHEREAS, in accordance with the Water Quality Act and the Safe Drinking Water Act, the Authority has heretofore approved the development and implementation of the Iowa Water Pollution Control Works Financing Program (the "Clean Water Program") and the Iowa Drinking Water Facilities Financing Program (the "Drinking Water Program") (the Clean Water Program and the Drinking Water Program are sometimes hereinafter collectively referred to as the "SRF Program") and has issued its bonds to finance projects pursuant to the Clean Water Program and the Drinking Water Program, said bonds being payable from the revenues and receipts derived by the Authority in connection with such projects; and

WHEREAS, pursuant to the Third Amended and Restated Master Trust Agreement dated as of October 1, 2016, as supplemented and amended by that Supplemental Trust Agreement dated as of April 1, 2020 (as amended, the "Third Amended Master Trust Agreement") between the Authority and the Master Trustee, the Authority has heretofore issued several series of its State Revolving Fund Revenue Bonds (the "Bonds"), all as authorized pursuant to the Act, for the purpose of financing projects under the Clean Water Program and the Drinking Water Program; and

WHEREAS, the Authority desires to amend and restate the Third Amended Master Trust Agreement to allow for the direct placement of bonds and make certain other changes; and

WHEREAS, the federal Departments of Veteran Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 (Public Law 105-65)

authorizes each state to cross-collateralize the assets of the state's revolving funds as security for bond issues to enhance the lending capacity of one or both state revolving funds; and

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

WHEREAS, this Master Trust Agreement is entered into pursuant to Section 1101 of the Third Amended Master Trust Agreement, shall constitute a supplemental trust agreement for purposes of such section and shall be the amended and restated master trust agreement of the Iowa Water Pollution Control Works and Drinking Water Facilities Financing Programs; and

WHEREAS, the Master Trustee has approved the amendments made pursuant to this Master Trust Agreement, as required pursuant to Section 1101 of the Third Amended Master Trust Agreement; and

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

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

GRANTING CLAUSE

In consideration of the acceptance by the Master Trustee of the trusts and duties set forth in this Master Trust Agreement on behalf of the Owners of each Series of Bonds issued from time to time and secured under this Master Trust Agreement; of the purchase and acceptance by the Owners of each Series of Bonds issued from time to time and secured by this Master Trust Agreement; and in order to secure the payment of any and all Series of Bonds at any time issued by the Authority and secured under this Master Trust Agreement, according to the tenor and effect thereof and the interest thereon, and the payment of all other sums, if any, from time to time due to the Owners of all Series of Bonds issued by the Authority and secured under this Master Trust Agreement and to the Master Trustee or its successors and assigns, or to others, according to the intent and meaning of all such Bonds and this Master Trust Agreement, and for the purpose of securing the performance and observance by the Authority of all the covenants and conditions herein contained, the Authority does hereby convey, transfer, assign, confirm, pledge and grant a security interest in the following described properties, rights, interest and benefits (whether movable or immovable, real, personal or mixed, tangible or intangible) which are collectively called the "Master Trust Estate", to the Master Trustee, and its successor or successors in trust, as Master Trustee for the benefit of the Owners of all Series of Bonds issued by the Authority and secured under this Master Trust Agreement:

All cash, moneys, securities, investments and Pledged Agreements (defined herein) which may from time to time be held by the Master Trustee under the terms of this Master Trust Agreement, except for moneys deposited in the Rebate Fund and moneys deposited with or paid

to the Master Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, and except that moneys representing the repayment of principal of the Pledged Agreements or the Grant Proceeds shall not be pledged to or used for the payment of the State Match Portion of any Bonds issued hereunder.

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

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

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

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

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

ARTICLE I
DEFINITIONS; RULES OF CONSTRUCTION

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

"Act" means Chapter 16 and Chapter 455B of the Code of Iowa, 2021, and all future acts supplemental thereto and amendatory thereof.

"Additional Indebtedness" means all Indebtedness of the Authority to be secured by the Revenues, funds, accounts and subaccounts held pursuant to this Master Trust Agreement.

"Agreement(s)" means, individually or collectively, as applicable, the Loan and Disbursement Agreements between the Authority and each of the Participants receiving a Loan under the Clean Water Program or Drinking Water Program, dated their respective dates of execution, and any amendments and supplements thereto.

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

"Authority" means the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa.

"Authorized Officer" means (i) in the case of the Authority, the Chairperson, Vice Chairperson, Executive Director, General Counsel or Chief Financial Officer of the Authority or any other person designated by a resolution of the Board of the Authority.

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

"Board" means the Board of the Authority.

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

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

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

"Bond Registrar" means the Master Trustee.

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

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

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

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

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

"Cede" has the meaning set forth in Section 212 hereof.

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

"Clean Water Program" means the Iowa Water Pollution Control Works Financing Program established and administered by the Authority and the DNR to carry out the purposes set forth in the Act and the Water Quality Act.

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

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

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

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

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

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

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

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

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

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

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

"Director" means the Director of the DNR.

"DNR" means the Iowa Department of Natural Resources, a department of the State of Iowa.

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

"Drinking Water Program" means the Iowa Drinking Water Facilities Financing Program established and administered by the Authority and the DNR to carry out the purposes of the Act and the Safe Drinking Water Act.

"DTC" has the meaning set forth in Section 212 hereof.

"DTC Participant" has the meaning set forth in Section 212 hereof.

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

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

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

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

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

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

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

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

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

"Grant Proceeds Agreement" means an agreement entered into by and between the Authority and DNR with respect to the allocation or use of particular Grant Proceeds.

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

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

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

"Initiation Fees" means the initiation fees charged to Participants under the Agreements.

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

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

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

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

"LIBOR" means the offered rate, as determined by the Authority, for United States dollar deposits for a one-month period which appears on Telerate Page 3750, as reported by Bloomberg Financial Markets Commodities News (or such other page as may replace Telerate Page 3750 for the purpose of displaying comparable rates) as of approximately 11:00 a.m., London time, on the date of determination; *provided,* that if on any date of determination, no rate appears on Telerate Page 3750 as specified above, or if LIBOR is no longer available, the Authority may determine the applicable rate by reference to SOFR Index or such other applicable interest rate selected by the Authority. All percentages resulting from such calculations shall be rounded upwards, if necessary, to the nearest one hundredth of one percent.

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

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

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

"Master Trust Agreement" means this Master Trust Agreement, as from time to time amended and supplemented.

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

"Master Trustee" means Computershare Trust Company, National Association, as successor to Wells Fargo Bank, National Association, and any successor master trustee pursuant to Section 1005 or Section 1008 at the time serving as Master Trustee under this Master Trust Agreement.

"Municipality" shall have the meaning given that term in the Act.

"Notice Record Date" has the meaning set forth in Section 212 hereof.

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

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

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

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

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

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

"Owner" or "Bondowner" means any "Bondholder", "holder" or "owner" of any Bond as provided in the related Supplemental Trust Agreement.

"Participant" means any Municipality or Water System (each as defined in the Act) or other person or entity authorized under the Act that enters into an Agreement with respect to a Loan.

"Paying Agent" means the Master Trustee and any commercial bank or trust company at any time designated pursuant to this Master Trust Agreement to serve in addition to the Master

Trustee as the paying agencies or places of payment for the Bonds, and successors designated pursuant to this Master Trust Agreement.

"Pledged Agreement" or "Pledged Agreements" means, individually or collectively, as applicable, the Loan and Disbursement Agreements between the Authority and each of the Participants which are pledged to the repayment of the Bonds.

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

"Project" shall have the meaning set forth in the Act.

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

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

"Qualified Investments" means any of the following which, at the time of purchase, are legal investments under the laws of the State for moneys held hereunder which are then proposed to be invested therein:

(1) Direct general obligations of the United States.

(2) Obligations the payment of the principal of and interest on which, in the opinion of the Attorney General of the United States, is unconditionally guaranteed by the United States.

(3) Bonds, debentures, participation certificates or notes issued or unconditionally guaranteed by any agency or corporation which has been or may hereafter be created by or pursuant to an Act of Congress as an agency or instrumentality of the United States (including but not limited to the fully guaranteed portion of an obligation partially guaranteed by any of the foregoing, if the Master Trustee's ownership of such portion is accepted in writing by an officer of the guaranteeing agency or instrumentality).

(4) Direct and general obligations of any state within the United States or any political subdivision of the State of Iowa, which is at the time of purchase rated in the AA

or a higher rating category as defined on the date thereof by the Rating Agency, or in an equivalent or higher rating category based on any subsequent redefinition.

(5) Certificates of deposit, whether negotiable or non-negotiable, issued by any national banking association or by a bank or trust company organized under the laws of any state (including the Master Trustee), or interest-bearing time deposits with any such institutions, or an obligation of the parent corporation of any such institution, provided that (i) the principal amount thereof is fully insured by the Federal Deposit Insurance Corporation or, to the extent not so insured, is continuously secured by the deposit with the Master Trustee, as custodian, of securities described in any of classes (1) through (4), inclusive, having an aggregate market value at least equal to the amount not so insured, together with a written undertaking that the aggregate value of all securities so deposited will be so maintained, on which undertaking the Master Trustee shall be entitled to rely, or alternatively, provided that (ii) the institution issuing the certificate of deposit or accepting the time deposit or issuing the obligation has a combined capital and surplus (or, with respect to the parent company, has stockholders' equity or capital and retained earnings) of at least $50,000,000, and is rated in the AA or a higher rating category as defined on the date hereof by the Rating Agency, or in an equivalent or higher rating category based on any subsequent redefinition.

(6) Any repurchase agreement or similar financial transaction with a national banking association or a bank or trust company organized under the laws of any state (including the Master Trustee), or with a government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by a perfected security interest in any one or more of the securities described in clauses (1) through (4), inclusive, and which have an aggregate market value at least equal to the amount invested.

(7) (a) Money market funds which are fully invested in any of the securities described in clauses (1) through (4), inclusive, and (6), or (b) shares of a money market fund or other collective investment fund registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, having assets of at least $100,000,000 and which is rated in the highest rating category for such type of shares by any Rating Agency at the time of purchase.

(8) Guaranteed investment contracts issued, secured or guaranteed by a corporation or national banking association which at the time such contract is entered into has a long-term debt rating by the Rating Agency in any of the two highest generic rating categories.

(9) Obligations of an insurance company which at the time of investment has a long-term debt rating by the Rating Agency in either of the two highest generic rating categories.

(10) Such other investments as shall be specified in a Supplemental Trust Agreement and approved by each Rating Agency then rating the Bonds.

(11) (a) With respect to funds held under the Clean Water Program, obligations of the Authority under the Drinking Water Program, and (b) with respect to funds held under the Drinking Water Program, obligations of the Authority under the Clean Water Program, in each case to the extent permitted by the Clean Water Act and Safe Drinking Water Act.

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

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

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

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

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

"Representations Letter" means the Blanket Authority Letter of Representations from the Authority to DTC, as amended and supplemented from time to time, with respect to such matters as are necessary to initially qualify the Bonds pursuant to Section 212 hereof.

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

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

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

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

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

"Series Certificate" means, with respect to any Series of Bonds, the related Officer's Certificate delivered pursuant to Section 204(a) of this Master Trust Agreement, as such certificate may be amended from time to time.

"Servicing Fees" means the annual servicing fees charged to Participants under the Agreements.

"SIFMA Municipal Index" means the SIFMA Municipal Swap Index"™ announced by Municipal Market Data and based upon the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specified criteria established by the Securities Industry and Financial Markets Association. The SIFMA Municipal Swap Index shall be based upon current yields of high-quality weekly adjustable variable rate demand bonds which are subject to tender upon seven days' notice, the interest on which under the Code, is excludable from gross income for federal income tax purposes. The SIFMA Municipal Swap Index shall not include any bonds the interest on which is subject to any personal "alternative minimum tax" or similar tax unless all tax exempt bonds are subject to such tax; provided, however, that if such index is no longer produced by Municipal Market Data, Inc. or its successor, then "SIFMA Municipal Index" means such other reasonably comparable index selected by the Authority.

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

"SOFR Index" means the "Secured Overnight Financing Rate" reported on the NY Federal Reserve's Website, or reported by any successor to the Federal Reserve Bank of New York as administrator of such Secured Overnight Financing Rate. If the SOFR Index is not available, the interest rate will be determined using a comparable substitute or replacement index designated by the Authority in writing.

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

"State" means the State of Iowa.

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

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

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

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

"Supplemental Trust Agreement" means any trust agreement supplementary to or amendatory of this Master Trust Agreement duly executed and delivered in accordance with the provisions of this Master Trust Agreement or under the Second Amended Master Trust Agreement.

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

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

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

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

"Third Amended Master Trust Agreement" means that certain Third Amended and Restated Master Trust Agreement dated as of October 1, 2016, as supplemented, between the Authority and the Master Trustee.

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

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

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

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

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

ARTICLE II

ISSUANCE OF BONDS; SECURITY FOR BONDS

Section 201. Existing Bonds. The Authority has issued various series of its Bonds, pursuant to the Third Amended Master Trust Agreement and applicable Supplemental Trust Agreements. Such Bonds are and shall continue to be secured under this Master Trust Agreement by the assignment and pledge of certain funds and accounts pursuant to the Granting Clause, including specifically the Master Trust Estate.

Section 202. Liability Under Bonds, Not Indebtedness of State. Each Series of Bonds, and principal, interest and premium, if any, thereon, shall be limited obligations of the Authority secured solely by the Master Trust Estate. The Bonds do not constitute or create an indebtedness of the Authority 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 fund. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds nor is the State or any political subdivision thereof liable on the Bonds. No covenant, stipulation, obligation or agreement contained herein or in the Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future trustee, officer, member, director, employee or agent of the Authority in his or her individual capacity.

Section 203. Issuance of Bonds. In order to provide sufficient moneys for the Authority to conduct the SRF Program and to make the deposits to certain funds and accounts specified in this Master Trust Agreement or in any Supplemental Trust Agreement, there are hereby authorized to be issued from time to time without limitation as to amount except as provided in this Master Trust Agreement or by law, Bonds of the Authority, in one or more Series, as hereinafter provided, to be known and designated as "State Revolving Fund Revenue Bonds". The Bonds shall be issued subject to the terms, conditions and limitations established in this Master Trust Agreement, and secured by the pledge of the Master Trust Estate as provided in the Granting Clause. Each Series of Bonds shall bear the designations, be in the form, have the terms and provisions, be issued upon the conditions, be secured and in all other respects be as set forth in the related Supplemental Trust Agreement.

Section 204. Conditions to Securing Bonds Under Master Trust Agreement. In order for any Series of Bonds to be secured by this Master Trust Agreement, and in addition to the requirements of Section 411 hereof, prior to or simultaneously with the authentication and delivery of the Series of Bonds, the Master Trustee shall receive the following:

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

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

(2) directing the Master Trustee as to the creation of any funds and accounts to be established for the Series of Bonds which are in addition to those

established under Article III herein, and stating whether or not any of such funds or accounts are to be held as part of the Master Trust Estate.

(b) an original executed counterpart or a copy, certified by an Authorized Officer, of this Master Trust Agreement (only upon issuance of the initial Series of Bonds) and the related Supplemental Trust Agreement.

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

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

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

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

Section 205. Supplemental Trust Agreements. Each Supplemental Trust Agreement authorizing the issuance of a Series of Bonds shall include a determination by the Authority to the effect that the principal amount of said Series of Bonds is necessary to provide sufficient funds to reimburse the Authority for money previously spent or to be used and expended for the SRF Program and shall specify and determine:

(a) The authorized principal amount of such Series;

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

(c) The purposes for which such Series of Bonds are being issued, which shall be to purchase or otherwise acquire Local Obligations, to refund all or a portion of a Series of Bonds, or to do any combination thereof, and, as and for such acquisition or refunding (i) to make any required deposits to any escrow account and to make deposits to the funds and accounts (if such accounts are established pursuant to the Supplemental Trust Agreement in accordance with the provisions of this Master Trust Agreement), in the amounts, if any, required by this Master Trust Agreement or any Supplemental Trust Agreement, (ii) to pay the Costs of Issuance of such Series of Bonds, and (iii) to pay capitalized interest, if any;

(d) The maturity dates, the amounts of each maturity and the interest payment dates of the Bonds of such Series and regular record dates relating thereto (which record

dates shall be the 15th day of the month preceding each interest payment date unless otherwise provided in the Supplemental Trust Agreement);

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

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

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

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

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

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

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

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

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

Section 206. Execution and Authentication.

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

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

Section 207. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request, the Master Trustee may authenticate a new Bond of the same principal amount and series and of like tenor as the mutilated, lost, stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Master Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Master Trustee evidence of the ownership thereof and of such loss, theft or destruction in form satisfactory to the Authority and the Master Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured or been called for redemption, instead of issuing a substitute Bond the Authority may authorize the payment of the same. The Authority and the Master Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses in connection with such matters. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original contractual obligation on the part of the Authority, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Master Trust Agreement together with all other Bonds in substitution for which such Bonds were issued.

Section 208. Registration of Bonds.

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

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

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

Section 209. Persons Treated as Bondholders.

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

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

Section 210. Exchange and Transfer of Bonds.

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

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

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

(d) The transferor shall also provide or cause to be provided to the Master Trustee all information necessary to allow the Master Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Master Trustee may rely on

the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 211. Cancellation and Destruction of Surrendered Bonds. Upon the surrender to the Master Trustee of any temporary or mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds paid at maturity by the Authority, the same shall forthwith be cancelled and destroyed by the Master Trustee pursuant to its retention policy then in effect.

Section 212. Book-Entry System.

(a) Except as provided in subsections (c) and (d) of this Section, the Bonds shall be registered in the name of Cede & Co. ("Cede"), as nominee of the Depository Trust Company ("DTC"). Payment of semiannual interest for any Bond shall be made by transfer of immediately available funds to the account of Cede on the Interest Payment Date for the Bonds at the address indicated for Cede in the Bond Register.

(b) The Bonds shall be initially issued in the form of a separate single fully registered bond in the amount of each separate stated maturity of the Bonds. Upon initial issuance, the Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC. With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the Authority and the Master Trustee shall have no responsibility or obligation to any participant of DTC (a "DTC Participant") or to any person for whom a DTC Participant acquires an interest in Bonds (a "Beneficial Owner"). Without limiting the immediately preceding sentence, the Authority and the Master Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or a DTC Participant with respect to any ownership interest in Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner or any other person of any other notice of redemption, or (iii) the payment to any DTC Participant, any Beneficial Owner or any other person, other than DTC, of any amount with respect to the principal of or redemption premium, if any, or interest on the Bonds. The Authority and the Master Trustee may treat and deem DTC as the absolute owner of each Bond for the purpose of payment of principal of and redemption premium, if any, and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for purpose of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Master Trustee shall pay all principal of and redemption premium, if any, and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal of and redemption premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Payments of principal may be made without requiring surrender of the Bonds, and the Authority and the Master Trustee shall not be liable for the failure of DTC or any successor thereto to properly indicate on the Bonds the payment of such principal. No person other than DTC shall receive a Bond evidencing the obligation of the Authority to make payments of principal of and redemption premium, if any, and interest pursuant to this Master Trust Agreement. Upon delivery by DTC to the Master Trustee of written notice the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer

provisions of this Master Trust Agreement, the word "Cede" in this Master Trust Agreement shall refer to such new nominee of DTC.

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

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

(iii) Upon the termination of the services of DTC with respect to the Bonds pursuant to subparagraph (c)(ii)(B) of this Section, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subparagraph (c)(i) or subparagraph (c)(ii)(A) of this Section after which no substitute Securities Depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Bonds shall designate. The Master Trustee may rely on information from DTC or any successor Securities Depository and its participants as to the names of the beneficial owners of Bonds and the amounts so owned. The cost of printing physical bond certificates and expenses of the Master Trustee shall be paid for by the Authority. In connection with any proposed transfer outside the book-entry only system, the Authority or DTC shall provide or cause to be provided to the Master Trustee all information necessary to allow the Master Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Master Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

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

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

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

(d) Notwithstanding any other provision of this Master Trust Agreement to the contrary, Bonds may be issued without use of the book-entry system and in such event shall be registered in the name of the entity purchasing the Bond or Bonds. The cost of printing physical bond certificates and expenses of the Master Trustee shall be paid for by the Authority. All payments with respect to the principal amount of and redemption premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, directly to the Registered Owner of such Bonds.

Section 213. Non-Presentment of Bonds. Except as otherwise provided in Section 214, in the event any Bonds shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bonds shall be held by the Master Trustee for the benefit of the holder or holders thereof, all liability of the Authority to the holder or holders thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged and thereupon it shall be the duty of the Master Trustee to hold such funds without liability for interest thereon, for the benefit of the holder or holders of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Master Trust Agreement or on, or with respect to, such Bonds.

Section 214. Unclaimed Moneys. All moneys which the Master Trustee shall have withdrawn from the Bond Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds hereby secured shall be held in trust for the respective holders of such Bonds, but any moneys which shall be so set aside or deposited by the Master Trustee and which shall remain unclaimed by the holders of such Bonds for a period of four years after the date on which such Bonds shall have become due and payable shall be paid to the Authority; provided, however, that the Master Trustee, before making any such payment shall send a letter to the last known address for such Bondholders that said moneys have not been claimed and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Authority and thereafter the holders of such Bonds shall look only to the Authority for payment and then only to the extent of the amount so received without any interest thereon, and the Master Trustee shall have no responsibility with respect to such moneys.

Section 215. Leveraged and State Match Portions. The Bonds may be comprised of a State Match CWSRF Portion, a State Match DWSRF Portion, a Leveraged CWSRF Portion and a Leveraged DWSRF Portion, all as specified in the applicable Supplemental Trust Agreement, and subject to adjustment as set forth in an Officer's Certificate. The State Match CWSRF Portion represents that portion of the Bonds issued to provide the State Match for the Clean Water Program. The State Match DWSRF Portion represents that portion of the Bonds issued to provide the State Match for the Drinking Water Program. The Leveraged CWSRF Portion

represents that portion of the Bonds issued to provide the Leveraged Portion for the Clean Water Program. The Leveraged DWSRF Portion represents that portion of the Bonds issued to provide the Leveraged Portion for the Drinking Water Program.

As set forth in Article III hereof, the principal repayments of Loans made under the Clean Water Program and the Drinking Water Program shall be used only to pay amounts due on the Leveraged CWSRF Portion and the Leveraged DWSRF Portion of the Bonds, respectively. Interest payments on Loans and investment earnings shall be used first to pay amounts due on the State Match CWSRF Portion and State Match DWSRF Portion of the Bonds, and then to pay any remaining amounts due on the Leveraged CWSRF Portion and the Leveraged DWSRF Portion of the Bonds, respectively.

ARTICLE III

ESTABLISHMENT AND APPLICATION OF FUNDS AND ACCOUNTS

Section 301. Establishment of Funds and Accounts.

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

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

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

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

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

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

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

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

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

(d) The pledge and assignment effected by this Master Trust Agreement will be valid and binding from the date of execution and delivery of this Master Trust Agreement and the related Series Certificates, the moneys so pledged and assigned and hereafter received by the Authority will be subject to the lien of such pledge and assignment, and such lien will be a continuing, irrevocable and exclusive first lien and will be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

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

Section 302. Loan Origination Fund.

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

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

(c) Any moneys remaining in the Loan Origination Fund for longer than eighteen months shall be transferred as directed in an Officer's Certificate signed by the Authority. The Authority may also direct the transfer of moneys between accounts in the Loan Origination Fund, by an Officer's Certificate.

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

Section 304. Revenue Fund. The Revenue Fund shall be used to collect Revenues paid to the Authority under the Pledged Agreements plus investment income from the investment of moneys within certain funds and accounts created under this Master Trust Agreement. The Revenue Fund shall consist of a CWSRF Revenue Account and a DWSRF Revenue Account, each of which shall have the following subaccounts:

(a) Principal Subaccount;

(b) Interest Subaccount; and

(c) Redemption Subaccount.

That portion of each payment under the Pledged Agreements and the related Local Obligations which represents the scheduled repayment of principal shall be deposited into the applicable Principal Subaccount. That portion of each payment under the Pledged Agreements which represents interest on the Loan shall be deposited into the applicable Interest Subaccount upon receipt. That portion of each payment under the Pledged Agreements which represents Initiation Fees and Servicing Fees on the Loan shall be deposited with the Authority, outside of this Master Trust Agreement and not subject to the liens hereof. As set forth in Article VII hereof, all investment income earned on various funds and accounts created under this Master Trust Agreement (except for the Rebate Fund and unless otherwise directed by a Supplemental Trust Agreement), shall be transferred into or credited to the applicable Interest Subaccount upon receipt.

All principal amounts received from Participants pursuant to an optional redemption of all or a portion of their Local Obligations and Pledged Agreements, other than any initial payments deemed received by the Authority in connection with Loan sizing at the conclusion of construction of each Project, shall be deposited in the applicable Redemption Subaccount upon receipt. Such funds thereafter shall be transferred by the Master Trustee to the applicable Principal Subaccount of the Equity Fund, unless the Authority directs otherwise pursuant to an Officer's Certificate.

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 or Equity Fund. The Master Trustee thereafter shall transfer all excess amounts remaining on deposit in the Principal Subaccounts and Interest Subaccounts of the Revenue Fund attributable to the Bonds to the appropriate subaccounts of the Equity Fund.

Section 305. Bond Fund.

(a) There shall be deposited into the applicable subaccounts of the Bond Fund all accrued interest received, if any, at the time of the issuance and delivery of the State Match Portions of the Bonds. In addition, there shall be deposited into the applicable State Match Portion Subaccounts of the Bond Fund from (i) the moneys on deposit in the Interest Subaccounts of the Revenue Fund, and (ii) moneys on deposit in the Interest Subaccount of the Equity Fund, on each Interest Payment Date, an amount which when aggregated shall be sufficient to pay the principal of the State Match Portions of the

Bonds due on such Interest Payment Date, including the sinking fund installments due on such date, plus the interest due on such Interest Payment Date on the State Match Portions of the Bonds Outstanding.

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

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

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

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

Section 306. Equity Fund.

(a) Subject to the uses permitted by this Section 306, funds, securities and other investments, loans, Pledged Agreements and other property held from time to time

in the Equity Fund are available for, and pledged to, the payment of the debt service on the Bonds when due and the payment of any other amounts required to be paid from time to time from the funds and accounts established pursuant to this Master Trust Agreement or any Supplemental Trust Agreement; provided that the Authority may from time to time pledge and grant a security interest in all or any of the assets of the Equity Fund to any other Person or Persons in connection with the programmatic uses permitted by this Section 306 upon such terms as the Authority may determine, which pledge and security interest may be on a parity with, or subordinate, to the pledge made under this Master Trust Agreement. Available funds on deposit in the Equity Fund may be used to make Loans and, subject to the limitations of Sections 411 and 412 hereof, to reimburse the Authority for Loans pursuant to existing Agreements funded from moneys and assets of the SRF Program, and to make up deficiencies in the Bond Fund or Rebate Fund and, unless otherwise directed by an Authorized Officer, shall be transferred to the Bond Fund if required on any Interest Payment Date or other payment date prior to any transfer otherwise required herein. Unless otherwise specified in a Supplemental Trust Agreement or other resolution of the Authority, the Authority shall not be required to maintain any minimum balance in the Equity Fund and the Authority makes no covenant to Bondholders or any other party that funds or other assets will be available in the Equity Fund in the event of a deficiency in the Bond Fund on any payment date.

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

(c) In addition to the uses described in paragraph (a), amounts on deposit in the Equity Fund may be used to make or purchase Loans or Local Obligations, make grants, purchase investments, make deposits, and provide other subsidies and assistance in connection with (i) the SRF Program and (ii) other programs of the Authority for which funds hereunder may be used pursuant to applicable law, upon such terms as the Authority may determine.

(d) Any moneys held in the Equity Fund may be invested or reinvested in such securities, loans or other investments as may be authorized by law and as may be directed by an Authorized Officer, which may include Qualified Investments, but is not restricted thereto. Any interest or income earned with respect to any said securities, loans or other property shall likewise be retained in the Equity Fund.

Section 307. Rebate Fund. The Master Trustee shall deposit into the applicable subaccount of the Rebate Fund the amounts required by an Officer's Certificate from the applicable Interest Subaccounts of the Revenue Fund. Amounts on deposit in the Rebate Fund may be used solely to make payments to the United States of America under Section 148 of the Code and to pay or reimburse allowable costs related to the calculation of the amounts due, or if

amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, the Master Trustee shall transfer such excess amounts to the applicable Interest Subaccounts of the Revenue Fund as directed in an Officer's Certificate. The Rebate Fund and all amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Bondholders or any other person and shall not constitute part of the Master Trust Estate.

Section 308. Establishment of Other Funds or Accounts. The Master Trustee may establish such other funds, accounts or subaccounts which are necessary for the Bonds authorized hereby and which shall be in addition to the funds, accounts or subaccounts already established by this Master Trust Agreement.

Section 309. State Revolving Funds.

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

(1) the CWSRF Account of the Bond Fund;

(2) the CWSRF Leveraged Loan Account and the CWSRF State Match Loan Account of the Loan Origination Fund;

(3) the CWSRF Revenue Account of the Revenue Fund; and

(4) the Clean Water Account of the Equity Fund maintained by the Authority.

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

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

(1) the DWSRF Account of the Bond Fund;

(2) the DWSRF Leveraged Loan Account and the DWSRF State Match Loan Account of the Loan Origination Fund;

(3) the DWSRF Revenue Account of the Revenue Fund; and

(4) the Drinking Water Account of the Equity Fund maintained by the Authority.

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

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

ARTICLE IV

GENERAL COVENANTS

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

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

Section 403. Performance of Covenants; Authority. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Master Trust Agreement and in the Pledged Agreements and in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Authority covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to execute this Master Trust Agreement, to pledge the Loan repayments under the Pledged Agreements and any other amounts hereby pledged in the manner and to the extent herein set forth; and that all action on its part for the execution and delivery of this Master Trust Agreement has been duly and effectively taken.

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

Section 405. Instruments of Further Assurance. The Authority will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such resolutions, indentures supplemental hereto and such further acts, instruments and transfers as the Master Trustee may reasonably require for assuring, transferring, conveying, pledging,

assigning and confirming unto the Master Trustee all and singular the rights in property pledged and assigned hereby to the payment of the principal of, premium, if any, and interest on the Bonds. The Authority, except as herein and in the Pledged Agreements provided, will not sell, convey, mortgage, encumber or otherwise dispose of the Loan repayments pursuant to the Pledged Agreements or any part thereof, together with any additions thereto and substitutions therefor.

Section 406. Recording and Filing. The Authority covenants that it will cause this Master Trust Agreement, and all supplements thereto, and the Pledged Agreements and all supplements thereto, as well as such other security agreements, financing statements and all supplements thereto and other instruments as may be required from time to time to be kept, to be filed in such manner and in such places as may from time to time be required by law in order to preserve and protect fully the security of the holders and owners of the Bonds and the rights of the Master Trustee hereunder, and to take or cause to be taken any and all other action necessary to perfect the security interest created by this Master Trust Agreement. The Master Trustee may, at the Authority's expense and direction, undertake to perform the duties described in this section.

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

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

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

Section 410. Tax Covenants of the Authority.

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

(b) To the extent applicable for each Series of Bonds, the Authority covenants and agrees that it will take all necessary and appropriate actions reasonably within its control, including (i) rebating any excess investment earnings to the United States and (ii) taking all necessary steps to satisfy any exceptions to arbitrage rebate requirements contained in the Code under Section 148(f)(4)(B)(i) and (C), as hereafter may be required to assure the continuing exclusion of interest on the Bonds from the gross income of the owners thereof for the purposes of federal income taxation. To the extent applicable for each Series of Bonds, the Authority further covenants and agrees not to act in any other manner which would adversely affect the exemption of interest on any Bonds from gross income for purposes of federal income taxation.

Section 411. Issuance of Additional Indebtedness. The Authority may not incur Additional Indebtedness on a parity with the Bonds unless there is first delivered to the Master Trustee a written report stating the Projected Debt Service Coverage Ratio is not less than 1.05 times coverage taking into account all Outstanding Bonds of the Authority pursuant to this Master Trust Agreement, including the proposed Additional Indebtedness. The Authority may issue Additional Indebtedness that is subordinate to Outstanding Bonds if there is first delivered to the Master Trustee a written report stating the Projected Debt Service Coverage Ratio is not less than 1.00 coverage, including the proposed Additional Indebtedness on a subordinate basis. The Authority may consider all expected revenues to the Authority from the issuance of the Additional Indebtedness including at the time of issuance any and all moneys held in the funds, accounts and subaccounts of this Master Trust Agreement, except moneys in the Rebate Fund.

Section 412. Transfers Out of the Master Trust Agreement. Any moneys held by the Master Trustee pursuant to this Master Trust Agreement may be transferred out of the funds, accounts or subaccounts of this Master Trust Agreement pursuant to an Officer's Certificate upon delivery to the Master Trustee of a written report setting forth that the removal of such moneys would not reduce the Projected Asset Coverage Ratio to less than 1.20 times coverage taking into account all Outstanding Bonds of the Authority issued pursuant to this Master Trust Agreement.

ARTICLE V

REDEMPTION OF BONDS

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

Section 502. Authority's Election to Redeem. Bonds of any Series may be subject to redemption in whole or in part on any date at the option of the Authority prior to maturity pursuant to the provisions of the Supplemental Trust Agreement. The Authority shall give notice to the Master Trustee of each optional redemption, which notice shall specify the date fixed for redemption, the applicable Series of Bonds to be redeemed, the aggregate principal amount of such Series to be redeemed and the Sinking Fund Installments or maturities of Serial Bonds against which the par value of the Bonds to be redeemed shall be credited. Such notice shall be given at least thirty (30) but not more than forty-five (45) days prior to the date fixed for redemption, or such lesser number of days as shall be acceptable to the Master Trustee.

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

Section 504. Notice of Redemption.

(a) When any Bonds, or portions thereof, are to be redeemed, by Sinking Fund Installments or otherwise, the Master Trustee shall give notice of the redemption of the Bonds in the name of the Authority to the holders of such Bonds which are to be redeemed specifying (i) the applicable Series to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds, or portions thereof, to be redeemed (unless all the outstanding Bonds of any Series or maturity within a series are to be redeemed); (v) the place or places where amounts due upon such redemption will be payable; and (vi) such other information as the Master Trustee shall deem necessary or appropriate to facilitate the redemption of such Bonds. Such notice shall further state that on such date there shall become due and payable upon each Bond, or portion thereof, to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest on any such Bonds, or portions thereof, shall cease to accrue. Such notice shall be given by the Master Trustee by mailing a copy of such notice by first class or certified mail, postage prepaid, to the registered holders of any Bonds or portions thereof to be redeemed at their last address appearing upon the registration books, such notice to be given not less than thirty (30) days or more than sixty (60) days before the redemption

date unless otherwise specified in the applicable Supplemental Trust Agreement. The obligation of the Master Trustee to give the notice required by this Section 504 shall not be conditioned upon the prior payment to the Master Trustee of moneys or Governmental Obligations sufficient to pay the Redemption Price to which such notice relates or the interest thereon to the redemption date.

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

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

(a) If less than all of the Bonds of like maturity of any Series are to be redeemed, the particular Bonds or portions of Bonds to be redeemed shall be selected, not more than forty-five (45) days prior to the date fixed for redemption, by the Master Trustee at random in such manner as the Master Trustee in its discretion may deem fair and appropriate.

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

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

Section 506. Deposit of Redemption Price. On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of Governmental Obligations maturing or redeemable at the option of the holder thereof not later than the date fixed for redemption in an amount that, together with income to be earned on such Governmental Obligations prior to such date fixed for redemption, without need for reinvestment, will be sufficient to provide cash to pay the Redemption Price of the accrued interest on all Bonds or portions thereof to be redeemed on such date, shall be deposited with the Master Trustee unless such amount previously shall have been deposited with the Master Trustee pursuant to this Master Trust Agreement or the Supplemental Trust Agreement.

Section 507. Partial Redemption of Fully Registered Bonds. In case part but not all of an Outstanding fully registered Bond shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the Authority or the Master Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Master Trustee duly executed by, the Holder hereof or his attorney duly authorized in writing) to the Master Trustee, the Authority shall execute and the Master Trustee shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the fully registered Bond so surrendered, a fully registered Bond, in the denomination of the unredeemed outstanding principal amount of the Bond and of like tenor. Fully registered Bonds so presented and surrendered shall be cancelled in accordance with Section 211 of this Master Trust Agreement.

Section 508. Purchase in Lieu of Redemption. The Authority may purchase or direct the Master Trustee to purchase Bonds of any particular Series or maturity in lieu of redemption of such Bonds. Such purchases shall be made at any time prior to the publication by the Master Trustee of a notice of redemption; provided, however, that the State Match Portions of the Bonds shall not be paid from moneys derived from the repayment of Principal of any Loan or Grant Proceeds.

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

ARTICLE VI

PLEDGED AGREEMENTS

Subject to Section 412 hereof (unless such Loan is in default), the Authority may at any time release specified Pledged Agreements from the lien of this Master Trust Agreement, or substitute and add new Pledged Agreements to the lien of this Master Trust Agreement, in each case by preparing and filing with the Master Trustee and each Rating Agency then maintaining a rating on the Bonds, an Officer's Certificate (i) describing the specific Pledged Agreements to be released or, if applicable, substituted therefore or added thereto, and the extent to which the Officer's Certificate referred to in Section 204 hereof should be deemed modified as a result of such release, substitution or addition, and (ii) stating, on the basis of such supporting schedules as shall be attached, that after the release of any such Pledged Agreements from the lien of this Master Trust Agreement, and taking into account the principal and interest payment which the Authority reasonably expects will be received under the Pledged Agreements, if any, which are to be substituted therefore or added thereto upon the release and the other Revenues available for the payment of the principal of and interest on the Bonds, the resulting Revenues are reasonably expected to be sufficient to pay the State Match CWSRF Portion, State Match DWSRF Portion, Leveraged CWSRF Portion and Leveraged DWSRF Portion of the principal of and interest due on the Bonds on each Interest Payment Date and at maturity thereof. If the Authority complies with the requirements of this Article with respect to the release of any Pledged Agreements, the Master Trustee shall execute a release and such other instrument as the Authority shall reasonably request in order to evidence the release of the specified Pledged Agreements and related rights of payment from the lien of this Master Trust Agreement.

ARTICLE VII

INVESTMENT OF MONEYS

Except as otherwise provided in Section 306(d) hereof, any moneys held as part of the funds or accounts created or authorized hereunder shall be invested and reinvested by the Master Trustee, at the direction of the Authority, in Qualified Investments. Any moneys held as a part of the Rebate Fund shall be invested and reinvested (including any investment income thereon) by the Master Trustee at the direction of the Authority in accordance with the provisions of the Tax Exemption Certificate executed and delivered by the Authority in connection with the issuance of the Bonds hereunder and shall be held by or under the control of the Master Trustee. Except as may be set forth in a Supplemental Trust Agreement, any money invested in respect to a particular fund or account shall be deemed at all times a part of the fund or account for which such investment was made and the interest accruing thereon and any profit realized or loss resulting from such investment shall be credited or charged to the Interest Subaccount of the Revenue Fund, except with respect to the Rebate Fund.

The Master Trustee shall be entitled to assume that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter, absent actual receipt of written notice or information to the contrary. The Master Trustee shall have no responsibility to monitor the ratings of Qualified Investments after the initial purchase of or investment in such Qualified Investment.

ARTICLE VIII

DISCHARGE OF LIENS

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

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

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until: (a) proper notice of redemption of such Bonds shall have been previously given in accordance with Article V of this Master Trust Agreement, or in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, until the Authority shall have given the Master Trustee, in form satisfactory to the Master Trustee, irrevocable instructions to

notify, as soon as practicable, the owners of the Bonds in accordance with Article V hereof, that the deposit required by (a)(ii) above has been made with the Master Trustee and that said Bonds are deemed to have been paid in accordance with this Article VIII and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds; or (b) the maturity of such Bonds.

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

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

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

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

ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES OF MASTER TRUSTEE AND BONDHOLDERS

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

(a) Default in the due and punctual payment of interest of any Bond.

(b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond, whether at the stated maturity thereon or upon proceedings for redemption thereof, or upon the maturity thereof by declaration.

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Authority in this Master Trust Agreement or in the Bonds contained and failure to remedy the same after notice thereto pursuant to Section 911 hereof. The term "Default" hereunder means default by the Authority in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Master Trust Agreement or in the Bonds exclusive of any period of grace required to constitute a Default or an "Event of Default" as hereinabove provided.

If an Event of Default shall occur, the Master Trustee shall, within two (2) Business Days after actual knowledge of such Event of Default, give written notice, by registered or certified mail, of such Event of Default to the Authority and each known Bondholder.

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

If an Event of Default shall have occurred, and if requested to do so by the holders of thirty-five percent (35%) in aggregate principal amount of Bonds then outstanding and if indemnified as provided in Section 1001 hereof, Master Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Article IX, as the Master Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

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

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

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

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

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

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

Section 906. Application of Moneys. All moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of this Article IX (other than moneys in the Costs of Issuance Fund and the Rebate Fund) shall, after payment of the reasonable fees, costs, expenses, advances and liabilities incurred, including those incurred, made or assumed by the Master Trustee, in connection with the proceedings resulting in the collection of such moneys, be deposited in the appropriate accounts of the Bond Fund, taking into account the proportions to which the State Match Portions of the Bonds and the Leveraged Portions of the Bonds, respectively, bear to the total Outstanding Bonds, and be applied as follows, provided that no moneys derived from Grant Proceeds or the repayment of the principal of any Loan shall be, used for the payment of any State Match Portion of the Bonds. All moneys so deposited in the Bond Fund shall be applied as follows:

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

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

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

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

FOURTH - The balance to the Authority for deposit to the Equity Fund held by the Authority.

(b) If the principal of all the Bonds shall become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due in the aggregate for principal and interest, to the persons entitled thereto without any discrimination or privilege, plus interest on overdue installments of interest or principal at the highest rate of interest borne by the Bonds.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declarations shall thereafter have been rescinded and annulled under the provisions of this Article IX then, subject to the provisions of Section 906(b) hereof in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 906(a) hereof.

(d) Whenever moneys are to be applied pursuant to the provisions of this Section 906, such moneys shall be applied at such times, and from time to time, as the Master Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such funds, it

shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Master Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any Bond until such Bond shall be presented to the Master Trustee for appropriate endorsement or for cancellation if fully paid.

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

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

Section 908. Rights and Remedies of Bondholders. No holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Master Trust Agreement or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a Default has occurred of which the Master Trustee has been notified as provided in Section 911 hereof, or of which by said subsection the Master Trustee is deemed to have notice, nor unless also such Default shall have become an Event of Default and the holders of thirty-five percent (35%) in aggregate principal amount of Bonds then outstanding shall have made written request to the Master Trustee and shall have offered the Master Trustee reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in the Master Trustee's own name or names, nor unless also they have offered to the Master Trustee indemnity as provided in Section 1001, nor unless the Master Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Master Trustee to be conditions precedent to the execution of the powers and trusts of this Master Trust Agreement, and to any action or cause of action for the enforcement of this Master Trust Agreement, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Master Trust Agreement by its, his, her or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the holders of all Bonds then Outstanding. However, nothing contained in this Master Trust Agreement shall affect or impair

the right of any Bondholder to enforce the payment of the principal, premium, if any, and interest on any Bond at and after the maturity thereof.

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

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

Section 911. Notice of Defaults Under Section 901; Opportunity of the Authority to Cure Such Defaults. Anything herein to the contrary notwithstanding, no Default under Section 901 hereof shall constitute an Event of Default until actual notice of such Default by registered or certified mail shall be given to the Authority by the Master Trustee or by the holders of not less than thirty-five percent (35%) in aggregate principal amount of all Bonds outstanding, and the Authority shall have had sixty (60) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period but can be corrected, it shall not constitute an Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected.

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

ARTICLE X

THE MASTER TRUSTEE

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

(a) The Master Trustee, prior to the occurrence of an Event of Default and after curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Master Trust Agreement, and no implied duties shall be read into this Master Trust Agreement against the Master Trustee. In case an Event of Default has occurred (which has not been cured or waived), the Master Trustee shall exercise such of the rights and powers vested in it by this Master Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent corporate trust department under reasonably similar circumstances would exercise or use under the circumstances.

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

(c) The Master Trustee shall not be responsible for any recital by the Authority herein or any recital in the Bonds or for the validity of the execution by the Authority of this Master Trust Agreement, or for the validity of execution by the Authority of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, and the Master Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Authority except as hereinafter set forth; but the Master Trustee may require of the Authority full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property herein conveyed.

(d) The Master Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Master Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not the Master Trustee.

(e) The Master Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or

persons. Any action taken by the Master Trustee pursuant to this Master Trust Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

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

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

(h) The Master Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder except failure by the Authority to cause to be made any of the payments to the Master Trustee required to be made by Article IX hereof or failure by the Authority to file with the Master Trustee any document required by this Master Trust Agreement to be so filed subsequent to the issuance of the Bonds, unless the Master Trustee shall be specifically notified in writing of such Default by the Authority or by the holders of at least thirty-five percent (35%) in aggregate principal amount of Bonds then outstanding and all notices or other instruments required by this Master Trust Agreement to be delivered to the Master Trustee must, in order to be effective, be delivered at the principal office of the Master Trustee, and in the absence of such notice so delivered the Master Trustee may conclusively assume there is no Default except as aforesaid.

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

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

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

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

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

(n) The Master Trustee shall not be required to risk, advance or expend its own funds or otherwise incur any financial liability if performing its duties or in the exercise of any rights or powers hereunder. Under no circumstances shall the Master Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

Section 1002. Fees, Charges and Expenses of the Master Trustee. The Authority shall pay to the Master Trustee, any Bond Registrar and to any Paying Agent reasonable compensation for all services performed by the Master Trustee, the Bond Registrar or the Paying Agent, respectively, hereunder in accordance with terms agreed to from time to time by the Authority and shall reimburse the Master Trustee upon request for the reasonable expenses, charges and other disbursements of the Master Trustee or the Paying Agent, respectively, and those of their respective attorneys, agents, employees and other professionals as may be reasonably necessary incurred in and about the administration and execution of the trusts hereby created and performance of their powers and duties hereunder; provided that all such liability of the Authority for payments under this Section 1002 shall be limited to the Master Trust Estate.

Section 1003. Notice to Bondholders if Default Occurs. If a Default occurs of which the Master Trustee is, by Section 908 hereof, required to take notice or if notice of Default be given as therein provided, then the Master Trustee shall give written notice thereof within thirty (30) days by first class mail to the Registered Owner of each Bond shown by the Bond Register.

Section 1004. Intervention by the Master Trustee. In any judicial proceedings to which the Authority is a party and which in the opinion of the Master Trustee and its counsel has a substantial bearing on the interests of owners of the Bonds, the Master Trustee may intervene on behalf of Bondholders and shall do so if requested in writing by the owners of at least thirty-five percent (35%) of the aggregate principal amount of Bonds then outstanding.

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

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

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

Section 1008. Appointment of Successor Trustee by the Authority or the Bondholders. In case the Master Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Authority (in the case of removal by the Authority under Section 1007) or by the owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact duly authorized, a copy of which shall be delivered personally or sent by registered mail to Authority; provided, however, that in case of any such vacancy, the Authority by an Officer's Certificate executed by its Chair and attested by its Executive Director and Secretary under its seal, may appoint a temporary trustee to fill such vacancy until a successor trustee shall be appointed by the Bondholders in the manner above provided; and such temporary trustee so appointed by the Authority shall immediately and without further act be superseded by the Master Trustee appointed by the Bondholders. Every such Master Trustee appointed pursuant to the provisions of this Section 1208 shall be a trust company or bank in good standing having a reported capital and surplus of not less than $50,000,000 if there be such an institution willing, qualified and able to accept the trust upon customary terms. If a successor Master Trustee has not been appointed with 60 days of the notice of resignation or removal of the Master Trustee, the Master Trustee may appoint a successor or may petition a court of competent jurisdiction for the appointment of a successor, and any such action of a court shall be binding upon the parties.

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

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

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

ARTICLE XI

SUPPLEMENTAL TRUST AGREEMENTS

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

(a) To cure any ambiguity or formal defect or omission in this Master Trust Agreement.

(b) To grant to or confer upon the Master Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Master Trustee.

(c) To evidence the appointment of a separate Trustee or a Co-Trustee or the succession of a new Master Trustee hereunder.

(d) To subject to the lien of this Master Trust Agreement additional revenues, properties or collateral.

(e) To preserve the exclusion from federal gross income of the interest on the Bonds.

(f) To modify any of the provisions set forth in Section 212 hereof to conform to current practices or procedures of DTC or other applicable Securities Depository.

(g) To make any other change, which in the judgment of the Master Trustee, does not materially adversely affect the interests of the Bondholders. In exercising such judgment, the Master Trustee may rely on the opinion of Independent Counsel.

(h) To specify, determine or authorize by Supplemental Trust Agreement any and all matters and things relative to the Bonds of a Series or the proceeds thereof which are not contrary to or inconsistent with this Master Trust Agreement as theretofore in effect.

(i) To make any other change which in the judgment of the Master Trustee does not materially affect the Bondholders (and the Master Trustee may rely upon the respective opinions of the Rating Services as to whether the underlying rating of the Bonds will be adversely affected as conclusively establishing whether the change will materially adversely affect the security of the Bondholders).

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

If at any time the Authority shall request the Master Trustee to enter into any such supplemental trust agreement for any of the purposes of this Section 1102, the Master Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental trust agreement to be given by first class mail to the owner of each Bond shown by the Bond Register. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the principal office of the Master Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Authority following such notice, the holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental trust agreement shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental trust agreement as in this Section 1102 permitted and provided, this Master Trust Agreement shall be and be deemed to be modified and amended in accordance therewith.

Section 1103. Opinion of Bond Counsel. Notwithstanding anything to the contrary of Sections 1101 or 1102, before the Authority and the Master Trustee enter into any supplemental trust agreement pursuant to Sections 1101 or 1102, there shall have been delivered to the Authority and the Master Trustee an Opinion of Bond Counsel stating that such supplemental trust agreement is authorized or permitted by this Master Trust Agreement and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding

upon the Authority in accordance with its terms and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

ARTICLE XII

MISCELLANEOUS

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

(a) To the Authority:

Iowa Finance Authority
2015 Grand Avenue
Des Moines, Iowa 50312
Attention: Chief Financial Officer

(b) To the Master Trustee:

Computershare Trust Company, National Association
CTSO Mail Operations
MAC: N9300-070
600 South 4th Street, 7th Floor
Minneapolis, MN 55415
Attn: Corporate Trust Department

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

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

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

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

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

IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf and its official seal to be hereunto affixed and attested by its duly authorized officer and, to evidence its acceptance of the trusts hereby created, the Master Trustee has caused these presents to be signed in its name and behalf and attested by its duly authorized officers, all as of this 1st day of September, 2022.

IOWA FINANCE AUTHORITY

(Seal)

By:_____
Its: Executive Director

COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION,
as Master Trustee

By:_____
Its: Vice President

ATTEST:

By:_____
Its: Vice President

IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf and its official seal to be hereunto affixed and attested by its duly authorized officer and, to evidence its acceptance of the trusts hereby created, the Master Trustee has caused these presents to be signed in its name and behalf and attested by its duly authorized officers, all as of this 1st day of September, 2022.

IOWA FINANCE AUTHORITY

By:_____
Its: Executive Director

(Seal)

COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION,
as Master Trustee

By:_____
Its: Vice President

Todd Landry
Vice President

ATTEST:

By:_____
Its: Vice President

Belinda Coleman
Vice President

EXHIBIT A
FORM OF OFFICER'S CERTIFICATE

Iowa Finance Authority
State Revolving Fund Revenue Bonds

Pursuant to the Amended and Restated Master Trust Agreement dated as of September 1, 2022 (the "Master Trust Agreement") by and between the Iowa Finance Authority (the "Authority") and Computershare Trust Company, National Association, as Master Trustee thereunder (the "Master Trustee"), the undersigned Authorized Officer of the Authority, acting for and on behalf of the Authority, hereby delivers this Officer's Certificate to the Master Trustee. Terms used in this Officer's Certificate which are defined in the Master Trust Agreement shall have the meanings set forth therein.

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

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

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

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

Dated this __ day of _____, ____.

IOWA FINANCE AUTHORITY

By: _____

Title: _____

4865-4742-9387\6