

In the opinion of Dorsey & Whitney LLP, Bond Counsel, assuming compliance with certain covenants designed to satisfy the requirements of applicable federal tax law, including certain provisions of the Internal Revenue Code of 1986, as amended, interest on the Series 2016 Bonds (including any original issue discount) (i) will be excluded from gross income of the owners thereof for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations but is included in adjusted current earnings for purposes of the federal alternative minimum tax imposed on corporations. Interest on the Series 2016 Bonds is exempt from State of Iowa personal and corporate (but not franchise) income taxes. See "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein.

\$163,275,000
Iowa Finance Authority
State Revolving Fund Revenue Bonds
Series 2016
(Green Bonds)

Dated: Date of Delivery

Due: August 1, as shown on following page

The State Revolving Fund Revenue Bonds, Series 2016 (Green Bonds) (the "Series 2016 Bonds") will be issued by the Iowa Finance Authority (the "Authority") pursuant to a Third Amended and Restated Master Trust Agreement dated as of October 1, 2016 (the "Master Trust Agreement") and a Supplemental Trust Agreement relating to the Series 2016 Bonds, dated as of October 1, 2016 (the "Series 2016 Supplemental Trust Agreement"), both between the Authority and Wells Fargo Bank, National Association, as master trustee (the "Master Trustee"). Proceeds of the Series 2016 Bonds will be used: (i) to fund loan disbursements, including reimbursing the Authority, for Participant Loans (defined herein) funded under the Iowa Water Pollution Control Works and Drinking Water Facilities Financing Program (the "SRF Program") which includes the Iowa Water Pollution Control Works Financing Program (the "Clean Water Program") and the Iowa Drinking Water Facilities Financing Program (the "Drinking Water Program"); and (ii) to pay for costs associated with the issuance of the Series 2016 Bonds. Pursuant to the SRF Program, loans are made (each a "Participant Loan") by the Authority to finance Projects (defined herein) for certain Iowa municipalities and water systems (each a "Participant" and collectively the "Participants") operating water pollution control facilities or drinking water facilities. The repayment terms of each Participant Loan are memorialized in a Loan and Disbursement Agreement (singularly a "Participant Agreement" and collectively the "Participant Agreements") between the Participant and the Authority, and the payments of each Participant pursuant to its Participant Agreement are further evidenced by a bond, note, or other obligation (the "Local Obligation") issued by the Participant in favor of the Authority. See "THE SRF PROGRAM" herein.

The Series 2016 Bonds are limited obligations of the Authority, payable solely from and secured by: (i) payments of principal of and interest payable by certain Participants pursuant to certain Participant Agreements originally funded or expected to be funded with SRF Program assets and pledged pursuant to the Master Trust Agreement (the "Pledged Agreements"), all as provided in the Master Trust Agreement and as further described herein; and (ii) funds held from time to time under the Master Trust Agreement. See "SECURITY AND SOURCE OF PAYMENT OF THE BONDS" herein. The Series 2016 Bonds do not constitute a general obligation of the Authority, any Participant, the State of Iowa or any political subdivision thereof, nor are the faith, revenues, credit, general funds or any taxing powers of the Authority, any Participant, the State of Iowa or any political subdivision thereof pledged to the payment of the principal of, premium, if any, or interest on the Series 2016 Bonds. The Authority has no taxing power. The Series 2016 Bonds are not a debt of any of the Participants who have entered into Pledged Agreements and are not guaranteed by the full faith and credit of any such Participant. See "INVESTMENT CONSIDERATIONS" herein.

The Series 2016 Bonds will be issued pursuant to a book-entry system and will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. There will be no distribution of the Series 2016 Bonds to the ultimate purchasers (the "Beneficial Owners"). The Series 2016 Bonds shall bear interest from the date of delivery, payable February 1, 2017 and semi-annually each February 1 and August 1 thereafter until maturity. The Series 2016 Bonds shall be issuable as fully registered bonds in denominations of \$5,000 each or any integral multiple thereof. Interest on the Series 2016 Bonds is to be paid by check or draft mailed by the Master Trustee to the registered owners of the Series 2016 Bonds or by wire transfer, as provided in the Master Trust Agreement. Principal of the Series 2016 Bonds will be payable at maturity or earlier redemption upon surrender at the designated corporate trust operations center of the Master Trustee. So long as DTC or its nominee is the registered owner of the Series 2016 Bonds, disbursement of payments of principal and interest to DTC is the responsibility of the Master Trustee and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants, as more fully described herein. See "DESCRIPTION OF THE SERIES 2016 BONDS – Book-Entry Only System" herein. The Series 2016 Bonds are subject to redemption prior to maturity as set forth herein.

The Series 2016 Bonds are offered when, as and if issued and received by the Underwriters, subject to approval of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by their counsel, Davis, Brown, Koehn, Shors & Roberts, P.C., Des Moines, Iowa. It is expected that the Series 2016 Bonds in definitive form will be available for delivery through the facilities of DTC against payment therefor in New York, New York, on or about October 19, 2016.

PIPER JAFFRAY & CO.
CITIGROUP

BOFA MERRILL LYNCH
RBC CAPITAL MARKETS

The date of this Official Statement is October 5, 2016

SERIES 2016 MATURITY SCHEDULE

<u>Due</u> <u>August 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>	<u>Due</u> <u>August 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2017	\$1,265,000	2.000%	0.800%	46246K2T8	2031	\$8,050,000	5.000%	2.200%*	46246K3D2
2018	1,475,000	3.000%	0.890%	46246K2U5	2032	10,670,000	5.000%	2.260%*	46246K3E0
2019	5,480,000	5.000%	0.980%	46246K2V3	2033	11,205,000	5.000%	2.310%*	46246K3F7
2020	1,800,000	5.000%	1.060%	46246K2W1	2034	11,765,000	5.000%	2.360%*	46246K3G5
2021	1,885,000	5.000%	1.160%	46246K2X9	2035	12,350,000	5.000%	2.410%*	46246K3H3
2026	14,390,000	5.000%	1.710%	46246K2Y7	2036	12,970,000	5.000%	2.450%*	46246K3J9
2027	12,505,000	5.000%	1.840%*	46246K2Z4	2037	13,620,000	5.000%	2.490%*	46246K3K6
2028	11,655,000	5.000%	1.970%*	46246K3A8	2038	10,010,000	5.000%	2.520%*	46246K3L4
2029	8,765,000	5.000%	2.060%*	46246K3B6	2039	10,510,000	5.000%	2.540%*	46246K3M2
2030	2,905,000	5.000%	2.130%*	46246K3C4					

*Priced to par call on August 1, 2026

** CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein provided by CUSIP Global Services (“CGS”), managed on behalf of the American Bankers Association by S&P Capital IQ. This information is not intended to create a database and does not serve in any way as a substitute for services provided by CGS. CUSIP numbers have been assigned by an independent company not affiliated with the Authority or the Underwriters and are included solely for the convenience of the registered and beneficial owners of the Series 2016 Bonds. None of the Authority or the Underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2016 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2016 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2016 Bonds.

No dealer, broker, salesman, or other person has been authorized by the Authority or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy by any person, nor shall there be any sale of the Series 2016 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Authority, the Iowa Department of Natural Resources (the “DNR”), and from other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriters. The information and expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Series 2016 Bonds have not been registered with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended in reliance upon the exemption contained in Section 3(a)(2) of such act. The Master Trust Agreement and the Series 2016 Supplemental Trust Agreement have not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption contained in such act. The registration or qualification of the Series 2016 Bonds in accordance with applicable provisions of securities laws of any states in which the Series 2016 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Series 2016 Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

This Official Statement contains statements that are “forward-looking statements” as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. When used in this Official Statement, the words “estimate,” “intend,” “expect,” and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Official Statement.

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\$163,275,000
Iowa Finance Authority
State Revolving Fund Revenue Bonds
Series 2016
(Green Bonds)

INTRODUCTION

This Official Statement, including the cover page and appendices hereto (the “Official Statement”) is provided to furnish information with respect to the offer and sale by the Iowa Finance Authority (the “Authority”), a public instrumentality and agency of the State of Iowa (the “State”), of its State Revolving Fund Revenue Bonds, Series 2016 (Green Bonds) (the “Series 2016 Bonds”). The Series 2016 Bonds are being issued pursuant to Chapter 16 and Chapter 455B of the Code of Iowa, as amended (collectively, the “Act”), the Third Amended and Restated Master Trust Agreement dated as of October 1, 2016 (the “Master Trust Agreement”), and the Supplemental Trust Agreement relating to the Series 2016 Bonds, dated as of October 1, 2016 (the “Series 2016 Supplemental Trust Agreement”), both between the Authority and Wells Fargo Bank, National Association (the “Master Trustee”). All capitalized terms used in this Official Statement which are not defined herein shall have the respective meanings set forth in “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF DOCUMENTS.”

The Authority is authorized to undertake, in cooperation with the Iowa Department of Natural Resources (the “DNR”), the creation, administration, and financing of the Iowa Water Pollution Control Works and Drinking Water Facilities Financing Program (the “SRF Program”) established pursuant to the Act. Chapter 16 of the Code of Iowa authorizes the issuance of bonds by the Authority for its corporate purposes, including financing of the SRF Program.

The Authority will issue the Series 2016 Bonds, the proceeds of which will be used for the purposes of: (i) funding loan disbursements, including reimbursing the Authority for Participant Loans (defined below) funded under the SRF Program, which includes the Iowa Water Pollution Control Works Financing Program (the “Clean Water Program”) and the Iowa Drinking Water Facilities Financing Program (the “Drinking Water Program”); and (ii) paying for costs associated with the issuance of the Series 2016 Bonds. Under the SRF Program, loans are made by the Authority to finance Projects (defined herein) for certain Iowa municipalities and water systems (each a “Participant” and collectively the “Participants”) operating water pollution control facilities or drinking water facilities.

The Authority has designated the Series 2016 Bonds as “Green Bonds” based on the intended use of the proceeds of the Series 2016 Bonds for the financing of projects that adhere to the federal Clean Water Act and Safe Drinking Water Act, as determined by the Environmental Protection Agency (the “EPA”). The Authority and DNR provide an annual report to the EPA on the SRF Program, including information with respect to Projects for which the Authority has entered into a loan agreement during the applicable year, Projects for which construction was begun during the applicable year and Projects for which construction was completed during the applicable year. For further discussion on the “Green Bond” designation, see “THE SERIES

2016 BONDS - Designation of Green Bonds” and see APPENDIX B - “GREEN BOND PROJECT DESCRIPTIONS” for detailed project descriptions.

A “Project” or “Projects” means, in the context of the Clean Water Program, the acquisition, construction, reconstruction, extension, equipping, improvement, or rehabilitation of any works and facilities useful for the collection, treatment and disposal of sewage and industrial waste in a sanitary manner, including treatment works as defined in Section 212 of the Clean Water Act (defined herein), or the implementation and development of management programs established under Sections 319 and 320 of the Clean Water Act. In the context of the Drinking Water Program, “Project” or “Projects” means the acquisition, construction, reconstruction, extending, remodeling, improving, repairing or equipping of waterworks, water mains, extensions, or treatment facilities useful for providing potable water to residents served by a water system, including the acquisition of real property needed for any of the foregoing purposes, and such other programs as may be authorized by the Drinking Water Act (defined herein). See “THE SRF PROGRAM – Federal SRF Program” herein.

Each Participant receives a loan (a “Participant Loan”) under the SRF Program in connection with the financing of a Project and enters into a Loan and Disbursement Agreement (singularly a “Participant Agreement” and collectively the “Participant Agreements”) with the Authority. The Participant evidences its commitment to repay its Participant Loan, including interest thereon and the servicing fee applicable thereto, by issuing a sewer revenue or drinking water revenue obligation or a general obligation (the “Local Obligation”) to the Authority. Each Participant provides the Authority with an opinion of counsel to the effect that its Participant Agreement and its Local Obligation represent the valid, binding, and legally enforceable obligations of the Participant, payable, in the case of a revenue obligation, solely and only from the net revenues of the Participant’s sewage treatment system or drinking water system or, in the case of a general obligation, from *ad valorem* taxes of the Participant. Only a Local Obligation for which a Participant chooses to issue a general obligation debt for repayment of its Participant Loan is secured by the full faith and credit of such Participant.

A substantial portion of the proceeds of the Series 2016 Bonds will be used to reimburse the Authority for disbursements made under existing Participant Loans. See “THE SRF PROGRAM - Plan of Finance” herein.

Pursuant to the Master Trust Agreement, the Authority has previously issued the Series 2015 Bonds (as defined below), the Series 2013 Bonds (as defined below), the Series 2011 Bonds (as defined below), the Series 2010 Bonds (as defined below), which, together with any additional bonds issued hereinafter under the Master Trust Agreement, are on a parity with the Series 2016 Bonds (collectively, the Series 2016 Bonds, the Series 2015 Bonds, the Series 2013 Bonds, the Series 2011 Bonds, the Series 2010 Bonds and any additional bonds issued hereinafter under the Master Trust Agreement are referred to herein as the “Bonds”). The Bonds are limited obligations of the Authority payable solely from and secured by Revenues, which are defined as (1) all amounts payable to the Authority pursuant to Participant Agreements which are pledged to the repayment of the Bonds (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 (2) all investment earnings on moneys which may be available to

pay Debt Service on the Bonds. In addition to the Series 2016 Bonds, the Bonds include the Iowa Finance Authority State Revolving Fund Revenue Bonds set forth in the following table:

<u>Bond Issue</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u> (1)
Series 2015	\$321,530,000	\$279,900,000
Series 2013	115,450,000	103,555,000
Series 2011	220,435,000	195,335,000
Series 2010A	90,780,000	31,120,000
Series 2010B	<u>202,110,000</u>	<u>190,975,000</u>
Total	\$950,305,000	\$800,885,000

(1) As of the date of this Official Statement.

See “SECURITY AND SOURCE OF PAYMENT OF THE BONDS” and “APPENDIX A – PLEDGED AGREEMENTS” attached hereto for additional information with respect to the Pledged Agreements and the amounts payable thereunder which are pledged to the repayment of the Bonds.

The Series 2016 Bonds do not constitute a general obligation of the Authority, any Participant, the State of Iowa or any political subdivision thereof, nor are the faith, revenues, credit, general funds, or any taxing powers of the Authority, any Participant, the State of Iowa or any political subdivision thereof pledged to the payment of the principal of, premium, if any, or interest on the Series 2016 Bonds. The Authority has no taxing power. The Series 2016 Bonds are not a debt of any of the Participants who have entered into Participant Agreements and are not guaranteed by the full faith and credit of any Participant.

There follows in this Official Statement a description of the Authority, DNR, the SRF Program, Participants in the SRF Program, and sources of payment and security for the Series 2016 Bonds, together with summaries of certain provisions of the Master Trust Agreement, the Series 2016 Supplemental Trust Agreement and the Participant Agreements. All references herein to the Master Trust Agreement, the Series 2016 Supplemental Trust Agreement, and the Participant Agreements are qualified in their entirety by reference to the definitive forms thereof, and all references to the Series 2016 Bonds are further qualified by reference to the information with respect to the Series 2016 Bonds contained in the Series 2016 Supplemental Trust Agreement. Copies of such documents are available for inspection at the principal corporate trust office of the Master Trustee.

THE AUTHORITY

Pursuant to the Act, the Authority is responsible for arranging financing for SRF Program activities and accounting for the Participant Loans of the SRF Program, structuring Participants' repayments, and the investment of SRF Program funds. The Authority also reviews, processes, underwrites and approves loan applications and disburses moneys to loan applicants for eligible project costs. The Authority has arranged financing for the Clean Water Program since its inception in 1988 and for the Drinking Water Program since its inception in 1997.

The Authority was created in 1975 by the State to undertake programs that assist in the attainment of qualified housing, by encouraging the investment of private capital and stimulating the construction and rehabilitation of adequate housing through the use of public financing. By subsequent amendments to what is now Chapter 16 of the Code of Iowa, the Authority's responsibilities have been greatly expanded. The Authority administers numerous housing, water quality, agricultural and economic development programs. The Authority serves as a Section 8 Contract Administrator for the U.S. Department of Housing and Urban Development. The Authority also issues bonds under its Single Family and Multifamily Housing Programs, its Agricultural Development Division and its Economic Development Loan Program.

The Authority has also been authorized to cooperate with other State entities and to issue its bonds to provide financing for various State needs, and has acted as a conduit issuer for State entities to fund activities related to college dormitories, juvenile housing and treatment facilities as well as correctional facilities. THE OBLIGATIONS ISSUED AS A RESULT OF THESE PROGRAMS ARE PAYABLE ONLY FROM SPECIFIC REVENUES OR ASSETS PLEDGED THEREFOR AND ARE NOT GENERAL OBLIGATIONS OF THE AUTHORITY NOR CAN ASSETS OF THOSE PROGRAMS BE USED TO MAKE DEBT SERVICE PAYMENTS ON THE SERIES 2016 BONDS.

The State Legislature has, from time to time, and may in the future, authorize additional programs to be undertaken by the Authority. The obligations of the Authority are payable only from specific revenues or assets pledged therefor (except for certain obligations which are full faith and credit obligations of the Authority and which do not include the Bonds) and do not constitute general obligations of the State.

The powers of the Authority are vested in and exercised by a board of nine members appointed by the Governor with the approval of two-thirds of the members of the State Senate. The members and officers of the Authority, their professional roles and the date of expiration of their terms are as follows:

Ruth Randleman	<i>Chair</i> ; Carlisle - Mayor of Carlisle, Iowa (term expires April 30, 2017)
David Greenspon	<i>Vice-Chair</i> ; Clive – President of Competitive Edge Specialty Manufacturing Company (term expires April 30, 2017)
Michel Nelson	<i>Treasurer</i> ; Carroll – Senior Vice President at Iowa Savings Bank (term expires April 30, 2017)

Jeff Heil	Haverhill – Vice President of Public Finance, Northland Securities (term expires April 30, 2019)
Eric Peterson	Radcliffe – President of Summit Group, LLC and General Manager of Summit Farms, LLC (term expires April 30, 2017)
Darlys J. Baum	Burlington - Retired, former Executive Director of South Dakota Housing Development Authority (term expires April 30, 2021)
Joan Johnson	West Des Moines - Retired, former Senior Vice President and General Counsel of Iowa Realty Co., Inc. and CEO of Iowa Title Company (term expires April 30, 2019)
Shaner Magalhaes	Coralville - Realtor, Skogman Realty (term expires April 30, 2019)
M. Jane Bell	Atlantic, former Director of Government and Community Affairs for Ameristar Casino Council Bluffs (term expires April 30, 2021)

Chapter 16 of the Code of Iowa provides that the Authority shall have an Executive Director appointed by the Governor with the approval of two-thirds of the State Senate, who shall serve at the pleasure of the Governor. The Executive Director also acts as the Secretary of the Authority. The staff presently consists of the Executive Director, David D. Jamison, and approximately 90 full time employees.

Principal staff members of the Authority associated with the SRF Program are:

David D. Jamison. Mr. Jamison is the Executive Director of the Authority. Mr. Jamison was appointed by the Governor and commenced serving as Executive Director in January, 2011. Prior to becoming the Executive Director, Mr. Jamison was Treasurer of Story County, Iowa. Mr. Jamison is a graduate of Iowa State University, and also holds a Finance Master Certificate from the National Association of County Collectors, Treasurers and Finance Officers (NACCTFO), through the University of Missouri.

Cindy Harris. Ms. Harris joined the Authority as the Chief Financial Officer in September, 2012. Prior to joining the Authority, Ms. Harris served as a Senior Consultant at cfX Incorporated, a company solely dedicated to providing quantitative and strategic support to State Housing Finance Agencies (HFAs). Prior to cfX, she was a Research Assistant for the Board of Governors of the Federal Reserve System. Ms. Harris has a M.S. in Economics from the University of North Carolina at Chapel Hill and a B.A. in Economics from Grinnell College.

Lori K. Beary. Ms. Beary is the Community Development Director and SRF Program Coordinator of the Authority. She has been with the Authority since October, 2000 managing the Economic Development Loan Program, the Iowa Private Activity Bond Cap and the Iowa State Revolving Funds for Clean Water and Drinking Water. Ms. Beary earned a M.S. in Economics from Iowa State University and a B.A. from Grinnell College.

Tracy A. Scebold. Mr. Scebold is the State Revolving Fund Finance Officer of the Authority. He joined the Authority in May, 2000 and served as a housing allocation manager until July 2005. Prior to joining the Authority, Mr. Scebold worked as a contract manager for the Iowa Communication Network. Mr. Scebold has a B.S. degree in Economics from Iowa State University.

Mark A. Thompson. Mr. Thompson joined the Authority as General Counsel in September, 2005. Prior to joining the Authority, Mr. Thompson served for six years as an Assistant Attorney General for the State of Iowa, representing several state agencies. Mr. Thompson received his J.D. from the University of Iowa College of Law, an M.A. from the University of Iowa Graduate College in 1990 and a B.A. degree from Truman State University in 1985.

Mark S. Fairley. Mr. Fairley is the Finance and Investment Manager at the Authority. He joined the Authority in July, 1997. Prior to joining the Authority, he worked at the accounting firm of Hunt Kain & Associates, P.C., in Oskaloosa, Iowa. Mr. Fairley received a Master of Financial Management from Drake University and a B.A. in Accounting from Central College.

IOWA DEPARTMENT OF NATURAL RESOURCES

DNR has authority to administer the programs of the State relating to environmental control and the conservation and management of the State's natural resources. DNR is responsible for performing ongoing SRF Program operations, monitoring construction progress of the Projects, and providing technical support to certain of the Participants with respect to their Projects. DNR has entered into separate Capitalization Grant Agreements with the United States Environmental Protection Agency ("EPA") to administer the SRF Program since 1989. (See "THE SRF PROGRAM – State SRF Program" herein.) DNR annually prepares an Intended Use Plan ("IUP") for the Clean Water Program which is reviewed and adopted by the Environmental Protection Commission ("EPC") through a public hearing process and identifies sewage treatment Projects which are eligible for assistance under the Clean Water Program. Similarly, DNR annually prepares a Drinking Water Program IUP which is reviewed and adopted by the EPC through a public hearing process and identifies drinking water Projects which are eligible for Drinking Water Program assistance. DNR prepares quarterly updates to the Clean Water Program IUP and the Drinking Water Program IUP. Applicants whose Projects have been identified as eligible for assistance under the Clean Water Program or the Drinking Water Program are hereinafter referred to as "Prospective Participants."

DNR works jointly with the Authority to assist Participants in meeting the requirements of the SRF Program. DNR evaluates project plans and specifications, monitors the construction of each Project, conducts environmental reviews, and issues construction permits. DNR also receives Grant Proceeds under the Capitalization Grant Agreements and monitors, with the Authority, the balance of state match funds available for use by the SRF Program.

Chapter 455A of the Code of Iowa provides that DNR shall have a Director, currently Chuck Gipp, appointed by the Governor with the approval of two-thirds of the State Senate and who shall serve at the Governor's pleasure. The principal DNR staff members associated with the SRF Program are as follows:

Chuck Gipp. Mr. Gipp was appointed by Governor Branstad as Director of the DNR in May, 2012. Prior to being named Director, he served as Deputy Director of the DNR. From July, 2008 to August, 2011, Mr. Gipp was the Director of the Division of Soil Conservation with the Iowa Department of Agriculture and Land Stewardship. He served in the Iowa House of Representatives from 1991 to 2008. During his tenure, he served as an Assistant Majority Leader, Majority Whip, chair of the Transportation and Infrastructure Committee and House Majority Leader. Mr. Gipp has a B.A. from Luther College.

Satya Chennupati. Mr. Chennupati is the Supervisor of the Wastewater Engineering Section of the Iowa Department of Natural Resources. He has been in that position since March, 2009. He worked as a Senior Environmental Engineer in the Wastewater Engineering Section of DNR from May, 2003 to March, 2009. Mr. Chennupati worked as a Senior Project Manager at Snyder & Associates from September, 2002 to May, 2003. He worked as a Project Manager and Project Engineer at Howard R. Green Engineering Company from August, 1993 to September, 2002. Mr. Chennupati worked as a research contractor at the U.S. Army Corps of Engineers Construction Engineering Research Laboratory in Champaign, IL from November, 1991 to July, 1993. Mr. Chennupati has extensive public sector and consulting engineering experience in the fields of wastewater, drinking water, project financing, hydraulics and solid waste, and has published multiple technical reports. Mr. Chennupati successfully completed the Iowa Certified Public Manager Program from Drake University College of Business in November, 2007. Mr. Chennupati graduated with a Master of Science in Civil and Environmental Engineering from the University of Illinois at Urbana-Champaign in 1993 and a Bachelor of Science in Civil Engineering from India in 1991. Mr. Chennupati is a licensed Professional Engineer in the State of Iowa.

Patricia Cale-Finnegan. Ms. Cale-Finnegan is the DNR's SRF Coordinator. Ms. Cale-Finnegan's duties include overseeing the operating agreement with the U.S. Environmental Protection Agency, providing coordination between programmatic and financial functions of the SRF programs, and developing new uses for the SRF programs. She is a former member of the SRF State/EPA Work Group. Ms. Cale-Finnegan's previous experience includes serving as project manager for the Iowa Association of Municipal Utilities. Ms. Cale-Finnegan has a M.S. and a B.A. from Iowa State University.

THE SRF PROGRAM

Federal SRF Program

The federal Water Quality Act of 1987, which amended the Clean Water Act of 1972 (the "Clean Water Act"), provides for the establishment of state revolving fund loan programs. The funds in these state revolving fund loan programs are to be used to provide financial assistance to various entities in connection with the construction of systems for the storage, treatment,

recycling and reclamation of sewage, and certain other qualified water pollution control projects. The Clean Water Act requires, as a condition for the receipt of certain federal financial assistance, that each state establish a state revolving loan fund to receive Grant Proceeds. As part of the Clean Water Act, states are also required to provide state matching funds equal to twenty percent of each federal capitalization grant. The Clean Water Program satisfies the criteria of the Clean Water Act and entitles the State to receive capitalization grants from EPA for Clean Water Program Projects.

The federal Safe Drinking Water Act Amendments of 1996, which amended the Safe Drinking Water Act (the “Drinking Water Act”), provide for the establishment of state revolving fund loan programs. The funds in these state revolving fund loan programs are to be used to provide financial assistance to various community water systems (including for-profit companies) and nonprofit non-community water systems in connection with the construction of qualified drinking water projects. Under each state revolving fund loan program, a state revolving loan fund is created to receive federal capitalization grants and states are required to provide state matching funds equal to at least twenty percent of each federal capitalization grant. The Drinking Water Program satisfies the criteria of the Drinking Water Act and entitles the State to receive capitalization grants from EPA for Drinking Water Program Projects.

Federal law allows for the cross-collateralization of the assets of the Clean Water Program and Drinking Water Program. The SRF Program has been structured to provide cross-collateralization through the Master Trust Agreement. See “SECURITY AND SOURCE OF PAYMENT OF THE BONDS – Equity Fund of the Master Trust Agreement”.

The Clean Water Act and the Drinking Water Act currently authorize the federal government to continue to provide annual funding for sewage treatment facility and drinking water facility revolving funds, including the SRF Program. There can be no assurance that continued funding by the federal government for the SRF Program will be appropriated. The Pledged Agreements do not rely on continued funding by the federal government of the SRF Program for funding.

State SRF Program

The SRF Program is the principal means by which the State carries out the directives of the Clean Water Act and the Drinking Water Act. The SRF Program provides subsidized loans to Participants to finance the acquisition, construction, and improvement of water pollution control facilities and drinking water facilities within the State. The Clean Water Program and the Drinking Water Program were designed to meet the federal requirements for the state revolving funds and have been funded since inception with (i) the proceeds of bonds issued under the SRF Program and (ii) federal capitalization grants. The SRF Program is jointly administered by the Authority and the DNR. See “THE AUTHORITY” and “IOWA DEPARTMENT OF NATURAL RESOURCES” above.

In 1988, amendments to State law authorized the creation of the Clean Water Program and created a revolving loan fund pursuant to which the State is authorized to receive federal capitalization grants. The State legislation also authorized the Authority to issue bonds to provide funding for the Clean Water Program, including the state matching funds required by the

Clean Water Act. In 1997 and 1998, amendments to State law authorized the creation of the Drinking Water Program, similarly providing for a revolving loan fund pursuant to which the State is authorized to receive federal capitalization grants. These amendments also authorized the Authority to issue bonds to provide funding for the Drinking Water Program, including the state matching funds required under the Drinking Water Act.

In 2002, the Act was expanded to include the implementation of a nonpoint source pollution management plan as provided in the Clean Water Act, including the rehabilitation and improvement of onsite wastewater treatment systems. Loans made pursuant to this program are not expected to be used to secure any Series 2016 Bonds. In 2009, the Act was amended to specify that the program funds and accounts used in the state revolving loan program created under the Act were not a part of the state general fund and are not subject to appropriation for any purpose by the general assembly. This legislation also allowed for the combined administration by the Authority and the DNR of the revolving loan funds and the cross collateralization of the same to the extent permitted by the Clean Water Act and the Safe Drinking Water Act.

As of August 1, 2016, the Authority had made Participant Loans pursuant to Participant Agreements under the Clean Water Program in the amount of \$1,760,671,251, of which \$1,152,564,484 remains outstanding. As of August 1, 2016, the Authority had made Participant Loans pursuant to Participant Agreements under the Drinking Water Program in the amount of \$726,461,668, of which \$488,008,078 remains outstanding.

The Authority has previously issued \$1,922,045,000 of Bonds, of which \$800,885,000 remain outstanding. In addition, as of August 1, 2016, federal capitalization grants in the aggregate amount of \$818,114,698 had been received by the DNR to fund the Clean Water Program and the Drinking Water Program.

Under the SRF Program structure, federal capitalization grant proceeds may be either deposited into the Equity Fund or deposited with the Authority for use in the SRF Program. Funds held by the Authority under the SRF Program may be used to make Participant Loans, however, only repayments on certain Participant Loans specifically pledged under the Master Trust Agreement will serve as security for the Series 2016 Bonds. Participant Loans that are not specifically pledged under the Master Trust Agreement are not pledged to repayment of any Series 2016 Bonds and do not serve as security for any Series 2016 Bonds.

As security for the Series 2016 Bonds, the interest and principal payable under the Pledged Agreements will be pledged to the payment of the Series 2016 Bonds. See APPENDIX A – “PLEDGED AGREEMENTS” attached hereto.

The twenty percent state match required to be provided for each federal capitalization grant for both the Clean Water Program and the Drinking Water Program has been previously funded through the issuance of the prior Bonds and is generally referred to as the “state match portion” of the prior Bonds. The remaining portion of the prior Bonds was issued to provide funds for the applicable SRF Program and is referred to as the “leveraged portion” of the prior Bonds.

Program Operations

Applicants are eligible for loans from the SRF Program based upon, among other things, the applicants' needs for new or improved sanitary sewer facilities and drinking water facilities, the applicants' ability to commence construction of their project within the time frame mandated by the SRF Program, and the applicants' ability to assess sanitary sewer utility rates and drinking water utility rates, or levy *ad valorem* taxes, at a level sufficient to repay their loans, interest thereon, and applicable servicing fees. Projects are selected and loan amounts are determined in accordance with the Clean Water Act, the Drinking Water Act, and administrative rules adopted by the Authority and the DNR. Participants enter into Participant Agreements with the Authority when Participants have been approved by the DNR and are ready to begin construction of their Projects. Because Prospective Participants included in an approved IUP are not required to enter into Participant Agreements, there is no assurance that Prospective Participants will become SRF Program Participants. In the event that a Prospective Participant is approved and placed on an IUP but does not enter into a Participant Agreement or utilize the full amount of funds available pursuant to the Participant Agreement, such amounts may be allocated to other Prospective Participants placed on current or subsequent IUPs.

Participant Loans are made at below market interest rates and may be outstanding for a maximum of thirty years from scheduled completion of the Project. For Participant Loans made prior to September 28, 2012, the interest rate was three percent (3%) per annum; for Participant Loans made beginning on and since September 28, 2012, the interest rate for Participant Loans with a term of 20 years or less is one and seventy-five one hundredths percent (1.75%) per annum and the interest rate for Participant Loans with a term of between 20 and 30 years is two and seventy-five one hundredths percent (2.75%) per annum. For Participants considered economically disadvantaged under rules adopted by the DNR and the Federal Department of Housing and Urban Development, the interest rate is 1.75% regardless of the term. In addition, the Authority now reduces the interest rate on Participant Loans which were originally made at a 3% rate to 1.75% on the tenth anniversary of the loan. For loans originated in the future, such interest rates are subject to review and amendment by the Authority.

Each Participant receiving a Participant Loan is currently required to enter into a Participant Agreement with the Authority, obligating the Participant to repay its Participant Loan, interest thereon, and certain servicing fees. Principal payments on each Participant Loan must commence not later than one year after the date the Participant completes construction of its Project. A Participant evidences its obligations under a Participant Agreement by issuing a sewer or drinking water revenue obligation, or a general obligation payable from *ad valorem* taxes of the Participant. Any Participant Agreement and Local Obligation which is secured by a first lien on a Participant's sewer revenue obligation or drinking water revenue obligation will require that such Participant maintain applicable utility rates which are set to maintain annual net revenues equal to 110% of the Participant's annual repayment obligation under the Participant Agreement and under any other utility debt ranking on a parity with its Participant Loan. Subordinate Participant Loans may be approved if the annual net revenues from the funded utility are expected to equal at least 105% of the Participant's combined maximum annual debt service on the outstanding obligations and subordinate loan. Such rate covenants do not apply to a Participant whose Participant Agreement and Local Obligation is secured by the general obligation of such Participant. A Participant Agreement and Local Obligation secured by the

general obligation of a Participant will be backed by a levy of *ad valorem* taxes of such Participant. The majority of the Participant Agreements are secured by utility revenue obligations, rather than general obligations. The Participant Agreements that are secured by utility revenue obligations are limited obligations of the Participants entering into such Participant Agreements and are not guaranteed by the full faith and credit of such Participants. To date, there have been no defaults on Participant Loan repayments for either the Clean Water Program or the Drinking Water Program.

In the event the SRF Program has insufficient funds to pay principal of or the interest on the Series 2016 Bonds, Participants are not required to pay amounts in excess of the amounts originally agreed to pursuant to their Participant Agreement to make up revenue shortfalls of the SRF Program.

Process to Secure a Loan from the SRF Program for the Pledged Participants

The Participants whose Participant Agreements comprise the Pledged Agreements (the “Pledged Participants”) are set forth in Appendix A.

Participants submit an application to include a proposed project on priority lists administered by the DNR. An applicant submits project and technical data to enable DNR to confirm (i) an applicant’s authority and capability to operate existing and proposed facilities, (ii) environmental compliance status, (iii) analysis of feasible project alternatives, (iv) viability of the proposed project and its relationship to existing facilities, (v) compliance with design and construction standards, and (vi) construction and operational impacts on the environment including water quality and water quantity impacts.

Participants also submit an application to enable the Authority to confirm (i) debt capacity for general obligation pledges or conformance with existing covenants for net revenue pledges, (ii) net income and retained earnings, (iii) current and proposed user rate charges, (iv) system connections, and (v) users with more than 5% of the system’s capacity.

The Authority originates loans after the Participant’s governing body adopts a resolution authorizing the loan evidenced by a bond or note, and the Participant’s bond counsel provides an opinion on the legality and enforceability of the loan and the related bond or note. Participants provide a general obligation pledge or revenue pledge with respect to repayment of the Participant’s loan. By executing its Participant Agreement, Participants agree to the terms and conditions summarized in APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF DOCUMENTS” including a requirement to provide comprehensive audit reports and other data reasonably requested by the Authority throughout the term of the Participant Loan. Once originated, the Authority releases proceeds of the Participant Loan to the Participant as actual project costs are incurred.

Pledged Participants have agreed to make semi-annual interest and annual principal payments with most Pledged Participants required to make interest payments on June 1 and December 1 and most Pledged Participants required to make principal payments on June 1. The Authority will make semi-annual debt service payments on the Series 2016 Bonds on February 1 and August 1.

In accordance with the Master Trust Agreement, the Authority has authority to release the lien on a Pledged Agreement and pledge another Participant Agreement throughout the term of the Series 2016 Bonds, for events including, but not limited to, the Authority's findings associated with a Participant's comprehensive audit report; environmental compliance status; loan payment history; and technical, managerial, and financial viability.

PLAN OF FINANCE

General

The Series 2016 Bond proceeds shall be used to (i) fund the SRF Program, including by reimbursing the Authority for Participant Loans funded under the SRF Program, and (ii) pay for costs associated with the issuance of the Series 2016 Bonds. At closing of the Series 2016 Bonds, the Authority will use approximately \$186,000,000 of net bond proceeds (approximately 93% of the net proceeds of the Series 2016 Bonds) to reimburse itself for prior SRF loan disbursements. The Series 2016 Bond proceeds shall be further apportioned as (i) a State Match Clean Water Portion; (ii) a State Match Drinking Water Portion; (iii) a Leveraged Clean Water Portion and (iv) a Leveraged Drinking Water Portion, all of which are subject to adjustment as set forth in an Officer's Certificate. For further detail, see "SOURCES AND USES OF FUNDS."

The State Match Clean Water Portion of the Series 2016 Bond proceeds along with other available funds will meet the state match requirement for the 2016 and 2017 federal capitalization grants to be received for the Clean Water Program under a Capitalization Grant Agreement (the "2016 Clean Water Capitalization Agreement") in the anticipated aggregate grant amounts of \$18,083,000 (2016) and \$20,000,000 (2017). The State Match Drinking Water Portion of the Series 2016 Bond proceeds along with other available funds will meet the state match requirement for the 2016 and 2017 federal capitalization grants to be received for the Drinking Water Program under a Capitalization Grant Agreement (the "2016 Drinking Water Capitalization Agreement") in the anticipated aggregate grant amounts of \$12,432,000 (2016) and \$15,000,000 (2017). See "SOURCES AND USES OF FUNDS" and APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF DOCUMENTS." Federal capitalization grant proceeds received as a result of the issuance of the Series 2016 Bonds will be deposited with the Authority for use in the SRF Program.

SOURCES AND USES OF FUNDS

The following sets forth a summary of the estimated sources and uses of funds relating to the issuance of the Series 2016 Bonds (subject to adjustment as set forth in an officer's certificate):

	State Match Clean Water Portion	Leveraged Clean Water Portion	State Match Drinking Water Portion	Leveraged Drinking Water Portion	Total
<u>Sources of Funds</u>					
Par Amount of Series 2016 Bonds	\$6,905,000	\$113,350,000	\$5,000,000	\$38,020,000	\$163,275,000
Net Original Issue Premium	754,533	27,453,269	513,595	9,253,553	37,974,950
Total	\$7,659,533	\$140,803,269	\$5,513,595	\$47,273,553	\$201,249,950
<u>Uses of Funds</u>					
Deposit to Equity Fund	\$7,616,600	\$140,000,000	\$5,486,400	\$47,000,000	\$200,103,000
Deposit to Costs of Issuance Fund	23,464	329,100	14,921	112,463	479,948
Underwriters' Discount	19,469	474,169	12,274	161,090	667,002
Total	\$7,659,533	\$140,803,269	\$5,513,595	\$47,273,553	\$201,249,950

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DEBT SERVICE COVERAGE SCHEDULE

The table on the following page sets forth, as of August 1 of each year while the Bonds are outstanding, (i) the anticipated annualized interest payable under all Pledged Agreements, (ii) the debt service on the state match portion of the Bonds (the “State Match Debt Service”), (iii) the State Match Coverage (i.e. the anticipated annualized interest payable under all Pledged Agreements divided by the State Match Debt Service), (iv) the amount by which the anticipated annualized interest payable under all Pledged Agreements exceeds the State Match Debt Service, (v) the anticipated annualized principal payable under all Pledged Agreements, (vi) the total remaining revenues available (the amount by which the anticipated annualized interest payable under all Pledged Agreements exceeds the State Match Debt Service plus the anticipated annualized principal payable under all Pledged Agreements), (vii) the debt service on the leveraged portion of the Bonds, (viii) the Leveraged Coverage (i.e. the total remaining revenues available divided by the debt service on the leveraged portion of the Bonds outstanding), (ix) the total revenues (the anticipated annualized interest payable under all Pledged Agreements plus the anticipated annualized principal payable under all Pledged Agreements), (x) the total debt service (the debt service on all outstanding Bonds), and (xi) the Total Coverage (i.e. the total revenues divided by the total debt service). The amounts reflected on the following table do not include any subsidy payments received or to be received under the Build America Bond program for the Authority’s Series 2010B Bonds.

Projected Debt Service Coverage

The Master Trust Agreement requires a written report including a Projected Debt Service Coverage Ratio to be prepared in connection with the issuance of Additional Indebtedness or the withdrawal of monies or other assets held under the Master Trust Agreement. While meeting the debt service coverage ratio is a precondition to issuing Additional Indebtedness and to withdrawing monies from the pledge under the Master Trust Agreement, failure to maintain any level of coverage is not a default under the Master Trust Agreement.

Each Projected Debt Service Coverage Ratio, including the one on the following page, is based upon certain assumptions. Actual events may vary from those assumptions and such variations may be material and adverse. In preparing a Projected Debt Service Coverage Ratio, the Authority does not assume any future defaults on Participant Loans. No assurances can be given that actual revenues for any Bond Year will be accurately predicted by a Projected Debt Service Coverage Ratio. The preparation of a Projected Debt Service Coverage Ratio does not constitute a representation by the Authority that the projected revenues will be realized or will be received at the time or in the amounts set forth in the Projected Debt Service Coverage Ratio.

	<u>State Match</u>				<u>Leveraged</u> Total Remaining					<u>Total</u>	
	Annualized Interest <u>Revenues</u>	State Match Debt Service	<u>Coverage</u>	Excess Interest <u>Revenues</u>	Annualized Principal <u>Revenues</u>	Revenues <u>Available</u>	Leveraged Debt Service	<u>Coverage</u>	<u>Total Revenues</u>	Total Debt <u>Service</u>	<u>Coverage</u>
8/1/2017	\$ 40,070,159	\$ 7,868,159	5.09x	\$32,202,000	\$78,657,707	\$110,859,708	\$ 89,658,529	1.24x	\$118,727,866	\$ 97,526,688	1.22x
8/1/2018	36,060,000	7,776,420	4.64x	28,283,580	84,440,800	112,724,380	91,316,822	1.23x	120,500,800	99,093,242	1.22x
8/1/2019	33,917,676	11,233,388	3.02x	22,684,288	86,011,000	108,695,288	85,944,848	1.26x	119,928,676	97,178,236	1.23x
8/1/2020	31,858,007	7,044,241	4.52x	24,813,766	87,755,000	112,568,766	90,760,029	1.24x	119,613,007	97,804,270	1.22x
8/1/2021	29,998,229	5,894,625	5.09x	24,103,604	88,715,246	112,818,850	90,690,287	1.24x	118,713,475	96,584,912	1.23x
8/1/2022	28,067,559	2,876,450	9.76x	25,191,109	88,282,000	113,473,109	87,743,017	1.29x	116,349,559	90,619,467	1.28x
8/1/2023	26,142,276	2,630,700	9.94x	23,511,576	88,496,000	112,007,576	86,960,337	1.29x	114,638,276	89,591,037	1.28x
8/1/2024	24,192,065	1,357,900	17.82x	22,834,165	86,157,000	108,991,165	82,743,231	1.32x	110,349,065	84,101,131	1.31x
8/1/2025	22,263,745	1,363,450	16.33x	20,900,295	85,211,000	106,111,295	78,728,501	1.35x	107,474,745	80,091,951	1.34x
8/1/2026	20,343,250	-		20,343,250	82,926,487	103,269,737	76,293,189	1.35x	103,269,737	76,293,189	1.35x
8/1/2027	18,444,761	-		18,444,761	80,949,344	99,394,105	70,607,875	1.41x	99,394,105	70,607,875	1.41x
8/1/2028	16,566,455	-		16,566,455	79,176,000	95,742,455	69,374,766	1.38x	95,742,455	69,374,766	1.38x
8/1/2029	14,709,586	-		14,709,586	78,634,144	93,343,730	69,057,596	1.35x	93,343,730	69,057,596	1.35x
8/1/2030	12,860,580	-		12,860,580	73,173,000	86,033,580	62,465,467	1.38x	86,033,580	62,465,467	1.38x
8/1/2031	11,137,515	-		11,137,515	73,697,000	84,834,515	57,879,000	1.47x	84,834,515	57,879,000	1.47x
8/1/2032	9,422,821	-		9,422,821	68,613,000	78,035,821	36,640,500	2.13x	78,035,821	36,640,500	2.13x
8/1/2033	7,934,256	-		7,934,256	53,689,000	61,623,256	36,043,250	1.71x	61,623,256	36,043,250	1.71x
8/1/2034	6,788,567	-		6,788,567	48,310,734	55,099,301	23,567,250	2.34x	55,099,301	23,567,250	2.34x
8/1/2035	5,719,112	-		5,719,112	44,655,100	50,374,212	23,560,250	2.14x	50,374,212	23,560,250	2.14x
8/1/2036	4,703,360	-		4,703,360	39,591,000	44,294,360	15,325,500	2.89x	44,294,360	15,325,500	2.89x
8/1/2037	3,766,323	-		3,766,323	33,845,000	37,611,323	15,327,000	2.45x	37,611,323	15,327,000	2.45x
8/1/2038	2,949,462	-		2,949,462	24,587,000	27,536,462	11,036,000	2.50x	27,536,462	11,036,000	2.50x
8/1/2039	2,299,643	-		2,299,643	24,795,000	27,094,643	11,035,500	2.46x	27,094,643	11,035,500	2.46x

DESCRIPTION OF THE SERIES 2016 BONDS

General Description

The Series 2016 Bonds will be issued as fully registered bonds in book-entry form in the denominations of \$5,000 or any integral multiple thereof. See “DESCRIPTION OF THE SERIES 2016 BONDS – Book-Entry Only System” herein. The Series 2016 Bonds will be dated the date of delivery. The Series 2016 Bonds will mature on the dates and will bear interest at the interest rates per annum set forth on the cover hereof. Each Series 2016 Bond shall bear interest from the date of delivery of the Series 2016 Bonds or from the most recent date to which interest has been paid or duly provided for, payable semiannually on August 1 and on February 1 of each year commencing February 1, 2017 (hereinafter an “Interest Payment Date”). Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The principal of, redemption premium, if any, and interest on the Series 2016 Bonds shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and, except as otherwise provided in the Supplemental Trust Agreement, such principal and redemption premium, if any, shall be payable by check or draft at the designated payment office of the Master Trustee or at the office of any duly appointed alternate Paying Agent, upon presentation and surrender of such Series 2016 Bonds. Payment of the interest on any Series 2016 Bond shall be made to the person appearing on the Bond Register as the Bondholder thereof as of the commencement of business of the Master Trustee on the Record Date for such Interest Payment Date, and shall be paid by check or draft of the Master Trustee mailed to such Bondholder at such Bondholder’s address as it appears on the Bond Register or at such other address as is furnished to the Master Trustee in writing by such Bondholder. Unless the Series 2016 Bonds are in book-entry form, no principal of or redemption premium, if any, on the Series 2016 Bonds is payable unless the Bondholder thereof shall have surrendered such Series 2016 Bonds at the principal payment office of the Master Trustee. All checks, drafts or at the best efforts of the Master Trustee, electronic transfers for the payment of the principal of or redemption premium, if any, and interest on the Series 2016 Bonds shall include or have enclosed therewith the CUSIP number and appropriate payment amount for each CUSIP number.

Designation of Green Bonds

The Authority is issuing the Series 2016 Bonds as “Green Bonds” due to the Projects’ adherence to the standards of the federal Clean Water and Safe Drinking Water Acts. The purpose of labeling the Series 2016 Bonds as Green Bonds is to allow investors to invest directly in bonds which finance environmentally beneficial projects. Holders of Green Bonds do not assume any specific risk with respect to any of the funded Projects.

Use of Bond Proceeds. The Series 2016 Bonds are being issued to (i) finance Projects to bring communities into compliance with the Clean Water Act and the Safe Drinking Water Act, including reimbursing the Authority for Participant Loans funded under the SRF Program, and (ii) pay for costs associated with the issuance of the Series 2016 Bonds. The goals of the Clean Water Act and the Safe Drinking Water Act are to improve water quality, protect the environment and protect public health.

Project Evaluation, Monitoring, and Selection Process. The SRF Program is the principal means by which the State carries out the directives of the Clean Water Act and the Drinking Water Act. The SRF Program provides subsidized loans to Participants to finance the acquisition, construction, and improvement of water pollution control facilities and drinking water facilities within the State. The Clean Water Program and the Drinking Water Program were designed to meet the federal requirements for the state revolving funds and have been funded since inception with (i) the proceeds of bonds issued under the SRF Program and (ii) federal capitalization grants. The SRF Program is jointly administered by the Authority and the DNR. See “THE AUTHORITY” and “IOWA DEPARTMENT OF NATURAL RESOURCES” above.

In addition, the DNR annually prepares an IUP for the Clean Water Program which is reviewed and adopted by the EPC through a public hearing process and identifies sewage treatment Projects which are eligible for assistance under the Clean Water Program. Similarly, the DNR annually prepares a Drinking Water Program IUP which is reviewed and adopted by the EPC through a public hearing process and identifies drinking water Projects which are eligible for Drinking Water Program assistance. The DNR prepares quarterly updates to the Clean Water Program IUP and the Drinking Water Program IUP.

DNR works jointly with the Authority to assist Participants in meeting the requirements of the SRF Program. DNR evaluates project plans and specifications, monitors the construction of each Project, conducts environmental reviews, and issues construction permits. DNR also receives Grant Proceeds under the Capitalization Grant Agreements and monitors, with the Authority, the balance of state match funds available for use by the SRF Program.

Applicants are eligible for loans from the SRF Program based upon, among other things, the applicants’ needs for new or improved sanitary sewer facilities and drinking water facilities, applicants’ ability to commence construction of their Projects within the time frame mandated by the SRF Program, and applicants’ ability to assess sanitary sewer utility rates and drinking water utility rates, or levy *ad valorem* taxes, at a level sufficient to repay their loans, interest thereon, and applicable servicing fees. Projects are selected and loan amounts are determined in accordance with the Clean Water Act, the Drinking Water Act, and administrative rules adopted by the Authority and the DNR. Participants enter into Participant Agreements with the Authority when Participants have been approved by the DNR and are ready to begin construction of their Projects.

Proceeds Management. The proceeds of the Series 2016 Bonds will be used to fund loan disbursements, including through reimbursing the Authority for prior loan disbursements, under the SRF Program, which includes the Clean Water Program and the Drinking Water Program. Amounts held in the funds established under the Master Trust Agreement are invested in Qualified Investments in accordance with the Master Trust Agreement.

Reporting. The Series 2016 Bond proceeds will be used to fund loan disbursements, under the SRF Program. Approximately 93% of the net Series 2016 Bond proceeds will have been fully expended upon issuance of the Series 2016 Bonds. Appendix B hereto includes information on the Projects for which the Authority will be reimbursed from Series 2016 Bond proceeds for prior loan disbursements under the SRF Program. The Authority and DNR provide an annual report to the EPA on the SRF Program. The annual report includes lists of Projects for

which the Authority has entered into a loan agreement during the applicable year, as well as Projects for which construction was begun during the applicable year and Projects for which construction was completed during the applicable year. The annual report is available on the SRF Program's website; however, no information on said website is incorporated into this official statement.

Redemption Provisions

(a) *Optional Redemption.* The Series 2016 Bonds are subject to redemption prior to maturity at the option of the Authority on or after August 1, 2026, in whole or in part at any time, from any moneys regardless of source, at 100% of the principal amount of such Series 2016 Bonds or portions thereof to be so redeemed, plus accrued interest thereon to the date fixed for redemption.

(b) *Mandatory Special Redemption.* The federal Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA") imposes additional requirements and conditions for the interest on bonds issued by state and local governments for pooled financing programs to be and remain exempt from federal income taxation. Among those requirements are provisions requiring the redemption of bonds if certain amounts of the bond proceeds are not used for loans within one-year and three-year periods following the issuance of the bonds in order for the interest on the bonds to remain tax exempt from federal income taxation. Under TIPRA, the issuer is required to redeem outstanding bonds within 90 days after the end of such one-year and three-year periods in an amount equal to the difference between the amount of proceeds actually used and an amount equal to the applicable percentage.

The Authority will meet the one-year requirement upon the closing of the issuance of the Series 2016 Bonds and expects to meet the three-year requirement within one year of the closing of the issuance of the Series 2016 Bonds.

The Series 2016 Bonds shall be redeemed at a redemption price of 102% of the principal amount thereof to be so redeemed plus interest accrued to the date fixed for redemption by the Authority as a result of the failure to lend proceeds of the Series 2016 Bonds to one or more Participants, such redemption to be made on November 1, 2019 in an amount equal to the amount by which the proceeds of the Series 2016 Bonds either expended from the Loan Origination Fund by September 1, 2019 or deposited at closing in the Equity Fund, is less than 95% of the net proceeds of the Series 2016 Bonds.

Previously, the Authority has issued the following series of bonds subject to the requirements described above:

<u>Series</u>	<u>Par Amount</u>	<u>Closing Date</u>	<u>Attainment of 1 Year/30% Req.</u>	<u>Attainment of 3 Year/95% Req.</u>
2007	\$64,160,000	10/04/2007	Closing Date	12/28/2007
2008	148,435,000	12/07/2008	Closing Date	Closing Date
2009	143,895,000	11/30/2009	Closing Date	09/24/2010
2010A	90,780,000	12/01/2010	Closing Date	03/11/2011
2010B	202,110,000	12/01/2010	Closing Date	06/30/2011
2011	220,435,000	12/20/2011	Closing Date	12/28/2012
2013	115,450,000	07/02/2013	Closing Date	08/09/2013
2015	321,530,000	02/25/2015	Closing Date	Closing Date

(c) *Selection.* If less than all of the Series 2016 Bonds of like maturity 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. In making such selection, the Master Trustee shall treat each Series 2016 Bond to be redeemed as representing that number of Series 2016 Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Series 2016 Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of any authorized denomination.

(d) *Notice.* When any Bonds, or portions thereof, are to be redeemed, the Master Trustee shall give notice of the redemption of the Series 2016 Bonds in the name of the Authority to the Holders of such Series 2016 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 Series 2016 Bonds, or portions thereof, to be redeemed (unless all the outstanding Series 2016 Bonds are to be redeemed); (v) the place or places where amount due upon such redemption will be payable; and (vi) such other information as the Master Trustee shall deem necessary or appropriate to facilitate the redemption of such Series 2016 Bonds. Such notice shall further state that on such date there shall become due and payable upon each Series 2016 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 Series 2016 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 Series 2016 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 shall not be conditioned upon the prior payment to the Master Trustee of moneys or Investment Obligations sufficient to pay the Redemption Price to which such notice relates or the interest thereon to the redemption date.

Additional Bonds

The Authority may not incur Additional Indebtedness on a parity with the Series 2016 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 the Master Trust Agreement, including the proposed Additional Indebtedness. The Authority may consider all expected revenues to the Authority from the issuance of the Additional Indebtedness including at the time of issuance any and all moneys held in the funds, accounts and subaccounts of the Master Trust Agreement, except moneys in the Rebate Fund.

Exchange and Transfer of Series 2016 Bonds

As long as any of the Series 2016 Bonds remain Outstanding, the exchange of Series 2016 Bonds shall be permitted at the designated payment office of the Master Trustee.

Any Series 2016 Bond or Series 2016 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 Series 2016 Bonds of any other Authorized Denominations.

In all cases in which the privilege of exchanging or transferring Series 2016 Bonds is exercised, the Authority shall execute and the Master Trustee shall deliver Series 2016 Bonds in accordance with the provisions of the Master Trust Agreement. For every such exchange or transfer of Series 2016 Bonds, whether temporary or definitive, the Authority or the Master Trustee may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

No Acceleration

Upon the occurrence of an Event of Default under the Master Trust Agreement, there is no remedy of acceleration available to the Trustee with respect to the Series 2016 Bonds.

SECURITY AND SOURCE OF PAYMENT OF THE SERIES 2016 BONDS

General

The Bonds issued pursuant to the Master Trust Agreement, including the Series 2010 Bonds, the Series 2011 Bonds, the Series 2013 Bonds, the Series 2015 Bonds and the Series 2016 Bonds, are limited obligations of the Authority payable solely from and secured by Revenues, which are defined as (1) 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 (2) all investment earnings on moneys which may be available to pay Debt Service on the Bonds.

The Series 2016 Bonds do not constitute a general obligation of the Authority, any Participant, the State of Iowa, or any political subdivision thereof, nor are the faith, revenues, credit, general funds, or any taxing powers of the Authority, any Participant, the State of Iowa or any political subdivision thereof pledged to the payment of the principal of, premium, if any, or interest on the Series 2016 Bonds. The Authority has no taxing power. The Series 2016 Bonds are not a debt of any of the Participants who have entered into the Pledged Agreements and are not guaranteed by the full faith and credit of any such Participant. Except with respect to a Participant which may have issued a general obligation in connection with its respective Pledged Agreement, the Pledged Agreements are limited obligations of each respective Participant entering into the Pledged Agreement and are not guaranteed by the full faith and credit of any such Participant.

It is anticipated that principal and interest payments on Participant Loans pursuant to the Pledged Agreements will be sufficient to pay the principal of and interest on the Series 2016 Bonds. The Authority's expectations are subject to and based upon, among other things, interest rates and amounts, realizing repayments on the Participant Loans at certain projected times and in certain amounts and realizing earnings from the investment of funds held pursuant to the Master Trust Agreement at certain projected times and interest rates.

Pledged Agreements

Pledged Agreements are Participant Agreements originally funded from SRF Program assets the principal and interest repayments on which are pledged to the repayment of the Bonds. See APPENDIX A - PLEDGED AGREEMENTS. Each Participant is obligated pursuant to the terms of its Participant Agreement to repay its Participant Loan to the Authority in accordance with each Participant's amortization schedule of principal and interest repayments. The Series 2016 Bonds and all other Bonds are secured by a pledge of the principal and interest repayments pledged pursuant to the Pledged Agreements and funds held from time to time in the Equity Fund created under the Master Trust Agreement.

Reliance on Pledged Participants

The ability of the Authority to pay debt service on the Series 2016 Bonds is dependent on the repayment of Participant Loans by the Pledged Participants. The creditworthiness of each Pledged Participant may change from time to time. The Authority has no obligation to fund additional reserves for any Pledged Participant or upon a reduction in a Pledged Participant's credit rating or creditworthiness. A number of specific and general economic conditions may adversely affect the ability of Pledged Participants to repay their Participant Loans.

The Authority pledged Participant Loans to the Bonds in accordance with (i) the status of the Participant's project, (ii) the percentage of the Participant's loan previously drawn and funded by SRF Program equity, and (iii) the status of the Participant's prior SRF Program loans and other indebtedness. In addition to confirming the debt service coverage on the Series 2016 Bonds from payments due under the Pledged Agreements, the Authority reviewed the impact of potential defaults by Pledged Participants on the Authority's ability to make debt service payments on the Series 2016 Bonds. Additionally, the Authority considered impacts on Pledged Participants, if any, from (i) flooding which occurred in various parts of the State during 2008, 2010 and 2011, (ii) housing foreclosures, (iii) environmental compliance, (iv) variable rate debt, and (v) investment portfolio losses or devaluation. The Authority concluded that impacts of the above outlined events, if any, to the ability to pay debt service on the Series 2016 Bonds were not material.

To date, there have been no defaults on Participant Loan repayments. The Authority's ability to avoid late payments is facilitated by more than 90% of existing Participants making payments via electronic fund transfers and by the new Participants now being required under the program documents to make payments via electronic fund transfers unless the Authority agrees otherwise.

Master Trust Estate

To secure the payment of the principal of and interest on the Series 2016 Bonds and the performance and observance of all covenants pursuant to the Master Trust Agreement, the Series 2016 Supplemental Trust Agreement and the Series 2016 Bonds, a security interest in the trust estate of the Master Trust Agreement is granted to the Master Trustee. The Master Trust Estate consists of:

All cash, moneys, securities, investments, and Pledged Agreements which may from time to time be held by the Master Trustee under the terms of the Master Trust Agreement, except for moneys deposited in the Rebate Fund and moneys deposited with or paid to 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.

State Match Portion/Clean Water Program Portions and Drinking Water Program Portions

EPA requires states to keep the accounting and financial records for each Clean Water Program and Drinking Water Program separate. In addition, under the Clean Water Act and Drinking Water Act, states are required to provide matching funds equal to twenty percent (20%) of the amount received in federal capitalization grants for the SRF Program. As a result of these requirements, any particular maturity of Bonds and any particular Bond may be comprised of both a Clean Water Program portion and a Drinking Water Program portion, and each such portion may be further subdivided into a state match portion and a leveraged portion.

The Clean Water Act and the Drinking Water Act prohibit the use of principal repayments on the Participant Loans or federal capitalization grant proceeds to repay a state match obligation. As a result, the principal repayments received under the Pledged Agreements shall be used to pay amounts due on the leveraged portion of the Bonds and the interest payments received under the Pledged Agreements and investment earnings shall be used to pay amounts due on the state match portion of the Bonds. Any remaining interest payments received under the Pledged Agreements and investment earnings which were not needed to satisfy the debt service due on the state match portions may be used along with principal repayments under the Pledged Agreements to pay the debt service due on the leveraged portion of the Bonds. Furthermore, the Master Trust Agreement requires that principal payments received under the Clean Water Program portion of the Pledged Agreements and investment earnings under the Clean Water Program only be used to pay the debt service due on the Clean Water Program portions of the Bonds. Likewise, the Master Trust Agreement requires the principal payments received under the Drinking Water portion of the Pledged Agreements and investment earnings under the Drinking Water Program only be used to pay the debt service due on the Drinking Water Program portions of the Bonds. The Master Trust Agreement does permit the Equity Fund to cross-collateralize the Clean Water Program and the Drinking Water Program. See “SECURITY AND SOURCE OF PAYMENT OF THE BONDS – Equity Fund of the Master Trust Agreement.”

Investment of Funds

Moneys held under the Master Trust Agreement will be invested by the Master Trustee, respectively, at the direction of the Authority, in Qualified Investments. All moneys held in the Equity Fund under the Master Trust Agreement, 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.

Bondholders bear the risk of any investment loss with respect to moneys held under and pursuant to the Master Trust Agreement including the loss of projected earnings on such moneys. If an investment agreement provider does not timely pay moneys due under an investment contract, Bondholders may experience delay and/or a shortfall in the payment of principal and interest on the Bonds.

Equity Fund of the Master Trust Agreement

The Bonds are further secured by the Equity Fund of the Master Trust Agreement. The Equity Fund will be held by the Master Trustee for the benefit of the owners of all Bonds and as

security for payment of the Bonds, but only in a manner prescribed in the Master Trust Agreement. The Authority pledges and assigns the Equity Fund and all amounts, if any, from time to time, on deposit therein to the Master Trustee. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF DOCUMENTS” attached hereto. Funds shall be deposited in the Equity Fund from excess amounts remaining in the Revenue Fund and as may be directed pursuant to an Officer’s Certificate. Grant Proceeds shall be deposited in the applicable account of the Equity Fund as directed by the Authority from time to time. Funds on deposit 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 under the Master Trust Agreement or any Supplemental Trust Agreement.

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 Section 306 of the Master Trust Agreement 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 the Master Trust Agreement.

Available funds on deposit in the Equity Fund may be withdrawn, in the manner prescribed in the Master Trust Agreement, and used to make Loans, 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. Such funds may also be withdrawn pursuant to an Officer’s Certificate, at any time, as described in the Master Trust Agreement.

The Equity Fund is structured to provide for the “cross-collateralization” of certain SRF Program assets. As a result, moneys allocated to the Clean Water Program on deposit in the Equity Fund may be used to provide funds for the Drinking Water Program, and moneys allocated to the Drinking Water Program on deposit in the Equity Fund may be used to provide funds for the Clean Water Program in the event there are inadequate funds in any other funds to meet their respective requirements or to meet debt service payments of any Bonds, but only in the manner prescribed in the Master Trust Agreement.

Transfers Out of the Master Trust Agreement

Any moneys held by the Master Trustee pursuant to the Master Trust Agreement may be transferred out of the funds, accounts or subaccounts of the 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 the Master Trust Agreement.

FLOW OF FUNDS

The Master Trust Agreement

Certain funds received under Participant Agreements for Initiation Fees and Servicing Fees and the related investment earnings thereon are deposited with the Authority and used to fund the administrative costs of the SRF Program. In addition, certain Grant Proceeds received by DNR and the state match funds for administration are deposited with the Authority for use in funding the administration of the SRF Program, source water, small community technical assistance, and for other purposes allowed pursuant to the Drinking Water Act and the Clean Water Act. None of these funds are pledged to the Series 2016 Bonds.

In addition to the Equity Fund, the Master Trust Agreement also creates a Loan Origination Fund, Costs of Issuance Fund, Revenue Fund, Bond Fund, and Rebate Fund.

A portion of the proceeds of the Series 2016 Bonds will be deposited in the Loan Origination Fund and immediately transferred to the Equity Fund as reimbursement for previously funded Participant Loans. Payments of principal and interest on Participant Loans made under the Pledged Agreements shall be deposited in the Revenue Fund. Investment earnings on moneys held in certain funds and accounts under the Master Trust Agreement are also deposited in the Revenue Fund. Amounts in the Revenue Fund shall be transferred, as necessary and in the manner prescribed in the Master Trust Agreement, to the Bond Fund for payment of debt service on the Bonds on each Interest Payment Date, unless otherwise instructed by the Authority. Excess funds in the Revenue Fund which are not needed to make debt service payments shall be transferred by the Master Trustee to the Equity Fund. See APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF DOCUMENTS.

Moneys shall be deposited into the Bond Fund from the Revenue Fund and the Equity Fund in an amount sufficient to pay principal, interest and sinking fund installments due on each Interest Payment Date.

Certain proceeds of the Series 2016 Bonds shall also be deposited in the Costs of Issuance Fund to be used to pay costs of issuance related to the Series 2016 Bonds and any balance remaining within the Costs of Issuance Fund 180 days following the issuance of the Series 2016 Bonds shall be transferred to the Bond Fund or to another fund or account specified by the Authority.

The Rebate Fund shall be established solely to make payments to the United States of America pursuant to Section 148 of the Code and no amounts deposited therein shall be subject to a security interest, pledge or lien in favor of the Bondholders and no funds deposited in the Rebate Fund shall be considered to be a part of the Master Trust Estate.

INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE SERIES 2016 BONDS SHOULD BE AWARE THAT THERE ARE CERTAIN INVESTMENT CONSIDERATIONS ASSOCIATED WITH THE SERIES 2016 BONDS. EACH PROSPECTIVE PURCHASER OF THE SERIES 2016 BONDS IS ENCOURAGED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY, AND TO GIVE PARTICULAR ATTENTION TO THE CONSIDERATIONS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF DEBT SERVICE AND THE MARKET PRICE ON THE SERIES 2016 BONDS. THE FOLLOWING STATEMENTS REGARDING CERTAIN INVESTMENT CONSIDERATIONS SHOULD NOT BE CONSIDERED A COMPLETE DESCRIPTION OF ALL CONSIDERATIONS IN THE DECISION TO PURCHASE THE SERIES 2016 BONDS.

Special Limited Obligations

The Series 2016 Bonds are special limited obligations of the Authority payable from the Master Trust Estate on a parity with other Outstanding Bonds. The Series 2016 Bonds do not constitute a general obligation of the Authority, any Participant, the State of Iowa or any political subdivision thereof, nor are the faith, revenues, credit, general funds or any taxing powers of the Authority, any Participant, the State of Iowa or any political subdivision thereof pledged to the payment of the principal of, premium, if any, or interest on the Series 2016 Bonds. The Authority has no taxing power.

The Series 2016 Bonds are not a debt of any of the Participants who have entered into Pledged Agreements and are not guaranteed by the full faith and credit of any such Participants. In the event the SRF Program has insufficient funds to pay principal of or the interest on the Series 2016 Bonds, Participants are not required to pay amounts in excess of the amounts originally agreed to pursuant to their Participant Agreements to make up revenue shortfalls of the SRF Program. In the event of a default by the Authority on the Series 2016 Bonds, the Trustee does not have the ability to accelerate the Series 2016 Bonds. See “DESCRIPTION OF THE SERIES 2016 BONDS – No Acceleration.”

Master Trust Agreement-Additional Bonds

The Master Trust Agreement permits the issuance of additional Bonds in the future upon meeting certain coverage requirements. See DESCRIPTION OF THE SERIES 2016 BONDS – Additional Bonds” herein.

State and Federal Regulation

The precise nature and extent of future governmental regulation and the resulting impact of such regulation on the net revenues of each Participant's water or wastewater system cannot be determined. Each Participant has covenanted in the Participant Agreement to comply with all such governmental regulation. Various other state and federal laws and regulations apply to the operations of the various Participant systems. There is no assurance that there will not be any change in, modified interpretation of, or addition to such applicable laws, provisions, and regulations which could have a material adverse effect, either directly or indirectly, on the net revenues of such systems.

Market Value and Credit Rating of Investment Obligations

Amounts on deposit under the Master Trust Agreement may from time to time be invested in Qualified Investments. There are currently no amounts on deposit under the Master Trust Agreement that are invested with any investment providers, and the Debt Service Coverage table on page 16 does not include any investment earnings in the revenues. However, in the event any amounts were so invested, the market price of any such Qualified Investments may decrease following the Authority's purchase of such investments, and the long-term ratings of any investment provider may be downgraded following the Authority's investment of funds with such providers. The Authority makes no representations about the effect on the ratings of the Series 2016 Bonds of any such decrease in market value of Qualified Investments or lowering of the long-term rating of any investment provider, and any such changes may adversely impact the ability of the Authority to pay principal of, redemption premium, if any, and interest on the Series 2016 Bonds. The Authority is under no obligation with respect to assuring the continued maintenance by any investment provider of a rating, nor to find a substitute in the event of a lowering of a provider's rating.

Risk of Tax Audit of Municipal Issuers

The Internal Revenue Service (the "IRS") has established an ongoing program of random audits of tax-exempt obligations (such as the Series 2016 Bonds) to determine whether interest on those obligations is includable in gross income for federal income tax purposes. The IRS also audits specific tax-exempt obligations if it has reasons to question the tax-exemption of the obligations. At least during the early stages of an audit, the IRS will treat the Authority as the taxpayer, and the Registered Owners of the Series 2016 Bonds may have limited rights to participate in the audit. The commencement of a random audit is unlikely to adversely affect the market value and liquidity of the Series 2016 Bonds but, depending on the nature of the concerns, a specific audit may adversely affect the market value and liquidity of any tax-exempt obligations until the audit is concluded, regardless of the ultimate outcome.

No Redemption if Series 2016 Bonds Become Taxable

No provision has been made for redemption of or for an increase in the interest rate on the Series 2016 Bonds in the event that interest on the Series 2016 Bonds becomes includable in federal gross income or otherwise subject to Iowa taxation.

TAX EXEMPTION AND RELATED CONSIDERATIONS

Tax Exemption

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on federal and Iowa laws, regulations, rulings and decisions in effect on the date of delivery of the Series 2016 Bonds, and on certifications to be furnished at closing, and assuming continuing compliance with certain covenants made by the Authority, the interest on the Series 2016 Bonds, including any original issue discount properly allocable to an owner thereof, is not includable in gross income for federal income tax purposes. Interest payable on the Series 2016 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, as amended (the “Code”), but is included in adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations. Bond Counsel will express no opinion regarding other federal tax consequences with respect to the Series 2016 Bonds.

The Code establishes certain requirements (the “Federal Tax Requirements”) that must be met subsequent to the issuance of the Series 2016 Bonds in order that, for federal income tax purposes, interest on the Series 2016 Bonds is not included in gross income pursuant to Section 103 of the Code. The Federal Tax Requirements include, but are not limited to, provisions regarding the use of bond proceeds and the facilities financed with such proceeds; restrictions on the investment of bond proceeds and other amounts; and provisions requiring that certain investment earnings be rebated periodically to the federal government. Noncompliance with the Federal Tax Requirements may cause interest on the Series 2016 Bonds to become includable in gross income for purposes of federal income taxation retroactive to their date of issue irrespective of the date on which such noncompliance occurs or is ascertained. The Authority will covenant to take all actions required of it for the interest on the Series 2016 Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. The Master Trust Agreement may be amended without the consent of any owner of the Series 2016 Bonds for the purpose of authorizing action to maintain the tax exemption with respect to interest on the Series 2016 Bonds under applicable federal laws or regulations.

Bond Counsel is also of the opinion, under existing laws of the State of Iowa and the current rules of the Iowa Department of Revenue, that the interest on the Series 2016 Bonds is exempt from the taxes imposed by Division II (Personal Net Income Tax) and Division III (Business Tax on Corporations) of Chapter 422 of the Code of Iowa (the “Iowa Code”), as amended, and will not be included in “adjusted current earnings” to be used in computing the “state alternative minimum taxable income” of corporations for purposes of Section 422.33 of the Iowa Code. Interest on the Series 2016 Bonds is subject to the taxes imposed by Division V (Taxation of Financial Institutions) of Chapter 422 of the Iowa Code. Bond Counsel will express no opinion regarding other State tax consequences arising with respect to the Series 2016 Bonds.

Related Federal Tax Considerations

Section 86 of the Code requires recipients of certain social security and railroad retirement benefits to take interest on the Series 2016 Bonds into account in determining the taxability of such benefits. Passive investment income, including interest on the Series 2016

Bonds, may be subject to taxation under section 1375 of the Code, for an S corporation that has accumulated earnings and profits at the close of the taxable year, if more than 25 percent of its gross receipts is passive investment income. Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2016 Bonds. Indebtedness may be allocated to the Series 2016 Bonds for this purpose even though not directly traceable to the purchase of the Series 2016 Bonds. Federal law also restricts the deductibility of other expenses allocable to the Series 2016 Bonds. In the case of a financial institution, no deduction is allowed under the Code for that portion of the holder's interest expense which is allocable to interest on the Series 2016 Bonds within the meaning of section 265(b) of the Code, except to the extent permitted under section 265(b)(7) of the Code, as limited by sections 265(a)(2) and 291 of the Code. In the case of an insurance company subject to the tax imposed by section 831 of the Code, the amount which otherwise would be taken into account as losses incurred under section 832(b)(5) of the Code must be reduced by an amount equal to 15 percent of the interest on the Series 2016 Bonds that is received or accrued during the taxable year. Interest on the Series 2016 Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by section 884 of the Code, and is included in net investment income of foreign insurance companies under section 842(b) of the Code.

The Series 2016 Bonds will **not** be “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

The market value and marketability of the Series 2016 Bonds may be adversely affected by future changes in federal or Iowa tax treatment of interest on the Series 2016 Bonds or by future reductions in income tax rates.

The foregoing is not intended to be an exhaustive discussion of collateral tax consequences arising from ownership or disposition of the Series 2016 Bonds or receipt of interest on the Series 2016 Bonds. Prospective purchasers or Bondholders should consult their tax advisors with respect to collateral tax consequences and applicable state and local tax rules.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2016 Bonds or otherwise prevent holders of the Series 2016 Bonds from realizing the full benefit of the tax exemption of interest on the Series 2016 Bonds. Further, such proposals may impact the marketability or market value of the Series 2016 Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2016 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2016 Bonds would be impacted thereby.

Purchasers of the Series 2016 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2016 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

ORIGINAL ISSUE PREMIUM

All of the Series 2016 Bonds are being issued at a premium to the principal amounts payable at maturity. Except in the case of dealers, which are subject to special rules, Bondholders who acquire Series 2016 Bonds at a premium must, from time to time, reduce their federal tax bases for the Series 2016 Bonds for purposes of determining gain or loss on the sale or payment of such Series 2016 Bonds. Premium generally is amortized for federal income tax purposes on the basis of a bondholder's constant yield to maturity or to certain call dates with semiannual compounding. Bondholders who acquire Series 2016 Bonds at a premium might recognize taxable gain upon sale of the Series 2016 Bonds, even if such Series 2016 Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes. Bondholders who acquire Series 2016 Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the state and local tax consequences of owning and selling Series 2016 Bonds acquired at a premium.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Series 2016 Bonds or the execution of the Agreements and the lending of funds from the proceeds of the Series 2016 Bonds, or in any way contesting or affecting the validity of the Series 2016 Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Series 2016 Bonds, or the existence or powers of the Authority.

APPROVAL OF LEGALITY

All legal matters incident to the authorization, issuance and delivery of the Series 2016 Bonds are subject to the approval of Dorsey & Whitney LLP, Des Moines, Iowa. Certain legal matters will be passed upon for the Underwriters by their counsel, Davis, Brown, Koehn, Shors & Roberts, P.C., Des Moines, Iowa.

FINANCIAL ADVISOR

The Authority has retained PFM Financial Advisors LLC (Des Moines, Iowa) as financial advisor (the "Financial Advisor") with respect to the issuance and sale of the Series 2016 Bonds. The Financial Advisor assisted in the preparation and review of this Official Statement and in other matters relating to the planning, structuring, and issuance of the Series 2016 Bonds by the Authority. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Series 2016 Bonds.

UNDERWRITING

The Series 2016 Bonds are being purchased by Piper Jaffray & Co., as representative of a group of underwriters shown on the cover hereof (the "Underwriters").

The Contract of Purchase for the Series 2016 Bonds sets forth the obligation of the Underwriters to purchase the Series 2016 Bonds at a price equal to the aggregate original principal amount of the Series 2016 Bonds less (i) underwriting compensation of \$667,001.69, plus (ii) an original issue premium of \$37,974,949.60, resulting in a purchase price of \$200,582,947.91.

The Contract of Purchase provides that the Underwriters will purchase all the Series 2016 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Contract of Purchase, the approval of certain legal matters by counsel and certain other conditions. The initial public offering prices may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Series 2016 Bonds to certain dealers (including dealers depositing Series 2016 Bonds into investment trusts) and certain dealer banks and banks acting as agents at prices lower than the public offering prices stated on the cover page hereof.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect to such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Citigroup Global Markets Inc., an underwriter of the Series 2016 Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. (“TMC”) and UBS Financial Services Inc. (“UBSFS”). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Series 2016 Bonds.

RELATIONSHIPS AMONG THE PARTIES

In other transactions or pursuant to other programs of the Authority not related to the Series 2016 Bonds, each of the law firms identified under the heading “APPROVAL OF LEGALITY” may have represented, or may be representing, the Authority, the Underwriters, or the Master Trustee or their affiliates, in capacities different from those in connection with the issuance of the Series 2016 Bonds. The law firms identified under the heading “APPROVAL OF LEGALITY,” the Underwriters, and the Financial Advisor represent various Participants and expect to represent the Participants in connection with future Participant Loans which may be funded with the proceeds of the Series 2016 Bonds or with proceeds of other bonds and the authorization thereof. Furthermore, the Authority, the Underwriters and the Master Trustee and their affiliates are not limited in engaging in current or future business transactions together or in any combination with each other as a result of this transaction. Potential purchasers of the Series 2016 Bonds should not assume that the Authority, the Underwriters, the Financial Advisor and the Master Trustee, or their respective counsel, have not previously engaged in, are not presently engaged in, or will not after the issuance of the Series 2016 Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurance can be given that there are or will be no past, present or future relationships or transactions between or among any of these parties or the law firms referenced herein.

CONTINUING DISCLOSURE

In order to permit the Underwriters to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), the Authority and Digital Assurance Certification, L.L.C. will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the Series 2016 Bonds, in a Disclosure Dissemination Agent Agreement dated as of October 1, 2016 (the “Disclosure Dissemination Agent Agreement”), to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the “Disclosure Covenants”). The information to be provided on an annual basis, the events for which notice is to be given, if material, and other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in APPENDIX D to this Official Statement. During the past five years, the Authority has complied in all material respects with all undertakings previously entered into by it under the Rule.

Breach of the Disclosure Covenants will not constitute a default or an “Event of Default” under the Master Trust Agreement, the Series 2016 Supplemental Trust Agreement, or the Series 2016 Bonds. A broker or dealer is to consider a known breach of the Disclosure Covenants before recommending the purchase or sale of the Series 2016 Bonds in the secondary market. Thus, a failure on the part of the Authority to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Series 2016 Bonds and their market price.

Additionally, each Obligated Person (see “APPENDIX D - DISCLOSURE DISSEMINATION AGENT AGREEMENT”) will be required to agree in their Participant Agreement to provide annual financial information and other operating data with respect to the Participant and its Project, as requested by the Authority or DNR. Pursuant to the Disclosure Dissemination Agent Agreement, a Obligated Person shall be deemed to be any Participant which has outstanding Loans pledged to the payment of Bonds in an amount equal to or greater than twenty percent (20%) of all outstanding balances of Participant Agreements pledged under Bonds. There are currently no Participants which are Obligated Persons.

RATINGS

S&P Global Ratings, (“S&P”), Moody’s Investors Services (“Moody’s”), and Fitch Ratings (“Fitch”) have given the Series 2016 Bonds ratings of “AAA,” “Aaa” and “AAA”, respectively. The Authority furnished to each rating agency certain materials and information regarding the Authority, the Participants and the Series 2016 Bonds. Generally, rating agencies base their ratings on such materials and information and on investigations, studies and assumptions by the rating agencies. There is no assurance that such ratings will remain in effect for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the rating agencies, if in their judgment, circumstances so warrant. Such circumstances include, without limitation, changes in, or unavailability of, information relating to the Series 2016 Bonds or the Authority. Any such downward change in or suspension or withdrawal of such ratings may have an adverse effect on the market price of the Series 2016 Bonds.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the Master Trust Agreement, the Series 2016 Supplemental Trust Agreement, the Participant Agreements, the Capitalization Grant Agreements and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

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The execution and delivery of this Official Statement has been duly authorized by the Authority.

IOWA FINANCE AUTHORITY

By: /s/ David D. Jamison
David D. Jamison, Executive Director

October 5, 2016.

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APPENDIX A

PLEDGED AGREEMENTS

Participants listed in **bold** have more than one MTA Pledged Agreement.

Loan	Outstanding Committed Amount ¹	Security
Clean Water Program Loans		
ADAIR	\$ 717,000	Revenue
ADEL	16,000	Revenue
AFTON	607,000	Revenue
ALBERT CITY	239,000	Revenue
ALDEN	316,000	General Obligation
ALDEN	307,000	Revenue
ALGONA	1,446,000	Revenue
ALLERTON	112,000	Revenue
AMES	2,728,000	Revenue
ANAMOSA	1,552,000	Revenue
ANITA	671,000	Revenue
ANKENY	2,416,000	Revenue
APLINGTON	1,104,000	Revenue
ARCADIA	115,000	Revenue
ARLINGTON	321,000	Revenue
ARTHUR	950,000	Revenue
ASBURY	726,000	Revenue
ASHTON	365,000	General Obligation
ATKINS	1,750,000	General Obligation
ATLANTIC	10,386,000	Revenue
AUDUBON	1,084,000	Revenue
AURELIA	141,000	Revenue
BANCROFT	436,000	Revenue
BATTLE CREEK	198,000	Revenue
BAXTER	766,000	General Obligation
BAXTER	2,430,000	Revenue
BEDFORD	1,298,000	Revenue
BENNETT	538,000	Revenue
BLAIRSBURG	232,000	Revenue
BLAKESBURG	729,000	Revenue
BLENCOE	5,000	General Obligation
BOONE	8,907,000	Revenue
BOYDEN	79,000	Revenue
BRAYTON	99,000	Revenue
BREDA	20,000	General Obligation
BREDA	106,000	Revenue
BRIGHTON	423,000	Revenue
BRONSON	13,000	Revenue
BROOKLYN	179,000	General Obligation

¹ Represents amount remaining to be paid and may not equal Loan Amount. Excludes principal payments received prior to August 1, 2016 and amounts allocable to principal forgiveness.

BROOKLYN	138,000	Revenue
BUFFALO	511,000	Revenue
BURLINGTON	871,000	Revenue
BURLINGTON	2,759,000	Revenue
BURT	237,000	Revenue
CALLENDER	520,000	Revenue
CAMBRIDGE	113,000	Revenue
CANTRIL	208,000	Revenue
CARROLL	5,766,000	Revenue
CARSON	574,000	Revenue
CASCADE	9,121,000	Revenue
CEDAR FALLS	6,211,000	Revenue
CEDAR RAPIDS	14,484,000	Revenue
CENTER POINT	191,000	Revenue
CENTERVILLE	975,000	Revenue
CHARITON	619,000	Revenue
CHARLES CITY	826,000	General Obligation
CHARLES CITY	3,113,000	Revenue
CHEROKEE	2,225,000	Revenue
CINCINNATI	154,000	Revenue
CLARION	6,200,000	Revenue
CLAYTON COUNTY	179,000	General Obligation
CLEARFIELD	76,000	General Obligation
CLINTON	70,739,000	Revenue
COIN	79,000	General Obligation
COLESBURG	2,188,000	Revenue
COLFAX	933,000	General Obligation
COLFAX	723,000	Revenue
COLLINS	1,517,000	Revenue
COLUMBUS CITY	76,000	Revenue
COLUMBUS JUNCTION	202,000	Revenue
CONESVILLE	78,000	General Obligation
CONESVILLE	615,000	Revenue
CONRAD	298,000	Revenue
CORALVILLE	3,986,000	Revenue
CORNING	1,262,000	Revenue
CORRECTIONVILLE	440,000	Revenue
CORYDON	1,968,000	Revenue
COUNCIL BLUFFS	4,375,000	Revenue
CRESCO	83,000	General Obligation
CRESCO	574,000	Revenue
CRESTON	968,000	Revenue
CUMBERLAND	54,000	Revenue
CUMMING	1,081,000	General Obligation
DAKOTA CITY	1,647,000	Revenue
DALLAS CENTER	68,000	General Obligation
DALLAS CENTER	170,000	Revenue
DAVENPORT	21,685,000	Revenue
DAYTON	19,000	General Obligation
DAYTON	251,000	Revenue
DELHI	1,022,000	Revenue
DENVER	6,457,000	Revenue
DES MOINES	3,989,000	Revenue
DNR STATE PARKS	1,042,000	Revenue
DNR STATE PARKS	1,015,000	Revenue

DONAHUE	149,000	General Obligation
DONAHUE	560,000	Revenue
DONNELLSON	3,318,000	Revenue
DOWS	149,000	Revenue
DUBUQUE	106,929,800	Revenue
DURANT	75,000	General Obligation
DURANT	6,319,000	Revenue
DYERSVILLE	5,766,000	Revenue
EARLY	518,000	Revenue
EDGEWOOD	355,000	Revenue
ELGIN	465,000	Revenue
ELK HORN	249,000	General Obligation
ELK HORN	88,000	Revenue
ELKADER	3,363,000	Revenue
ELLIOTT	96,000	General Obligation
ELLIOTT	295,000	Revenue
EMMETSBURG	1,046,000	Revenue
EPWORTH	2,390,000	General Obligation
EPWORTH	3,356,000	Revenue
EXIRA	155,000	Revenue
FAIRBANK	3,928,000	Revenue
FAIRFAX	1,753,000	Revenue
FAIRFIELD	3,899,000	Revenue
FARLEY	865,000	Revenue
FAYETTE	1,630,000	Revenue
FERTILE	108,000	Revenue
FORT DODGE	77,511,000	Revenue
FORT MADISON	6,727,207	Revenue
FREDONIA	64,000	Revenue
FREMONT	40,000	General Obligation
GARNER	1,967,000	Revenue
GARWIN	637,000	Revenue
GEORGE	612,000	Revenue
GILBERTVILLE	600,000	General Obligation
GILBERTVILLE	2,037,100	Revenue
GILMORE CITY	388,000	Revenue
GLADBROOK	1,183,000	Revenue
GOWRIE MUNI UTIL	356,000	Revenue
GRAETTINGER	289,000	Revenue
GRAND MOUND	388,000	Revenue
GRANDVIEW	141,000	Revenue
GRANGER	1,199,000	General Obligation
GRANGER	6,157,000	Revenue
GRIMES	1,792,000	Revenue
GRISWOLD	1,389,000	Revenue
GRUNDY CENTER	455,000	Revenue
GUTTENBERG	1,898,000	Revenue
HAMBURG	102,246	General Obligation
HAMPTON	6,500,000	Revenue
HARTLEY	680,000	Revenue
HAZLETON	126,000	Revenue
HEDRICK	974,000	Revenue
HENDERSON	96,000	Revenue
HOLSTEIN	140,000	Revenue
HOLY CROSS	655,000	Revenue

HOSPERS	1,161,000	General Obligation
HOSPERS	208,000	Revenue
HUBBARD	497,000	Revenue
HULL	2,415,000	Revenue
HUMESTON	87,000	Revenue
HUXLEY	1,422,000	Revenue
IDA GROVE	143,000	Revenue
INDIANOLA	11,002,000	Revenue
INWOOD	1,413,000	Revenue
IRETON	54,000	Revenue
IRWIN	42,000	Revenue
JANESVILLE	245,000	Revenue
JOHNSTON	3,455,000	Revenue
KALONA	2,282,000	Revenue
KEOKUK	13,298,000	Revenue
KEOSAUQUA	610,500	Revenue
KEYSTONE	80,000	General Obligation
KINGSLEY	2,073,000	Revenue
KIRON	1,475,000	Revenue
KNOXVILLE	4,667,000	Revenue
LAKE CREEK AREA SANITARY DISTRICT	698,000	General Obligation
LAKE CREEK AREA SANITARY DISTRICT	272,000	Revenue
LAKE PARK	155,000	General Obligation
LAKE PARK	482,000	Revenue
LAKE VIEW	309,000	Revenue
LAMBS GROVE	234,000	General Obligation
LAMBS GROVE	157,000	Revenue
LAMONI	404,000	Revenue
LAMOTTE	142,000	Revenue
LANSING	1,824,000	Revenue
LAURENS	832,000	Revenue
LAWLER	650,000	Revenue
LEON	2,350,000	Revenue
LESTER	107,000	Revenue
LETTES	591,000	Revenue
LEWIS	270,000	Revenue
LIDDERDALE	36,000	Revenue
LISBON	564,000	Revenue
LISCOMB	361,000	Revenue
LITTLE ROCK	114,000	Revenue
LOGAN	402,000	Revenue
LOHRVILLE	2,620,000	Revenue
LONE TREE	111,000	General Obligation
LONG GROVE	727,000	General Obligation
LONG GROVE	727,000	Revenue
LOVILIA	46,000	General Obligation
LOVILIA	185,000	Revenue
LOW MOOR	201,000	Revenue
MACEDONIA	184,000	Revenue
MAHASKA RURAL WATER SYSTEM	199,000	Revenue
MALCOM	213,000	Revenue
MALVERN	366,000	Revenue

MANCHESTER	4,414,000	Revenue
MANNING	531,000	Revenue
MANSON	882,000	Revenue
MAPLETON	179,000	Revenue
MAQUOKETA	1,602,000	Revenue
MARCUS	184,000	Revenue
MARENGO	1,244,000	Revenue
MASON CITY	9,359,000	Revenue
MASSENA	245,144	General Obligation
MASSENA	156,000	Revenue
MAXWELL	261,000	Revenue
MAYNARD	302,000	Revenue
MC CALLSBURG	444,000	Revenue
MCCAUSLAND	1,144,000	Revenue
MELBOURNE	567,000	Revenue
MELCHER-DALLAS	100,000	General Obligation
MERIDEN	270,000	Revenue
MILTON	124,000	Revenue
MINDEN	124,000	General Obligation
MINDEN	201,000	Revenue
MINGO	105,000	Revenue
MITCHELLVILLE	923,000	Revenue
MONMOUTH	64,000	Revenue
MONONA	4,285,000	Revenue
MONROE	142,000	Revenue
MONTEZUMA	400,000	Revenue
MONTOUR	111,000	Revenue
MOUNT AUBURN	181,000	Revenue
MOUNT AYR	2,525,000	Revenue
MOVILLE	183,000	Revenue
MUSCATINE	13,082,000	Revenue
NASHUA	670,000	General Obligation
NASHUA	1,667,000	Revenue
NEOLA	1,031,000	General Obligation
NEOLA	1,610,000	Revenue
NEW HARTFORD	223,000	Revenue
NEW LONDON	4,867,000	Revenue
NEW SHARON	127,000	Revenue
NEW VIENNA	207,000	Revenue
NEWELL	382,000	General Obligation
NEWELL	640,000	Revenue
NEWHALL	2,786,000	Revenue
NEWTON	2,906,000	Revenue
NORA SPRINGS	709,000	Revenue
NORTH LIBERTY	138,000	General Obligation
NORTH LIBERTY	28,165,000	Revenue
OCHEYEDAN	707,000	Revenue
ODEBOLT	258,000	General Obligation
ODEBOLT	1,040,000	Revenue
OELWEIN	5,882,000	Revenue
OGDEN	932,000	Revenue
OLIN	208,000	General Obligation
OLIN	1,815,000	Revenue
OSAGE MU	350,000	Revenue
OSCEOLA	21,000	General Obligation

OSKALOOSA	2,077,000	Revenue
OTTUMWA	8,139,000	Revenue
OTTUMWA	3,382,000	Revenue
OXFORD	207,000	General Obligation
OXFORD JUNCTION	1,117,000	Revenue
PALO	2,786,000	Revenue
PANORA	139,000	Revenue
PARKERSBURG	191,000	Revenue
PAULLINA	335,000	Revenue
PELLA	6,089,000	Revenue
PISGAH	387,000	Revenue
PLEASANTVILLE	384,000	Revenue
POCAHONTAS	686,000	Revenue
POCAHONTAS COUNTY	501,000	Revenue
POLK COUNTY	26,357,000	General Obligation
POMEROY	923,000	Revenue
PRAIRIE CITY	2,907,000	Revenue
PRIMGHAR	501,000	Revenue
PRINCETON	561,000	Revenue
QUASQUETON	224,000	Revenue
RADCLIFFE	392,000	Revenue
REASNOR	117,000	Revenue
RED OAK	2,420,000	Revenue
REINBECK	1,554,000	Revenue
ROCK VALLEY	3,005,000	Revenue
ROCKWELL CITY	1,325,000	Revenue
ROLAND	705,000	Revenue
ROLFE	660,000	Revenue
ROYAL	188,000	General Obligation
ROYAL	92,000	Revenue
RUSSELL	157,000	Revenue
RUTHVEN	516,000	Revenue
RYAN	251,000	Revenue
SAC CITY	4,259,000	Revenue
SAINT ANSGAR	363,000	Revenue
SALIX	99,000	Revenue
SANBORN	480,000	Revenue
SCHALLER	108,000	General Obligation
SCHALLER	827,000	Revenue
SCRANTON	383,000	Revenue
SEYMOUR	328,000	Revenue
SHELLSBURG	758,000	Revenue
SHENANDOAH	1,679,000	Revenue
SIBLEY	143,000	Revenue
SIGOURNEY	345,000	Revenue
SIOUX CENTER	155,000	Revenue
SIOUX CITY	73,187,000	Revenue
SIOUX RAPIDS	48,000	Revenue
SLATER	588,000	Revenue
SLOAN	1,283,000	Revenue
SOLOMON	91,000	General Obligation
SPENCER	7,450,000	Revenue
SPRAGUEVILLE	250,000	Revenue
SPRINGBROOK	132,000	Revenue
SPRINGVILLE	324,000	Revenue

ST. CHARLES	1,074,000	Revenue
STACYVILLE	559,000	Revenue
STANLEY	24,000	Revenue
STATE CENTER	860,000	Revenue
STOCKTON	154,000	Revenue
STORM LAKE	866,000	Revenue
STRAWBERRY POINT	859,000	Revenue
STUART	714,000	Revenue
SUMNER	2,184,000	Revenue
SUN VALLEY SANITARY DISTRICT	599,000	General Obligation
SUTHERLAND	1,038,000	Revenue
SW SHORELINE SANITARY DISTRICT	3,085,000	Revenue
SWEA CITY	431,000	Revenue
SWISHER	916,000	Revenue
TAMA	994,000	Revenue
TERRIL	271,000	General Obligation
TERRIL	760,000	Revenue
THORNTON	208,000	Revenue
TIFFIN	107,000	Revenue
TIPTON	1,475,000	Revenue
TITONKA	361,000	Revenue
TRAER	339,000	Revenue
TRIPOLI	83,000	Revenue
TROY MILLS SANITARY DISTRICT	175,000	Revenue
TRURO	295,000	Revenue
UNDERWOOD	300,000	Revenue
URBANA	2,877,487	Revenue
URBANDALE-WINDSOR HEIGHTS SANITARY DISTRICT	3,209,000	Revenue
VAN HORNE	291,000	General Obligation
VAN HORNE	363,000	Revenue
VICTOR	574,000	General Obligation
VILLISCA	760,000	General Obligation
VILLISCA	984,000	Revenue
WADENA	97,000	Revenue
WALKER	1,478,000	Revenue
WAPELLO	3,327,000	Revenue
WASHINGTON	15,623,000	Revenue
WASTEWATER RECLAMATION AUTHORITY	266,332,000	Revenue
WAUCOMA	180,000	Revenue
WAUKEE	359,000	Revenue
WAYLAND	66,000	Revenue
WEBSTER CITY	1,036,000	Revenue
WELLMAN	327,000	Revenue
WEST BEND	98,000	Revenue
WEST LIBERTY	3,623,000	Revenue
WEST/HIGH AMANA	264,000	Revenue
WESTSIDE	270,000	Revenue
WHEATLAND	1,116,000	Revenue
WHITING	172,000	Revenue
WILLIAMS	318,000	Revenue

WILLIAMSBURG	551,000	Revenue
WILTON	476,000	Revenue
WINFIELD	182,000	Revenue
WINTERSET	2,729,000	Revenue
WOODWARD	206,000	Revenue
WORTHINGTON	61,000	Revenue
WYOMING	3,617,000	Revenue
ZEARING	<u>1,744,000</u>	Revenue
CLEAN WATER SUBTOTAL	\$ 1,152,564,484	
<u>Drinking Water Program Loans</u>		
AINSWORTH	358,000	Revenue
ALBERT CITY	560,000	Revenue
ALBIA WW	761,000	Revenue
ALBION	350,000	Revenue
ALBURNETT	697,000	Revenue
ALDEN	44,000	General Obligation
ALDEN	128,000	Revenue
ALLEMAN	72,000	General Obligation
ALLEMAN	251,000	Revenue
ALTA MU	1,631,000	Revenue
ALTON	52,000	Revenue
AMES	69,726,000	Revenue
ANAMOSA	1,852,000	Revenue
ANDREW	92,000	Revenue
ANITA MUNICIPAL UTILITIES	1,600,000	Revenue
ANKENY	279,000	Revenue
APLINGTON	1,488,000	General Obligation
APLINGTON	733,000	Revenue
BANCROFT	328,000	Revenue
BAXTER	207,000	Revenue
BAYARD	804,000	Revenue
BEAMAN	90,000	Revenue
BEDFORD	219,000	Revenue
BELMOND	5,694,000	Revenue
BLAIRSTOWN	151,000	General Obligation
BLAIRSTOWN	286,000	Revenue
BONAPARTE	552,000	Revenue
BOONE	116,000	Revenue
BOYDEN	267,000	Revenue
BREDA	591,000	Revenue
BRONSON	653,000	Revenue
BROOKLYN	138,000	Revenue
BUFFALO CENTER	796,000	Revenue
BURLINGTON MU	1,137,000	Revenue
BURLINGTON MU WW	1,617,000	Revenue
CALAMUS	246,000	Revenue
CAMBRIDGE	336,000	General Obligation
CAMBRIDGE	563,000	Revenue
CASTALIA	102,000	Revenue
CEDAR RAPIDS	28,158,000	Revenue
CENTER POINT	1,030,000	Revenue
CENTRAL IOWA WATER ASSOCIATION	2,681,000	Revenue

CHARITON WATERWORKS	429,000	Revenue
CHARLES CITY	8,793,000	Revenue
CHARLOTTE	113,000	Revenue
CHURDAN	464,000	Revenue
CLARINDA	3,723,000	Revenue
COLFAX	180,000	Revenue
COLLEGE SPRINGS	32,000	Revenue
COLLINS	302,000	Revenue
COLUMBUS CITY	176,000	Revenue
COLUMBUS JUNCTION	1,053,000	Revenue
CORNING	1,460,000	Revenue
CORYDON	623,000	Revenue
COUNCIL BLUFFS WW	29,442,000	Revenue
CRAWFORDSVILLE	140,000	Revenue
CRESCENT	256,000	General Obligation
CUMBERLAND	358,000	Revenue
DALLAS CENTER	643,000	Revenue
DAYTON	463,000	Revenue
DE SOTO	46,000	Revenue
DEFIANCE	154,000	Revenue
DELAWARE	75,000	Revenue
DELHI	55,000	Revenue
DELOIT	131,000	Revenue
DELTA	222,000	Revenue
DENISON	1,666,000	Revenue
DES MOINES WW	1,005,000	Revenue
DONAHUE	957,000	Revenue
DOW CITY	47,000	Revenue
DUBUQUE	3,172,000	Revenue
DUNLAP	90,000	Revenue
DURANT	113,000	Revenue
DYERSVILLE	310,000	Revenue
EARLY	562,000	Revenue
EDGEWOOD	89,000	Revenue
EIRUSS	201,000	Revenue
ELDON	320,000	Revenue
ELDORA	149,000	Revenue
ELGIN	496,000	Revenue
ELK HORN	144,000	General Obligation
ELK HORN	287,000	Revenue
ELKADER	1,006,000	Revenue
ELLSWORTH	1,917,000	Revenue
ELMA	240,000	Revenue
ELY	739,000	Revenue
EMERSON	623,000	Revenue
EMMETSBURG	1,576,000	Revenue
EPWORTH	363,000	Revenue
FAIRFAX	83,000	General Obligation
FAIRFIELD	2,783,000	Revenue
FARLEY	952,000	Revenue
FARMERSBURG	50,000	General Obligation
FARMERSBURG	162,000	Revenue
FARMINGTON	587,000	Revenue
FARRAGUT	222,000	Revenue
FLOYD	38,000	General Obligation

FONDA	525,000	Revenue
FONTANELLE	642,000	Revenue
FORT DODGE	19,201,000	Revenue
FORT MADISON	14,012,000	Revenue
FREDERICKSBURG	241,000	Revenue
GARNAVILLO	114,000	General Obligation
GARNAVILLO	393,000	Revenue
GLADBROOK	711,000	Revenue
GLIDDEN	418,000	Revenue
GOOSE LAKE	251,000	Revenue
GOWRIE MUNI UTIL	276,000	Revenue
GRAND JUNCTION	590,000	Revenue
GRAND MOUND	235,000	Revenue
GRANGER	1,347,000	General Obligation
GRANGER	488,000	Revenue
GREENE	34,000	Revenue
GRIMES	4,031,000	Revenue
GUTTENBERG	281,000	Revenue
HALBUR	121,000	General Obligation
HALBUR	257,000	Revenue
HANCOCK	46,000	Revenue
HARLAN MUNICIPAL UTILITIES	6,416,000	Revenue
HARTLEY	403,000	General Obligation
HARTLEY	720,000	Revenue
HAWKEYE	1,005,000	Revenue
HILLS	955,000	General Obligation
HILLS	2,060,000	Revenue
HORNICK	384,000	Revenue
HUBBARD	1,349,000	Revenue
HUMBOLDT	5,440,000	Revenue
HUXLEY	183,000	General Obligation
IOWA AMER WATER - CLINTON	236,000	Revenue
IOWA AMER WATER - DAVENPORT	637,000	Revenue
JEWELL	367,000	Revenue
JOHNSTON	1,872,000	Revenue
JOICE	410,000	Revenue
KALONA	504,000	Revenue
KEOKUK WATER WORKS	930,000	Revenue
KEOSAUQUA	942,500	Revenue
KEOTA	1,091,000	Revenue
KEYSTONE	168,000	General Obligation
KEYSTONE	462,000	Revenue
LA PORTE CITY MU	2,715,000	Revenue
LADORA	293,000	Revenue
LAKE MILLS	335,000	Revenue
LAKE VIEW	171,000	Revenue
LAMONI MU	82,000	General Obligation
LAMONI MU	224,000	Revenue
LANESBORO	424,000	Revenue
LANSING	776,000	Revenue
LATIMER	116,000	Revenue
LAURENS	1,136,000	Revenue
LAWLER	380,000	Revenue
LE MARS	741,000	Revenue

LEGRAND	81,000	General Obligation
LELAND	323,000	Revenue
LENOX MUNICIPAL UTILITIES	1,067,000	Revenue
LEON	467,000	Revenue
LEWIS	315,000	Revenue
LIBERTYVILLE	829,000	Revenue
LIDDERDALE	347,000	General Obligation
LIDDERDALE	213,000	Revenue
LISBON	354,000	Revenue
LISCOMB	79,344	Revenue
LITTLE SIOUX	98,000	Revenue
LOCKRIDGE	223,000	Revenue
LOHRVILLE	131,000	Revenue
LONE TREE	65,000	General Obligation
LONE TREE	48,000	Revenue
LYON & SIOUX RURAL WATER	302,000	Revenue
MACEDONIA	253,000	Revenue
MAHASKA RURAL WATER SYSTEM	2,822,000	Revenue
MANCHESTER	580,000	Revenue
MAQUOKETA	1,778,000	Revenue
MARBLE ROCK	285,734	General Obligation
MARENGO	1,443,000	Revenue
MARION WATER DEPARTMENT	2,318,000	Revenue
MARSHALLTOWN WATER WORKS	7,901,500	Revenue
MARTELLE	493,000	Revenue
MASON CITY	6,453,000	Revenue
MAYNARD	235,000	Revenue
MAYSVILLE	237,000	Revenue
MELCHER-DALLAS	517,000	Revenue
MERRILL	161,000	Revenue
MITCHELLVILLE	520,000	General Obligation
MITCHELLVILLE	1,279,000	Revenue
MONTEZUMA	1,665,000	Revenue
MORNING SUN	47,000	Revenue
MOUNT AYR	330,000	Revenue
MOVILLE	469,000	Revenue
MUSCATINE POWER & WATER	131,000	Revenue
MYSTIC	36,000	Revenue
NEOLA	166,000	Revenue
NEW HARTFORD	44,000	Revenue
NEW LONDON MUNICIPAL UTILITIES	339,000	Revenue
NEW SHARON	458,000	Revenue
NEWHALL	89,000	Revenue
NEWTON WW	306,000	Revenue
NORA SPRINGS	535,000	Revenue
NORTH ENGLISH	656,000	Revenue
NORTHWOOD	438,000	General Obligation
NORWALK	304,000	Revenue
NORWAY	34,000	General Obligation
OAKLAND	126,000	General Obligation
OAKLAND	1,475,000	Revenue
ODEBOLT	126,000	Revenue

OELWEIN	953,000	Revenue
OKOBOJI CAMP OWNERS COOPERATIVE	871,000	Revenue
ONAWA	1,259,000	Revenue
OSCEOLA	1,703,000	Revenue
OSKALOOSA WATER WORKS	4,656,000	Revenue
OTO	122,000	Revenue
OTTUMWA WATER WORKS	9,921,000	Revenue
OXFORD	45,000	Revenue
OXFORD JUNCTION	193,000	Revenue
PANORA	1,503,000	Revenue
PARKVIEW WATER	948,000	Revenue
PELLA	15,819,000	Revenue
POCAHONTAS	761,000	Revenue
POLK COUNTY	208,000	General Obligation
POWESHIEK WATER ASSOCIATION	1,727,000	Revenue
PRAIRIE CITY	215,000	General Obligation
PRAIRIE CITY	166,000	Revenue
PRINCETON	688,000	Revenue
RATHBUN REGIONAL WATER ASSOCIATION	5,687,000	Revenue
REDFIELD	1,415,000	Revenue
REINBECK	170,000	Revenue
RENWICK	215,000	General Obligation
RENWICK	377,000	Revenue
RIVERTON	53,000	General Obligation
RIVERTON	97,000	Revenue
ROCK VALLEY	982,000	Revenue
ROCKWELL CITY	215,000	Revenue
ROLFE	457,000	Revenue
RYAN	270,000	Revenue
SAINT ANSGAR	342,000	Revenue
SALIX	983,000	Revenue
SCRANTON	224,000	Revenue
SERGEANT BLUFF	3,119,000	Revenue
SHELBY	62,000	General Obligation
SHELBY	192,000	Revenue
SHENANDOAH	12,807,000	Revenue
SIBLEY	390,000	General Obligation
SIGOURNEY	633,000	Revenue
SIOUX CITY	58,455,000	Revenue
SLATER	38,000	Revenue
OLON	479,000	Revenue
SOMERS	17,000	Revenue
SPENCER MU	14,121,000	Revenue
STACYVILLE	1,398,000	Revenue
STANTON	1,968,000	Revenue
STANWOOD	262,000	Revenue
STORM LAKE	3,539,000	Revenue
STRATFORD	296,000	Revenue
SULLY	108,000	Revenue
SWEA CITY	801,000	Revenue
TAMA	578,000	Revenue
TIFFIN	143,000	Revenue

TIMBER RIDGE WATER UTILITY	98,000	Revenue
TOLEDO	2,939,000	Revenue
TREYNOR	32,000	General Obligation
TREYNOR	63,000	Revenue
TRIPOLI	479,000	General Obligation
TRIPOLI	479,000	Revenue
UNION	394,000	Revenue
URBANDALE	1,080,000	Revenue
VAN HORNE	176,000	Revenue
WAHPETON	714,000	Revenue
WALKER	714,000	Revenue
WALL LAKE	88,000	General Obligation
WARREN WATER DISTRICT	2,756,000	Revenue
WELLMAN	1,937,000	Revenue
WELTON	1,066,000	Revenue
WEST BRANCH	539,000	Revenue
WEST BURLINGTON	268,000	General Obligation
WEST BURLINGTON	247,000	Revenue
WEST LIBERTY	1,867,000	Revenue
WHITTEMORE	36,000	General Obligation
WHITTEMORE	349,000	Revenue
WILLOW STREAM ESTATES	115,000	Revenue
WINFIELD	407,000	Revenue
WINNESHIEK COUNTY	454,000	Revenue
WOODWARD	1,945,000	Revenue
WYOMING	<u>263,000</u>	Revenue
DRINKING WATER SUBTOTAL	<u>\$ 488,008,078</u>	

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APPENDIX B

GREEN BOND PROJECT DESCRIPTIONS

REIMBURSEMENT PROJECTS

CWSRF Borrower	Loan Amount	Amount Disbursed (As of August 1, 2016)	Description	% Complete
AFTON	\$312,000.00	\$109,620.01	Infiltration & Inflow Corrections	100%
AFTON	\$268,000.00	253,487.36	Infiltration & Inflow Corrections	95%
AMES	\$3,121,000.00	354,229.57	Disinfection Upgrade	76%
APLINGTON	\$1,104,000.00	487,261.80	Treatment Improvements	44%
ARLINGTON	\$335,000.00	250,236.32	Infiltration & Inflow Corrections	74%
ARTHUR	\$950,000.00	590,703.19	Treatment Improvements	62%
ATKINS	\$1,750,000.00	948,196.79	Treatment Improvements	90%
BENNETT	\$299,000.00	251,548.00	Lift Station & Force Main	100%
BLAKESBURG	\$450,000.00	123,585.48	Sewer Repairs	100%
BLAKESBURG	\$450,000.00	253,582.27	Infiltration & Inflow Corrections	56%
BROOKLYN	\$2,125,000.00	118,375.00	Treatment Improvements	6%
BUFFALO	\$561,000.00	156,643.89	Treatment Improvements	78%
BURLINGTON	\$908,000.00	601,711.82	CSO Elimination	65%
CASCADE	\$9,121,000.00	1,969,396.17	Treatment Improvements	22%
CEDAR RAPIDS	\$2,130,000.00	2,130,000.00	Dome Replacement	100%
CHARLES CITY	\$1,745,000.00	1,745,000.00	UV Disinfection	100%
CLARION	\$6,200,000.00	5,266,280.99	Treatment Improvements	88%
CLINTON	\$6,550,000.00	347,508.18	Pump Station	100%
COLESBURG	\$2,503,000.00	112,180.64	Transmission & Treatment Improvements	85%
CUMMING	\$785,000.00	203,896.21	Trunk Sewer	93%
DAVENPORT	\$7,085,000.00	728,895.50	Interceptor Sewer	100%
DAVENPORT	\$7,538,000.00	428,351.57	Treatment Improvements	6%
DENVER	\$6,734,000.00	2,521,011.12	New Treatment Plant	98%
DONNELLSON	\$3,155,000.00	236,908.29	Treatment Improvements	98%
DURANT	\$6,250,000.00	5,631,727.31	Treatment Improvements	90%
DYERSVILLE	\$4,000,000.00	1,548,494.90	Treatment Improvements	39%
EDGEWOOD	\$175,000.00	170,000.00	Lift Station	97%
EPWORTH	\$2,500,000.00	682,789.12	Treatment Improvements	87%
FAIRBANK	\$4,145,000.00	4,162,085.85	Treatment Improvements	93%
FAYETTE	\$1,700,000.00	1,253,453.00	Treatment Improvements	73%
FORT DODGE	\$23,575,000.00	2,168,183.42	Treatment Plant Improvements	99%
FORT DODGE	\$8,200,000.00	1,778,280.91	Sewer rehabilitation	84%
FORT DODGE	\$19,100,000.00	10,409,700.78	Infiltration & Inflow Corrections	55%
FORT MADISON	\$3,348,000.00	3,554,207.24	Transmission Improvements	97%
FORT MADISON	\$1,978,000.00	1,717,480.41	Treatment Improvements	86%
GILBERTVILLE	\$2,042,000.00	851,802.09	Treatment Improvements	42%
GILBERTVILLE	\$600,000.00	600,000.00	Treatment Improvements	100%
GLADBROOK	\$1,044,000.00	220,908.13	UV Disinfection	31%
GRANGER	\$5,000,000.00	2,995,919.47	Treatment Improvements	99%
GRANGER	\$1,250,000.00	1,250,000.00	Treatment Improvements	100%
GRANGER	\$750,000.00	157,475.97	Treatment Improvements	21%

HAMPTON	\$6,500,000.00	4,180,755.91	Treatment Improvements	64%
HARTFORD	\$415,000.00	102,262.50	Collection Improvements	25%
HENDERSON	\$100,000.00	100,000.00	Lift Station & Force Main	100%
INDIANOLA	\$4,036,000.00	153,761.37	Infiltration & Inflow Corrections	100%
KALONA	\$1,124,000.00	270,454.72	Infiltration & Inflow Corrections	100%
KEOKUK	\$5,333,000.00	1,350,878.92	Combined Sewer Separation	88%
KEOKUK	\$6,571,000.00	6,003,698.76	Treatment Improvements	91%
KEOSAUQUA	\$640,000.00	283,317.25	Infiltration & Inflow Corrections	42%
KINGSLEY	\$1,500,000.00	116,000.00	Treatment Plant Improvements	100%
KIRON	\$1,478,000.00	901,230.43	Treatment Improvements	94%
KNOXVILLE	\$2,518,000.00	2,297,000.95	Infiltration & Inflow Corrections	100%
LETTS	\$600,000.00	454,276.08	Infiltration & Inflow Corrections	75%
LOHRVILLE	\$3,724,000.00	380,000.00	New Waste Water Collection & Treatment System	100%
MARENGO	\$1,297,000.00	554,371.83	Infiltration & Inflow Corrections	40%
MAXWELL	\$272,000.00	227,011.63	Infiltration & Inflow Corrections	83%
MAYNARD	\$315,000.00	287,508.51	Infiltration & Inflow Corrections	91%
MITCHELLVILLE	\$322,000.00	158,772.53	Infiltration & Inflow Corrections	81%
MONONA	\$1,815,000.00	750,540.38	Infiltration/Inflow Corrections	41%
MONTEZUMA	\$400,000.00	385,844.70	Infiltration & Inflow Corrections	97%
MOUNT AYR	\$250,000.00	333,101.29	Treatment Improvements	37%
NEWHALL	\$2,921,000.00	2,813,487.24	Treatment Improvements	96%
NORA SPRINGS	\$739,000.00	326,767.51	Infiltration & Inflow Corrections	42%
NORTH LIBERTY	\$20,911,000.00	13,050,914.39	Treatment Improvements	62%
NORTHWOOD	\$3,500,000.00	1,145,557.45	Treatment Improvements	33%
OTTUMWA	\$4,800,000.00	1,894,706.62	Sewer Separation	93%
POLK COUNTY	\$9,633,000.00	143,178.60	Sewer Extension	100%
ROCKWELL CITY	\$1,000,000.00	908,890.23	Infiltration & Inflow Corrections	82%
ROLAND	\$709,000.00	470,855.80	Lift Station & Force Main	66%
SIOUX CITY	\$3,100,000.00	1,689,862.75	Sewer replacement	92%
SPRAGUEVILLE	\$250,000.00	105,034.90	Treatment Improvements	42%
STATE CENTER	\$983,000.00	100,839.33	Infiltration & Inflow Corrections	100%
SUMNER	\$813,000.00	594,377.66	UV Disinfection	73%
TAMA	\$1,037,000.00	852,349.55	Infiltration & Inflow Corrections	81%
THORNTON	\$226,000.00	199,254.00	Treatment Improvements	98%
TITONKA	\$377,000.00	254,604.57	Infiltration & Inflow Corrections	92%
UNDERWOOD	\$313,000.00	247,936.00	Lift Station & Force Main	78%
WAPELLO	\$2,000,000.00	756,803.18	Treatment Improvements	100%
WASTEWATER RECLAMATION AUTHORITY	\$1,428,000.00	210,843.69	Four Mile Interceptor	100%
WASTEWATER RECLAMATION AUTHORITY	\$12,300,000.00	1,479,543.78	Mud Creek Interceptor Sewer	99%
WASTEWATER RECLAMATION AUTHORITY	\$22,000,000.00	1,304,482.97	Southwest Area Diversion Facility	100%
WASTEWATER RECLAMATION AUTHORITY	\$7,700,000.00	215,586.52	New Main Outfall	100%
WASTEWATER RECLAMATION AUTHORITY	\$6,000,000.00	769,193.00	Southwest Area Diversion Facility	100%

WASTEWATER RECLAMATION AUTHORITY	\$5,400,000.00	288,575.26	Mud Creek Interceptor	88%
WASTEWATER RECLAMATION AUTHORITY	\$1,800,000.00	116,670.86	WRA Main Outfall Connections	100%
WASTEWATER RECLAMATION AUTHORITY	\$1,600,000.00	1,432,832.09	Mud Creek Interceptor	100%
WASTEWATER RECLAMATION AUTHORITY	\$9,300,000.00	4,769,476.11	WRA Southern Tier Interceptor	88%
WASTEWATER RECLAMATION AUTHORITY	\$8,000,000.00	5,457,917.24	WRA Main Outfall	68%
WEST LIBERTY	\$3,623,000.00	2,146,626.12	UV Disinfection	59%
WINTERSET	\$1,400,000.00	1,250,545.97	Treatment Improvements	89%
WYOMING	\$3,462,000.00	3,025,434.42	Treatment Improvements	87%

DWSRF Borrower	Loan Amount	Amount Disbursed (As of August 1, 2016)	Description	% Complete
AMES	\$76,325,000.00	\$27,384,598.24	Treatment Plant	50%
DYERSVILLE	\$1,373,000.00	\$1,971,634.43	Treatment Improvements	81%
HILLS	\$4,151,000.00	\$2,330,043.97	New Water System	97%
PELLA	\$15,819,000.00	\$4,980,183.16	Treatment Plant & Source	38%
SHENANDOAH	\$14,057,000.00	\$4,497,850.97	New Treatment Plant & Water Main	98%
SPENCER MU	\$14,125,000.00	\$6,514,191.80	Treatment Improvements	46%

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF DOCUMENTS

The following summary of the Master Trust Agreement, the Supplemental Trust and the Loan and Disbursement Agreement does not purport to be comprehensive or definitive and is qualified in its entirety to reference to the full text of each document.

DEFINITIONS OF CERTAIN TERMS

In addition to the other definitions set forth within this Appendix C, the following words and phrases shall have the following meanings:

“Act” means Chapter 16 and Chapter 455B of the Code of Iowa, 2015, 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 the 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 CWSRF Loan or DWSRF Loan under the Clean Water Program or the Drinking Water Program, respectively.

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

“Authorized Officer” means 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.

“Authorizing Resolution” means the resolution adopted by the Board of the Authority on September 7, 2016 with respect to the Series Bonds issued pursuant to the Supplemental Trust.

“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 the 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 the Master Trust Agreement.

“Bond Register” means the registration record maintained by the Bond Registrar under the Master Trust Agreement.

“Bond Registrar” means the Master Trustee.

“Bondholder” or “holder” or “owner” means the Registered Owner of any Bond.

“Bond Year” means, for purposes of the 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.

“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 the 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 of the Master Trust Agreement.

“DNR” means the Iowa Department of Natural Resources, a department of the State of Iowa.

“Director” means the Director of the DNR.

“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.

“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 the 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 the 2016 Grant Proceeds Agreement dated as of October 1, 2016 between the Authority and the DNR.

“Granting Clause” means the Granting Clause of the 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 the 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 Fee” means the amount assigned that term in 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 Portion(s)” means, individually or collectively, as applicable, the Leveraged CWSRF Portion and the Leverage DWSRF Portion of the 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, the Authority may determine the applicable LIBOR offered rate by reference to other acceptable industry publications, including but not limited to *The Wall Street Journal*. All percentages resulting from such calculations shall be rounded upwards, if necessary, to the nearest one hundredth of one percent.

“Loan” or “Loans” means the principal amount of moneys loaned to a Participant under the terms of an Agreement.

“Loan Origination Fund” means the trust fund described in Section 302 of the 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 the Third Amended and Restated Master Trust Agreement dated as of October 1, 2016, between the Authority and the Master Trustee, relating to the SRF Programs, as the same may be further amended and supplemented.

“Master Trust Estate” means the property pledged and conveyed to the Master Trustee pursuant to the Granting Clauses of the Master Trust Agreement.

“Master Trustee” means Wells Fargo Bank, National Association, a national banking association, as Master Trustee under the Master Trust Agreement, and any successor master trustee thereunder.

“Municipality” shall have the meaning given that term in the Act.

“Notice Record Date” has the meaning set forth in Section 212 of the Master Trust Agreement.

“Officer’s Certificate” means a certificate signed by an Authorized Officer of the Authority as may be required under the Master Trust Agreement.

“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 Trustee under the Indenture, 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 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 Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(c) Bonds in lieu of which others have been authenticated under Section 2.5 of the Indenture.

“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 the 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 the 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 under the Master Trust Agreement 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 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 by each 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 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 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 satisfactory to the Trustee that the aggregate value of all securities so deposited will be so maintained, on which undertaking the 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 of issuance 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 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) Money market funds which are (i) fully invested in any of the securities described in clauses (1) through (4), inclusive, and (6); and/or (ii) 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, financial institution or national banking association which has a long-term debt rating by the Rating Agency in any of the two highest generic rating categories, or any other investment agreement or obligation, whether or not issued, secured or

guaranteed by any of the foregoing, provided that such other investment agreement or obligation will not adversely affect the then current ratings, if any, assigned to any Bonds Outstanding by each Rating Agency.

(9) Obligations of an insurance company which has a claims-paying ability or long-term debt rating by a 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.

(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 the 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 the 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.

“Regulations” shall mean the administrative rules of the DNR relating to the SRF Programs, set forth in Title 567 of the Iowa Administrative Code.

“Revenue Fund” means the trust fund described in Section 304 of the 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.

“Second Amended Master Trust Agreement” means that certain Second Amended and Restated Master Trust Agreement dated as of December 1, 2010.

“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, as applicable, and secured under the Master Trust Agreement.

“Series Bonds” means the Series 2016 Bonds.

“Series Certificate” means, with respect to any Series of Bonds, the related Officer’s Certificate delivered pursuant to Section 204(a) of the Master Trust Agreement, as such certificate may be amended from time to time.

“Series 2016 Bonds” means the Authority’s \$163,275,000 State Revolving Fund Revenue Bonds, Series 2016 (Green Bonds).

“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.

“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 Water Quality 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” means the Supplemental Trust Agreement dated as of October 1, 2016, between the Authority and the Master Trustee.

“Supplemental Trust Agreement” means any trust agreement supplementary to or amendatory of the Master Trust Agreement duly executed and delivered in accordance with the provisions of the 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 the 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.

“System” shall mean the wastewater treatment systems or drinking water systems of the Participants, all facilities being used in conjunction therewith and all appurtenances and extensions thereto, including but not limited to the wastewater treatment system and drinking water system projects financed by the Participants under the Agreements.

“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.

“2016 Subaccounts of the Costs of Issuance Fund” means the subaccounts created pursuant to the Supplemental Trust, within the Costs of Issuance Fund.

“2016 Subaccounts of the Loan Origination Fund” means the subaccounts created pursuant to the Supplemental Trust, within the Loan Origination Fund.

“2016 Subaccounts of the Rebate Fund” means the subaccounts created pursuant to the Supplemental Trust, within the Rebate Fund.

“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.

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER TRUST AGREEMENT

Existing Bonds. The Authority has issued various series of its Bonds, pursuant to the Second Amended Master Trust Agreement and applicable Supplemental Trust Agreements. Such Bonds are and shall continue to be secured under the Master Trust Agreement by the assignment and pledge of certain funds and accounts pursuant to the Granting Clause, including specifically the Master Trust Estate.

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 the Master Trust Agreement or in any Supplemental Trust Agreement, the Master Trust Agreement authorizes the issuance of Bonds of the Authority, in one or more Series, 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 the 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.

Conditions to Securing Bonds Under Master Trust Agreement. In order for any Series of Bonds to be secured by the Master Trust Agreement, 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 in the Master Trust Agreement as a “Series Certificate”:

(1) stating that the Series of Bonds is entitled to the benefits of the 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 of the Master Trust Agreement, and stating whether or not any of such funds or accounts are to be held as part of the Master Trust Estate.

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

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 the Master Trust Agreement), in the amounts, if any, required by the 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 the 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 the 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 the Master Trust Agreement.

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 of the Master Trust Agreement, 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.

Establishment of Funds and Accounts. (a) The Authority created the following funds, accounts and subaccounts within the Master Trust Agreement, each of which shall be held by the Master Trustee:

(i)(1) 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)(2) Costs of Issuance Fund, consisting of a CWSRF Account and a DWSRF Account;

(iii)(3) 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)(4) 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)(5) 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)(6) Rebate Fund, consisting of a CWSRF Account and a DWSRF Account.

(b) Each fund, account and subaccount created from time to time under the 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 the 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 the 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 the Master Trust Agreement will be valid and binding from the date of execution and delivery of the 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 the Master Trust Agreement and any applicable Supplemental Trust Agreement.

Loan Origination Fund. 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. Investment earnings on all moneys held in the Loan Origination Fund shall be deposited into the applicable Interest Subaccount of the Revenue Fund. 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.

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) 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.

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 the 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. As set forth in the Master Trust Agreement, all investment income earned on various

funds and accounts created under the Master Trust Agreement (except for the Rebate Fund and except as provided in 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 of the Master Trust Agreement, 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.

Bond Fund. 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.

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 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.

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.

In connection with the transfers described above, 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 in the Master Trust Agreement shall be construed as requiring the Authority to use any funds or Revenues from any source other than amounts pledged herein.

Investment earnings on all moneys held in the Bond Fund shall be deposited to the applicable Interest Subaccount of the Revenue Fund.

Equity Fund. Subject to the uses permitted by the Master Trust Agreement, 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 the 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 Section 306 of the Master Trust Agreement 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 the Master Trust Agreement. Available funds on deposit in the Equity Fund may be used to make Loans and, subject to the limitations of the Master Trust Agreement concerning withdrawal of funds, 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.

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 under the Master Trust Agreement. 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 the Master Trust Agreement.

In addition to the uses described above, 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 may be used pursuant to applicable law, upon such terms as the Authority may determine.

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.

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.

Establishment of Other Funds or Accounts. The Master Trustee may establish such other funds, accounts or subaccounts which are necessary for the Bonds and which shall be in addition to the funds, accounts or subaccounts already established by the Master Trust Agreement.

State Revolving Funds. The following funds and accounts are a part of the "state revolving fund" within the meaning of the Water Quality Act: the CWSRF Account of the Bond Fund; the CWSRF Leveraged Loan Account and the CWSRF State Match Loan Account of the Loan Origination Fund; the CWSRF Revenue Account of the Revenue Fund; and 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 the Master Trust Agreement, the Act, the Water Quality Act and all lawfully promulgated regulations thereunder.

The following funds and accounts are a part of the "state revolving fund" within the meaning of the Safe Drinking Water Act: the DWSRF Account of the Bond Fund; the DWSRF Leveraged Loan Account and the DWSRF State Match Loan Account of the Loan Origination Fund; the DWSRF Revenue Account of the Revenue Fund; and 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 the Master Trust Agreement, the Act, the Water Quality Act, the Safe Drinking Water Act and all lawfully promulgated regulations thereunder.

Cross-Collateralization of the Drinking Water Accounts and Clean Water Accounts; Payment of Debt Service. Notwithstanding anything in the Master Trust Agreement 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 in the Master Trust Agreement may be used to pay debt service with respect to any Bonds outstanding pursuant to the Master Trust Agreement (except as limited by the 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.

Source of Payment of Bonds. The Bonds and all debt service payments by the Authority under the Master Trust Agreement are not general obligations of the Authority but are limited obligations payable solely from Revenues or other amounts pledged thereunder, 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.

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 of the Master Trust Agreement, 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 under the Master Trust Agreement.

Tax Covenants of the Authority. 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 the 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 the 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.

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.

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 the 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 the Master Trust Agreement, except moneys in the Rebate Fund.

Transfers Out of the Master Trust Agreement. Any moneys held by the Master Trustee pursuant to the Master Trust Agreement may be transferred out of the funds, accounts or subaccounts of the 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 the Master Trust Agreement.

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 Article V of the Master Trust Agreement, at such times, at such Redemption Price and upon such terms as may otherwise be specified in such Supplemental Trust Agreement.

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 of such so 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.

Redemption Other Than at Authority's Election. Whenever by the terms of the 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 Article V of the Master Trust Agreement.

Notice of Redemption. 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 amount due upon such redemption will be payable; and (vi) such other information as the Master Trustee shall deem necessary or appropriate to facilitate the redemption of such Bonds. Such notice shall further state that on such date there shall become due and payable upon each Bond, or portion thereof, to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest on any such Bonds, or portions thereof, shall cease to accrue. 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 required notice shall not be conditioned upon the prior payment to the Master Trustee of moneys or Investment Obligations sufficient to pay the Redemption Price to which such notice relates or the interest thereon to the redemption date.

Notice of redemption having been given as provided above, 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. 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.

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

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.

Release of Pledged Agreements. Subject to Section 412 of the Master Trust Agreement (unless such Loan is in default), the Authority may at any time release specified Pledged Agreements from the lien of the Master Trust Agreement, or substitute and add new Pledged Agreements to the lien of the 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 of the Master Trust Agreement 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 the 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 the Master Trust Agreement 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 the Master Trust Agreement.

Investment of Moneys. Any moneys held as part of the funds or accounts created or authorized under the Master Trust Agreement 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 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.

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 the 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 of the Master Trust Agreement, 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 the 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 the 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 the 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 Article VIII of the 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 the 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, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Master Trust Agreement, except for the purposes of any such payment from such moneys or Governmental Obligations.

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until: (a) proper notice of redemption of such Bonds shall have been previously given in accordance with Article V of the 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 of the Master Trust Agreement, 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 Article VIII of the Master Trust Agreement 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.

Notwithstanding any provision of any other Article of the Master Trust Agreement which may be contrary to the provisions of Article VIII of the Master Trust Agreement, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions of such 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.

Defaults; Events of Default. If any one or more of the following events occur, subject to the provisions of Section 902 of the Master Trust Agreement, 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 the Master Trust Agreement or the Bonds contained and failure to remedy the same after notice thereto pursuant to Section 911 of the Master Trust Agreement. The term “Default” means default by the Authority in the performance or observance of any of the covenants, agreements or conditions on its part contained in the 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 knowledge of such Event of Default, give written notice, by registered or certified mail, of such Event of Default to the Authority, the underwriter and each known Bondholder.

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 the 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 the Master Trust Agreement, Master Trustee shall be obligated to

exercise one or more of the rights and powers conferred by Article IX of the Master Trust Agreement, as the Master Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No remedy by the terms of the 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 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, 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.

Rights of Bondholders to Direct Proceedings. Anything in the 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 the Master Trust Agreement, or for the appointment of a receiver or any other proceedings under the Master Trust Agreement; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Master Trust Agreement.

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 the 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.

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 appraisalment, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of the 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 appraisalment and redemption to which it may be entitled under the laws of the State.

Application of Moneys. All moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of Article IX of the Master Trust Agreement (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 the 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 Article IX of the Master Trust Agreement then, subject to the provisions of Section 906(b) of the Master Trust Agreement 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) of the Master Trust Agreement.

(d) Whenever moneys are to be applied pursuant to the provisions of Section 906 of the Master Trust Agreement, 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 Section 906 of the Master Trust Agreement 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.

Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the 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.

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 the Master Trust Agreement or for the execution of any trust thereof or for the appointment of a receiver or any other remedy, unless a Default has occurred of which the Master Trustee has been notified as provided in Section 911 of the Master Trust Agreement, 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 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 the Master Trust Agreement, 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 the Master Trust Agreement, and to any action or cause of action for the enforcement of the

Master Trust Agreement, or for the appointment of a receiver or for any other remedy; 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 the Master Trust Agreement by its, his, her or their action or to enforce any right 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 the 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.

Termination of Proceedings. In case the Master Trustee shall have proceeded to enforce any right under the 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, respectively, with regard to the property subject to the Master Trust Agreement, and all rights, remedies and powers of the Master Trustee shall continue as if no such proceedings had been taken.

Waivers of Events of Default. The Master Trustee may, at its discretion, waive any other Event of Default 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, respectively, but no such waiver or rescission shall extend to any subsequent other default, or impair any right consequent thereon.

Notice of Defaults; Opportunity of the Authority to Cure Such Defaults. Anything herein to the contrary notwithstanding, no Default 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, 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 the Master Trust Agreement, the Authority has granted 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.

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 the Master Trust Agreement which shall not be inconsistent with the terms and provisions thereof for any one or more of the following purposes: (a) to cure any ambiguity or formal defect or omission in the 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; (d) to subject to the lien of the 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 of the Master Trust Agreement 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 the Master Trust Agreement as theretofore in effect; and (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).

Supplemental Trust Agreements Requiring Consent of Bondholders. Exclusive of supplemental trust agreements described above and subject to the terms and provisions contained in the Master Trust Agreement, 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 the 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 the Master Trust Agreement or in any supplemental trust agreement. Nothing in the Master Trust Agreement 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, 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 the 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 Section 1102 of the Master Trust Agreement, 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 the Master Trust Agreement permitted and provided, the Master Trust Agreement shall be and be deemed to be modified and amended in accordance therewith.

Opinion of Bond Counsel. Notwithstanding anything to the contrary in the Master Trust Agreement, before the Authority and the Master Trustee enter into any supplemental trust agreement, 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 the 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.

Notice to the Rating Agency. The Master Trustee shall send a copy of each supplemental trust agreement executed and delivered pursuant to the Master Trust Agreement to the Rating Agency.

Amendments. The Master Trust Agreement may be amended by a written instrument executed by the Authority and the Master Trustee, if: (i) in the sole judgment of the Master Trustee, the amendment does not materially adversely affect the interests of the Bondholders of any Series of Bonds, and (ii) the Authority and the Master Trustee receive written confirmation from each of the Rating Agencies that the amendment will not result in the downgrade, qualification or withdrawal of its credit rating on any Series of Bonds. In exercising its judgment the Master Trustee may rely on the opinion of Independent Counsel.

SUMMARY OF CERTAIN PROVISIONS OF THE SUPPLEMENTAL TRUST

Establishment of Accounts. Pursuant to the Master Trust Agreement, the Authority established:

- (a) In each of the accounts created in the Loan Origination Fund pursuant to the Master Trust Agreement, a 2016 Subaccount.
- (b) In each of the accounts created in the Costs of Issuance Fund pursuant to the Master Trust Agreement, a 2016 Subaccount.
- (c) In each of the accounts created in the Rebate Fund pursuant to the Master Trust Agreement, a 2016 Subaccount.

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

SUMMARY OF CERTAIN PROVISIONS OF THE AGREEMENTS

General. The Pledged Agreements have been entered into by and between each Participant and the Authority, after the DNR's approval of such Participant's application. Under the Pledged Agreement, the Authority has funded or is expected to fund a Loan to the Participant for the purpose of financing the construction of the Project being undertaken by the Participant. The Participant agrees to repay the Loan plus interest on the amount of the Loan disbursed from time to time at the rate determined pursuant to Rules and Regulations of the Program. The Pledged Agreement provides that the Loan will be disbursed to the Participant periodically upon submission of disbursement requests to the Authority which verify the status of construction of the Project. In addition to repaying the Loan and the interest thereon, the Participant agreed to pay an Initiation Fee equal to 0.50% of the Loan and an annual Servicing Fee based on the amount of the Loan outstanding.

Payments from Participants that are municipalities under State law are to be made from either (i) the net revenues of the Participant's wastewater treatment or drinking water system (the "System") or (ii) the levy of debt service taxes or its equivalent collected by the Participant in accordance with the terms of the resolution adopted by each Participant at the time it enters into the Agreement (the "Resolution"). To further evidence the obligation of such Participant under the Agreement, the Participant has issued and delivered to the Authority either (i) a drinking

water revenue or sewer revenue bond or note or (ii) a general obligation bond or note under the terms of the Resolution (the “Local Obligation”). Additional provisions of the Pledged Agreement are set forth below.

Certain of the provisions of the Pledged Agreement described below will not apply or be part of a modified form of Pledged Agreement previously entered into between the Authority and any private entities or non-governmental water companies receiving Loans under the Drinking Water Program. Such Participants have secured their Pledged Agreement with a pledge of assets, corporate guaranty or other security deemed acceptable by the Authority.

Authority to Issue. The Pledged Agreement and the Local Obligation authorized by the Resolution each were issued pursuant to Chapter 384 of the Code of Iowa, and in compliance with all applicable provisions of the Constitution and laws of the State.

Disbursement of Loan Proceeds. Proceeds of the Loan have been, or will be, made available to the Participant in the form of periodic disbursements made by the Authority. The Authority thereafter shall make disbursements of a portion of the Loan for payment of costs of the Project upon receipt of (i) a completed payment request on the Authority’s form, (ii) current construction payment estimates, (iii) engineering service statements, (iv) purchase orders or invoices for items not included within other contracts and (v) evidence that the costs for which the disbursement is requested have been incurred and lien waivers relating to such costs. Such items shall also be submitted to the Authority with respect to a request for the final disbursement of proceeds of a Loan, along with additional certifications with respect to the completion of the Project and a recapitulation of all Project expenses and Project budget.

Completion of Project. The Participant covenanted in the Pledged Agreement to exercise its best efforts in accordance with prudent System practices to complete the Project and to so accomplish such completion on or before the estimated Project completion date approved by the DNR and to provide from its own fiscal resources all moneys, in excess of the total amount of Loan proceeds it receives under the Program, required to complete the Project.

Repayment of Loan; Issuance of Local Obligation. The Participant’s obligation to repay the Loan and interest thereon is evidenced by a duly authorized and issued Local Obligation substantially in the form set forth in a Resolution adopted by the Participant. The Local Obligation was delivered to the Authority at the closing of the Loan and was accompanied by a legal opinion of bond counsel, in form satisfactory to the Authority, to evidence the legality, tax exempt status, if applicable, and the first lien or parity position of the Local Obligation or the pledge of sufficient debt service taxes. A payment of principal or interest on the Local Obligation shall be deemed to be a payment of the same amount on the Loan, and a payment of principal or interest on the Loan shall be deemed to be a payment of the same on the Local Obligation. The Local Obligation has been dated as of the date of delivery to the Authority, bears interest semi-annually on June 1 and December 1 of each year (or on such other dates as may be acceptable to the Authority) from the date of each disbursement of a part of the Loan from the Trustee to the Participant and is payable at the rate of interest established in the Regulations. The first repayment of principal of the Loan is due and payable not later than one year after completion of the Project and payments of principal and interest shall continue

thereafter until paid in full as to principal and interest. Following the final disbursement of Loan proceeds to the Participant, the repayment schedule may be adjusted by the Authority based on actual disbursements to the Participant and final costs of the Project. The Local Obligation is subject to optional redemption by the Participant at a price of par plus accrued interest, without the consent of the Authority, (i) on any date with the prior written consent of the Authority, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. The Local Obligation is also subject to mandatory redemption in the event the costs of the Project are less than initially projected, in which case the amount of the Loan shall be reduced to an amount equal to the actual Project costs disbursed.

Security for Local Obligation. In the Resolution authorizing a Local Obligation that is payable from the levy of debt service taxes by a Participant, provisions have been made for the levy of a sufficient continuing annual tax on all taxable property within the corporate boundaries of the Participant for the payment of the principal of and interest on the Local Obligation as the same will become due, and the Participant pledges the faith, credit, revenues and resources and all of the real and personal property of the Participant for the full and prompt payment of the principal of and interest on the Local Obligation. In the case of a Local Obligation that is payable from the net revenues of a Participant's System, the principal of and interest thereon and any additional obligations as maybe thereafter issued and outstanding from time to time ranking on a parity with the Local Obligation are payable solely and only from the net revenues of the System of the Participant, a portion of which is to be set aside and pledged for such purpose under the provisions of the Resolution. In such case, neither the Agreement nor the Local Obligation is a general obligation of the Participant, and under no circumstance is the Participant in any manner liable by reason of the failure of the aforesaid Revenues to be sufficient to pay the Local Obligation and the interest thereon or to otherwise discharge the Participant's obligation thereunder.

Initiation and Servicing Fees. Each Participant paid to the Authority an Initiation Fee equal to 0.5% of the amount of the Loan, which was due and payable on the date of the Agreement and which may have been deducted by the Authority from the proceeds of the Loan. In addition, the Participant agreed to pay an annual Servicing Fee to the Authority equal to 0.25% of the principal amount of the Loan outstanding.

Performance Under Pledged Agreement. When a Local Obligation payable from the levy of debt service taxes is issued to evidence a Loan, the Participant covenants and agrees: (i) to comply with all applicable State and federal laws, rules and regulations (including but not limited to the DNR's Regulations with respect to the SRF Programs) in the performance of the Pledged Agreement and in the financing, construction, operation, maintenance and use of the System; (ii) to maintain its System in good repair, working order and operating condition; (iii) to cooperate with the Authority and the DNR in the observance and performance of their respective duties, covenants, obligations and agreements of the Participant under the Pledged Agreement; (iv) to comply with all terms and conditions of the Resolution; and (v) to establish, levy and collect rents, rates, and other charges for the products and services provided by its System, which rents, rates and other charges shall be at least sufficient to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement, if any, relating to any bonds or other evidences of indebtedness issued or to

be issued by the Participant. When a Local Obligation payable from the net revenues of a System is issued to evidence a Loan, the Participant made the same covenants and agreements as set forth in clauses (i) through (iv), inclusive, of the preceding sentence, and further covenanted and agreed to establish, levy and collect rents, rates and other charges for the products and services provided by its System, which rents, rates and other charges are at least sufficient (A) to meet the operation and maintenance expenses of such System, (B) to produce and maintain Revenues at a level not less than 110% of the amount of principal and interest on the Local Obligation and any obligations issued on a parity therewith falling due in the same year, (C) to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement, if any, relating to any bonds or other evidences of indebtedness issued or to be issued by the Participant, (D) to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues or other receipts and issued to finance improvements to the System and to make any other payments required by the laws of the State, (E) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Participant, including, without limitation, the Agreement and the Local Obligation and (F) to pay all other amounts payable from or constituting a lien or charge on the operating revenues of its System.

Compliance with Laws. In addition to the covenants set forth above, the Participant agreed to comply with all applicable federal, State and local laws, regulations, rulings and judicial decisions relating to the construction, operation, maintenance and financing of the Project including, but not limited to, the federal “cross-cutting” laws applicable to the SRF Programs under the Safe Drinking Water Act and Water Quality Act.

Federal Requirements. The Participant agrees to comply with all applicable federal requirements, including, but not limited to, Davis-Bacon wage requirements and the requirements relating to the use of American iron and steel products.

Tax Exemption. For purposes of complying with the Internal Revenue Code of 1986, as amended (the “Code”), and unless otherwise agreed to by the Authority, the Participant covenants and agrees not to take any action or omit to take any action (i) which would result in a loss of the exclusion of the interest on any Bonds now or hereafter issued from gross income for federal income taxation as that status is governed by Section 103 of the Code or (ii) which action or omission would cause its Local Obligation to be a “private activity bond” within the meaning of Section 141(a) of the Code. The Participant also covenants and agrees that it shall not directly or indirectly use or permit any proceeds of the Bonds (i) in any manner which would result in the Bonds being “arbitrage bonds” within the meaning of Section 148(a) of the Code or (ii) which would cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code or “hedge bonds” within the meaning of Section 149(g) of the Code. The Participant also agrees to comply with all provisions of the Code, regulations issued thereunder, relating to the rebate of any profits from arbitrage attributable to the Participant.

Insurance; Audits; Disposal of Property. The Participant covenants and agrees (a) to maintain insurance on, or to self-insure, the insurable portions of the System of a kind and in an amount which normally would be carried by private companies engaged in a similar kind of

business, (b) to keep proper books and accounts adapted to the System, showing the complete and correct entry of all transactions relating thereto, and to cause said books and accounts to be audited or examined by an independent auditor or the State Auditor (i) at such times and for such periods as may be required by the federal Single Audit Act, OMB Circular A-133 or State law, or (ii) at such other times and for such other periods as may be requested by the Authority or the DNR (which requests may require an audit to be performed for a period that would not otherwise be required to be audited under State law) and (c) not to sell, lease or in any manner dispose of the System, or any capital part thereof, including any and all extensions and additions that maybe made thereto, until the Local Obligation shall have been paid in full or otherwise discharged as provided in the Resolution; provided, however, that the Participant may dispose of any property which in the judgment of its governing body is no longer useful or profitable to use in connection with the operation of the System or essential to the continued operation thereof.

Continuing Disclosure. During the term of the Loan, and while any portion of the Local Obligation shall remain outstanding, the Participant agreed to provide the Authority with (i) any comprehensive audit reports of the Participant prepared and certified by an independent auditor or the State Auditor and (ii) such other information and operating data as the Authority may reasonably request from time to time with respect to the Participant or its System. The Authority may include such information in annual reports filed by the Authority with repositories approved by the Securities and Exchange Commission for secondary market information reporting with respect to the Bonds.

Events of Default. The following events are defined as an “Event of Default” under the Pledged Agreements: (i) failure by the Participant to pay, or cause to be paid, any Loan repayment required to be paid under the Pledged Agreement when due, which failure shall continue for a period of five (5) days; (ii) failure by the Participant to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any bonds, notes or other obligations of the Participant (other than the Loan and the Local Obligation), the payment of which is secured by the levy of debt service taxes or operating revenues of the System (depending on the source of security for the Local Obligation); and (iii) failure by the Participant to pay, or cause to be paid, the Servicing Fee or any portion thereof when due, or to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under the Pledged Agreement or the Resolution, other than the obligation to make Loan repayments, which failure shall continue for a period of 30 days after written notice is given to the Participant by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to the expiration of such period or the failure stated in such notice is correctable but cannot be corrected in the applicable period, in which case the Trustee may not unreasonably withhold its consent to an extension of such time up to 120 days from the delivery of the written notice referred to above if corrective action is commenced by the Participant within the applicable period and diligently pursued until the Event of Default is corrected.

Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, the Authority shall have the right to take, or to direct the Trustee to take, any action permitted under the Regulations or required pursuant to the Resolution and to take whatever action at law or equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the Agreement or to enforce the performance and observance of

any duty, covenant, obligation or agreement of the Participant under the Agreement or the Resolution.

Amendments. The Pledged Agreement may not be amended, supplemented or modified except by a writing executed by all of the parties thereto.

Termination. The Loan may be terminated if construction of the Project has not commenced within one year of the date of execution of the Pledged Agreement, as set forth in the Regulations.

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APPENDIX D

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of October 1, 2016, is executed and delivered by the Iowa Finance Authority (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Section 2(a) and Section 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary

Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the Executive Director or the Chief Financial Officer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (i) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (ii) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), and shall be deemed to include any Participant (as defined in the Official Statement) which has outstanding Loans (as defined in the Official Statement) pledged to the payment of Bonds (as defined in the Official Statement) in an amount equal to or greater than twenty percent (20%) of all outstanding balances of Participant Agreements (as defined in the Official Statement) pledged under Bonds.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Exhibit A.

“Trustee” means the institution identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports and Other Disclosures.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than 180 days after the end of each fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2016. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which

the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern Time on the Annual Filing Date (or if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, without reference to the anticipated filing date for the Annual Report accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 1. “Principal and interest payment delinquencies;”
 - 2. “Non-Payment related defaults, if material;”
 - 3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
 - 4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”
 - 5. “Substitution of credit or liquidity providers, or their failure to perform;”

6. “Adverse tax opinions, IRS notices or events affecting the tax status of the security;”
 7. “Modifications to rights of securities holders, if material;”
 8. “Bond calls, if material;”
 9. “Defeasances;”
 10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
 11. “Rating changes;”
 12. “Tender offers;”
 13. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
 14. “Merger, consolidation, or acquisition of the obligated person, if material;” and
 15. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
 2. “change in obligated person;”
 3. “notice to investors pursuant to bond documents;”
 4. “certain communications from the Internal Revenue Service;”
 5. “secondary market purchases;”
 6. “bid for auction rate or other securities;”

7. “capital or other financing plan;”
 8. “litigation/enforcement action;”
 9. “change of tender agent, remarketing agent, or other on-going party;”
 10. “derivative or other similar transaction;” and
 11. “other event-based disclosures;”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. “quarterly/monthly financial information;”
 2. “change in fiscal year/timing of annual disclosure;”
 3. “change in accounting standard;”
 4. “interim/additional financial information/operating data;”
 5. “budget;”
 6. “investment/debt/financial policy;”
 7. “information provided to rating agency, credit/liquidity provider or other third party;”
 8. “consultant reports;” and
 9. “other financial/operating data.”
- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure

Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to each Obligated Person (identifying any Participant that has become an Obligated Person, as defined above), including the information provided in the Official Statement in Appendix A.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an Obligated Person, which have been previously filed with the Securities and Exchange Commission or available to the public on the MSRB Internet website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence

pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filings.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to

the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an Obligated Person, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days' written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable, until payment in full, for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days prior written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of New York (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Dissemination Agent Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION,
L.L.C., as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

IOWA FINANCE AUTHORITY,
as Issuer

By: _____
Name: David D. Jamison
Title: Executive Director

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	Iowa Finance Authority
Obligated Person(s)	Iowa Finance Authority
Name of Bond Issue:	\$163,275,000 State Revolving Fund Revenue Bonds, Series 2016 (Green Bonds)
Date of Issuance:	October 19, 2016
Date of Official Statement	October 5, 2016

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	IOWA FINANCE AUTHORITY
Obligated Person:	IOWA FINANCE AUTHORITY
Name of Bond Issue:	\$163,275,000 State Revolving Fund Revenue Bonds, Series 2016 (Green Bonds)
Date of Issuance:	October 19, 2016
Date of Official Statement	October 5, 2016

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Dissemination Agent Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that [it anticipates that the Annual Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Issuer

cc: Issuer
Obligated Person

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: Iowa Finance Authority

Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates: _____

Number of pages attached: []

_____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to Disclosure Agreement dated as of _____, 2015 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: Iowa Finance Authority

Nine-Digit CUSIP Number(s) of the bonds to which this notice relates: _____

Number of pages attached: []

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Agreement dated as of _____, 2015 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: Iowa Finance Authority

Nine-Digit CUSIP Number(s) of the bonds to which this notice relates: _____

Number of pages attached: []

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure;"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget;"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date: _

APPENDIX E

FORM OF BOND COUNSEL OPINION

Iowa Finance Authority
Des Moines, Iowa

Wells Fargo Bank, National Association, as Master Trustee
Chicago, Illinois

Re: \$163,275,000 Iowa Finance Authority State Revolving Fund Revenue Bonds,
Series 2016 (Green Bonds)

We have acted as bond counsel in connection with the issuance by the Iowa Finance Authority (the “Authority”) of its \$163,275,000 State Revolving Fund Revenue Bonds, Series 2016 (Green Bonds) (the “Bonds”), dated as of their delivery date. The Bonds were issued by the Authority pursuant to Chapter 16 and Chapter 455B of the Code of Iowa, 2015, as amended (the “Act”), a resolution adopted by the Board of the Authority on September 7, 2016 (the “Authorizing Resolution”), the Third Amended and Restated Master Trust Agreement dated as of October 1, 2016 (the “Master Trust Agreement”), between the Authority and Wells Fargo Bank, National Association, as Master Trustee (the “Master Trustee”), and a Supplemental Trust Agreement dated as of October 1, 2016 (the “Supplemental Trust Agreement”) between the Authority and the Master Trustee, for the purpose of providing financing for the Iowa Water Pollution Control Works and Drinking Water Facilities Financing Programs, and to pay certain costs of issuance. The Bonds are subject to redemption prior to maturity as set forth in the Supplemental Trust Agreement. In such connection, we have reviewed: (i) the Master Trust Agreement; (ii) the Supplemental Trust Agreement; (iii) the certifications of the Authority, the Iowa Department of Natural Resources (the “DNR”) and others as to certain factual matters; and (iv) such other documents, certificates and opinions as we consider necessary in order to render this opinion. We have not undertaken to verify independently, and have assumed, the genuineness thereof and of the signatures thereon, and the accuracy of the factual matters represented, warranted or certified therein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and judicial decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or occur. Furthermore, we have assumed compliance with all covenants and agreements contained in the Master Trust Agreement, the Supplemental Trust Agreement and other relevant documents, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions, or events will not cause the interest paid on the Bonds and received by the Bondowners to be included in gross income of such Bondowners for federal income tax purposes. Failure to comply with certain of such covenants and agreements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance.

We call attention to the fact that the rights and obligations under the Master Trust Agreement, the Supplemental Trust Agreement and the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against the State of Iowa (the "State"). We express no opinion with respect to any indemnification or choice of law provisions contained in the documents described herein.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Preliminary Official Statement dated September 23, 2016 or the final Official Statement dated October 5, 2016 (together, the "Official Statement") or other offering materials relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

(1) The Authority has complied with applicable provisions of the Constitution and laws of the State now in force, and the Authority has full power and authority to execute and deliver the Master Trust Agreement, the Supplemental Trust Agreement and the Authorizing Resolution and to carry out the terms thereof.

(2) The Master Trust Agreement, the Supplemental Trust Agreement and the Authorizing Resolution have been duly and validly authorized, executed and delivered by the Authority and, assuming due and valid authorization, execution and delivery by the Master Trustee, are valid instruments binding on the Authority, enforceable in accordance with their terms.

(3) The Bonds have been duly authorized, issued and delivered by the Authority and are valid and binding limited special obligations of the Authority, enforceable upon the Authority in accordance with their terms, and payable solely from the sources provided therefor in the Master Trust Agreement and the Supplemental Trust Agreement. The Bonds are limited special obligations of the Authority. The principal of, premium, if any, and interest on the Bonds is payable solely from, and secured by a pledge of, the Revenues (as defined in the Master Trust Agreement), and from other funds pledged pursuant to the Master Trust Agreement. The Bonds and the interest thereon do not constitute nor give rise to a pecuniary liability, general obligation or a pledge of the full faith and credit of the Authority, the State or any political subdivision of the State within the meaning of any constitutional or statutory limitation. None of the Authority, the State, nor any political subdivision of the State shall be obligated to pay the principal of the Bonds, the interest thereon, or other costs incident thereto except from such funds. Neither the full faith and credit nor the taxing power of the Authority, the State or any political subdivision of the State is pledged to the payment of the principal on the Bonds or the interest thereon or other costs incident thereto.

(4) Interest on the Bonds, including any original issue discount properly allocable to an owner thereof, is excluded from gross income for federal income tax purposes under Section

103 of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Code; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

(5) Interest on the Bonds is exempt from the taxes imposed by Division II (Personal Net Income Tax) and Division III (Business Tax on Corporations) of Chapter 422 of the Code of Iowa, 2015, as amended, and will not be included in “adjusted current earnings” to be used in computing the “state alternative minimum taxable income” of corporations for purposes of Section 422.33 of the Code of Iowa, 2015, as amended. Interest on the Bonds is subject to the taxes imposed by Division V (Taxation of Financial Institutions) of Chapter 422 of the Code of Iowa, 2015, as amended. We express no opinion regarding other State tax consequences arising with respect to the Bonds.

DORSEY & WHITNEY LLP

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APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The Series 2016 Bonds are available in book-entry only form and beneficial ownership interests therein may be purchased in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of the Series 2016 Bonds will not receive certificates representing their interests in the Series 2016 Bonds.

The following information concerning The Depository Trust Company ("DTC"), New York, New York and DTC's book-entry system has been obtained from sources the Authority believes to be reliable. However, the Authority takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2016 Bonds. The Series 2016 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2016 Bond certificate will be issued for each maturity of the Series 2016 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC

Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2016 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2016 Bonds, except in the event that use of the book-entry system for the Series 2016 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2016 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2016 Bond documents. For example, Beneficial Owners of the Series 2016 Bonds may wish to ascertain that the nominee holding the Series 2016 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2016 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or

voting rights to those Direct Participants to whose accounts the Series 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2016 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority, or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The above information contained in this section "Book-Entry Only System" is based solely on information provided by DTC. No representation is made by the Authority or the Underwriters as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Authority cannot and does not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2016 Bonds (i) payments of principal of or interest and premium, if any, on the Series 2016 Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in the Series 2016 Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Series 2016 Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Authority nor the Master Trustee will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Series 2016 Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Master Trust Agreement or 2013 Supplemental Trust Agreement to be given to owners of Series 2016 Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2016 Bonds; or (5) any consent given or other action taken by DTC as a Bondholder.

Discontinuation of Book-Entry System

DTC may discontinue providing its services as depository with respect to the Series 2016 Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, Series 2016 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2016 Bond certificates will be printed and delivered.

NEITHER THE AUTHORITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2016 BONDS, REFERENCES HEREIN TO THE REGISTERED OWNERS OF THE SERIES 2016 BONDS (OTHER THAN UNDER THE CAPTION “TAX EXEMPTION AND RELATED CONSIDERATIONS” AND “CONTINUING DISCLOSURE” HEREIN) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS.