

BEFORE THE

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF CWA AUTHORITY, INC. FOR (1))
AUTHORITY TO INCREASE ITS RATES AND)
CHARGES FOR WASTEWATER UTILITY SERVICE)
IN THREE PHASES AND APPROVAL OF NEW)
SCHEDULES OF RATES AND CHARGES)
APPLICABLE THERETO; (2) APPROVAL OF A) CAUSE NO. 45151
LOW-INCOME CUSTOMER ASSISTANCE)
PROGRAM; AND (3) APPROVAL OF CERTAIN)
CHANGES TO ITS GENERAL TERMS AND)
CONDITIONS FOR WASTEWATER SERVICE.)

WORKING PAPERS SUBMITTED PURSUANT TO
COMMISSION'S RECOMMENDED BEST
PRACTICES FOR RATE CASES (GAO 2013-5)

VOLUME IV

170 IAC 1-5-13(a)(4)

170 IAC 1-5-13 Working Papers and Data: Rate of Return and Capital Structure

Sec. 13. (a) An electing utility shall submit the following information:

(4) If an electing utility is asking for special treatment because of the provisions of any of the following documents of the utility or its parent company, or both, then copies of the document or documents with the affecting provision or provisions must also be submitted:

- (A) Articles of incorporation or a similar document.
- (B) Indentures.
- (C) Other loan documents.
- (D) Other documents that describe the following:
 - (i) Coverage requirements.
 - (ii) Limits on proportions of types of capital outstanding.
 - (iii) Restrictions on dividend payouts.

FIRST LIEN MASTER TRUST INDENTURE

between

CWA AUTHORITY, INC.,
AS ISSUER

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE

Dated as of July 1, 2011

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FIRST LIEN MASTER TRUST INDENTURE

This FIRST LIEN MASTER TRUST INDENTURE dated as of July 1, 2011 (the "Master Indenture"), between the CWA AUTHORITY, INC. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Authorizing Acts and the Interlocal Cooperation Agreement (the "ICA") among the City of Indianapolis (the "City"), the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District") and the Board of Directors for Utilities of the Department of Public Utilities of the City, d/b/a Citizens Energy Group ("Citizens"), and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States, having a corporate trust office in Indianapolis, Indiana, as trustee (the "Trustee"),

WITNESSETH:

WHEREAS, the Authority has entered into an agreement (the "Asset Purchase Agreement") with Citizens, the City and the Sanitary District to purchase certain assets of the sanitary sewer system of the City and the Sanitary District (the "Wastewater System") and to thereafter own the Wastewater System serving the inhabitants of Marion County and other nearby communities; and

WHEREAS, the members of the Authority's board (the "CWA Board") are the members of the Board of Directors for Utilities (the "Board") of the Department of Public Utilities of the City, which will hereafter provide all administrative and financial support to the Authority, including collecting all fees and charges due for use of the Wastewater System for the sole account and benefit of the Authority; and

WHEREAS, the Authority is authorized to issue bonds and certificates of indebtedness pursuant to the Authorizing Acts (as defined herein) that are payable out of the income and revenues derived from the Wastewater System to finance such acquisitions, the construction of necessary betterments, improvements, extensions or additions to the Wastewater System or to pay prior obligations issued for such purpose and to finance working capital needs; and

WHEREAS, to effect the purchase of the Wastewater System in the manner provided in the Asset Purchase Agreement and to fund additional improvements thereto, the Authority desires to enter into this Master Indenture and to issue certain First Lien Bonds (as defined hereunder), all as described herein; and

WHEREAS, all First Lien Bonds issued hereunder, now and in the future, are and shall be secured by a pledge of the Net Revenues and the Pledged Funds (both as defined herein) of the Wastewater System in the manner described in Section 3.01(a) hereof; and

WHEREAS, the Authority may determine to secure payment or purchase of certain First Lien Bonds with a Credit Facility (as defined herein) whereby the Credit Provider (as defined herein) agrees to support those First Lien Bonds and whereby the Authority shall be obligated to repay such Credit Provider for any such payment or purchase made on the First Lien Bonds ("Repayment Obligations"); and

WHEREAS, the Authority may, from time to time, enter into a Qualified Derivative Agreement (as defined herein) in relation to all or a portion of a series of First Lien Bonds issued hereunder, whereby regularly scheduled payments (the "Regular Payments") on the Qualified Derivative Agreement with respect to the related First Lien Bonds shall be exchanged for other payments made by the provider of the Qualified Derivative Agreement; and

WHEREAS, IC 5-1-14-9 provides that the State of Indiana (the "State") will not adopt, amend, or repeal a statute in a way that impairs the rights and remedies of the owners of obligations, until the obligations, interest on the obligations, interest on an unpaid installment of interest, and all costs and expenses in connection with an action or proceedings by or on behalf of the owners are fully paid and discharged; and

WHEREAS, Article I, section 24 of the Indiana Constitution provides that the State shall not pass any law impairing the obligations of contracts; and

WHEREAS, Article I, section 10 of the United States Constitution provides that no state shall pass any law impairing obligations of contracts; and

WHEREAS, this Master Indenture is intended to be made as a contract for the benefit of the Owners of First Lien Bonds entitled to the benefits of IC 5-1-14-9, Article I, Section 24 of the Indiana Constitution and Article I, Section 10 of the United States Constitution; and

WHEREAS, the Authority has been formed to be a political subdivision of the State of Indiana and an instrumentality of the Board and in that capacity is a governmental entity within the meaning of 11 U.S.C. § 101(27) that therefore may not either file a voluntary petition or be subject to an involuntary petition in bankruptcy; and

WHEREAS, the First Lien Bonds authorized to be issued under this Master Indenture, including specifically the Series 2011 Bonds (as defined herein), shall be bonds that are secured by a statutory lien created pursuant to and entitled to the protections of IC 5-1-14-1;

WHEREAS, the CWA Board has duly and legally authorized, executed, acknowledged and delivered this Master Indenture pursuant to the Authorizing Acts in this form for the purposes of, among other things, purchasing, operating and improving the Wastewater System through the issuance of the Series 2011 Bonds and providing for the issuance from time to time of Additional First Lien Bonds (as defined herein); and

NOW, THEREFORE, the Authority and Trustee, hereby covenant and agree as follows:

THIS MASTER TRUST INDENTURE WITNES SETH:

That the Authority, in consideration of the premises and of the mutual covenants contained in this Master Indenture, and of the purchase and acceptance of the First Lien Bonds by the holders thereof, and for other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the First Lien Bonds are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, to secure the payment of the Repayment Obligations and the Qualified Derivative Agreements and

to secure the payment of the principal of and redemption premium, if any, and interest on the First Lien Bonds at any time issued and Outstanding under this Master Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the First Lien Bonds and in this Master Indenture, has executed and delivered this Master Indenture, and has pledged and assigned, and by these presents does hereby pledge and assign and grant a security interest in, unto the Trustee, and to its successors in trust, the Net Revenues and the Pledged Funds as described in Section 3.01 hereof, subject to the provisions of this Master Indenture permitting the application thereof for the purposes and on the terms set forth in this Master Indenture.

The pledge made by this Master Indenture is, and shall be, also subject to this Master Indenture, for the equal and proportionate benefit, security and protection of the payment of: (i) the principal of and interest owed on all First Lien Bonds issued or to be issued under and secured by this Master Indenture; (ii) the Parity Portion (as defined herein) of the Repayment Obligations; and (iii) all Regular Payments on Qualified Derivative Agreements (collectively, the "Parity Obligations") (without duplication of obligation), each without preference, priority or distinction of any such Parity Obligation over any other such Parity Obligation by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Parity Obligation shall have the same rights and privilege under and by virtue of this Master Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of this Master Indenture in the manner described in Section 101 hereof; *provided, however*, that if the Authority shall pay or cause to be paid to the holders of the First Lien Bonds the principal and interest and redemption premium, if any, to become due in respect thereof at the times and in the manner stipulated therein and herein (or shall provide, as permitted by Section 5.07 hereof, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall pay all amounts due under Qualified Derivative Agreements and Repayment Obligations and shall keep, perform and observe all the covenants and promises in the Qualified Derivative Agreements and Repayment Obligations and in this Master Indenture expressed to be kept, performed and observed by or on the part of the Authority, and shall pay or cause to be paid to the Trustee all sums of money due and to become due to it in accordance with this Master Indenture, then this Master Indenture and the rights hereby granted shall cease, terminate and be void, at the option of the Authority (evidenced by a certified resolution of the CWA Board delivered to the Trustee), but otherwise this Master Indenture shall remain in full force and effect.

It is further covenanted and agreed that the First Lien Bonds are to be issued, authenticated and delivered, and the Qualified Derivative Agreements and Repayment Obligations are to be executed and delivered and that the fees, income and funds herein pledged and provided to be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject to the following covenants, conditions and trusts; and the Authority, for itself and its successors, does hereby covenant and agree to and with the Trustee and its successors in trust under this Master Indenture, for the benefit of whomsoever shall hold, or contract with the Authority with respect to, the First Lien Bonds, Qualified Derivative Agreements and Repayment Obligations, as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.01. DEFINITIONS. In addition to the words and terms defined elsewhere in this Master Indenture, the following words and terms as used in this Master Indenture shall have the following meanings unless the context or use indicate another or different meaning or intent:

"Account" means an account established in any Fund created by this Master Indenture.

"Accounting Principles" means accounting principles prescribed by the Commission and customarily used by Citizens; *provided* that, if the Commission no longer prescribes accounting principles or, if such accounting principles are not applicable to the Wastewater System, then "Accounting Principles" means accounting principles prescribed by Citizens.

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such First Lien Bond plus the interest accrued but unpaid on such First Lien Bond from the date of original issuance of such First Lien Bond to the Periodic Compounding Date next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Bonds set forth in the Supplemental Indenture authorizing such First Lien Bonds, compounded periodically on each Periodic Compounding Date. Plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, shall be calculated based upon an assumption that, unless otherwise provided in the Supplemental Indenture authorizing such Capital Appreciation Bonds, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

"Additional First Lien Bonds" means First Lien Bonds issued subsequent to the Series 2011 Bonds.

"Alternate Variable Rate Taxable Index" shall mean such index as, at the time, is in general use by taxable issuers as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is not excluded from gross income for federal income tax purposes, as determined by an Authorized Officer.

"Alternate Variable Rate Tax-Exempt Index" shall mean such index as, at the time, is in general use by tax-exempt issuers as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is excluded from gross income for federal income tax purposes, as determined by an Authorized Officer.

"Appreciated Value" shall mean, with respect to any Deferred Income Bond, (i) as of any date of computation prior to the Current Interest Commencement Date, an amount equal to the

principal amount of such First Lien Bond plus the interest accrued but unpaid on such First Lien Bond from its date of original issuance to the Periodic Compounding Date next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Deferred Income Bonds set forth in the Supplemental Indenture authorizing such First Lien Bonds, compounded periodically on each Periodic Compounding Date as in such Supplemental Indenture provided, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Periodic Compounding Date, shall be calculated based upon an assumption that, unless otherwise provided in the Supplemental Indenture authorizing such Deferred Income Bonds, Appreciated Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months and (ii) as of any date of computation on and after the Current Interest Commencement Date, the Appreciated Value on the Current Interest Commencement Date.

"Authorizing Acts" means the Nonprofit Act, IC 36-9-25, the Interlocal Act and the Citizens Act, including all laws supplemental thereto.

"Authority" means the CWA Authority, Inc., a nonprofit public benefit corporation created pursuant to the Authorizing Acts, acting pursuant to a public charitable trust for the Wastewater System, and its successors and assigns, including specifically Citizens pursuant to Section 5.03(j).

"Authorized Officer" means the Chair, Vice Chair, President, any Vice President, Treasurer or Assistant Treasurer, Secretary or Assistant Secretary of the Authority or any other officer specifically authorized by the CWA Board to act as an Authorized Officer under this Master Indenture.

"Board" means the Board of Directors for Utilities of the Department of Public Utilities of the City, whose members, in accordance with the ICA, shall be the members of the CWA Board and its successors and assigns.

"Bond Interest and Principal Fund" means the Bond Interest and Principal Fund established by Section 3.03 hereof for the First Lien Bonds.

"Bond Reserve Fund" means the Bond Reserve Fund established by Section 3.03 hereof for certain of the First Lien Bonds.

"Business Day" means any day other than a Saturday, Sunday or other day that banks in the City are permitted to be closed.

"Capital Appreciation Bonds" shall mean any First Lien Bonds issued under this Master Indenture as to which all or a portion of interest is (i) compounded on the Periodic Compounding Dates specified in the Supplemental Indenture authorizing such Capital Appreciation Bonds and (ii) payable only at maturity, earlier redemption or otherwise pursuant to this Master Indenture or any Supplemental Indenture.

"Capitalized Interest Account" means any Capitalized Interest Account in the Bond Interest and Principal Fund established pursuant to Section 3.06 of this Master Indenture.

"Certifier" means an independent certified public accountant or an independent financial or feasibility consultant selected by the Authority qualified to provide the report described in Section 4 .01(b)(ii).

"Certified Interest Rate" means

(i) with respect to First Lien Bonds that were or will be, at the date of the original issuance thereof, the subject of a bond counsel's opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the average of the SIFMA Municipal Swap Index or, if such index is no longer available, the Alternate Variable Rate Tax-Exempt Index for the five (5) years preceding such date of determination; and

(ii) with respect to First Lien Bonds that were not and will not be, at the date of the original issuance thereof, the subject of a bond counsel's opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the average of the One-Month LIBOR Rate or, if such rate is no longer available, the Alternate Variable Rate Taxable Index for the five (5) years preceding such date of determination.

"Chief Financial Officer" means the person appointed by the CWA Board to hold such title at the Authority.

"Citizens" means the Board of Directors for Utilities of the Department of Public Utilities of the City, d/b/a Citizens Energy Group pursuant to a public charitable trust, and its successors and assigns.

"Citizens Act" means Indiana Code 8-1-11.1 and 11.2 et. seq., as amended from time to time.

"City" means the Consolidated City of Indianapolis, Indiana.

"Code" means, for each series of First Lien Bonds, the Internal Revenue Code of 1986, as in effect on the date of issuance of those First Lien Bonds and the applicable judicial decisions or published rulings, or any applicable regulations promulgated or proposed thereunder.

"Commission" means the Indiana Utility Regulatory Commission or if the Commission shall be abolished or some part of its functions assumed by some other governmental agency, the board, body or commission succeeding to or sharing the functions thereof.

"Construction Fund" means the Construction Fund established by Section 3.11 hereof and any separate Accounts established by a Supplemental Indenture for any particular series of First Lien Bonds.

"Covered Bonds" means First Lien Bonds benefited by a Credit Facility.

"Credit Facility" means a credit facility, a guaranty, a letter of credit (whether direct pay or standby), a line of credit, a liquidity facility, a municipal bond insurance policy, a standby bond purchase agreement, a surety bond or any other related or similar agreement or document or any combination of agreements or documents described in this definition and issued by a Credit Provider; *provided however*, that a Reserve Policy is not a Credit Facility. A Credit Facility gives rise to Repayment Obligations which, if specified in a Supplemental Indenture may be evidenced by First Lien Bonds, and which may be secured hereunder on a parity basis with the Covered Bonds to which such Credit Facility relates. A Credit Facility may also give rise to obligations that are not payable on a parity basis with Covered Bonds, if so specified in a Supplemental Indenture.

"Credit Provider" means a bank, a financial institution, a guarantor, an insurance company, a surety or any other credit enhancer or liquidity provider which issues a Credit Facility for all or a part of a series of First Lien Bonds.

"Current Interest Commencement Date" shall mean, with respect to any particular Deferred Income Bonds, the date specified in the Supplemental Indenture authorizing such Deferred Income Bonds (which date must be prior to the maturity date for such Deferred Income Bonds) after which interest accruing on such Deferred Income Bonds shall be payable periodically on dates specified in such Supplemental Indenture with the first such payment date being the first such periodic date immediately succeeding such Current Interest Commencement Date.

"CWA Board" means the Board of Directors of the Authority, whose members shall be the members of the Board in accordance with the ICA.

"Debt Service Requirement" means, unless the Authority shall specify the Debt Service Requirement in the Supplemental Indenture authorizing a series of First Lien Bonds or unless the Authority elects to apply one of the following rules for the computation of Debt Service Requirements, the annual amount required for payment of principal and interest, but excluding interest which has been funded by First Lien Bond proceeds, on all Outstanding First Lien Bonds, whether by maturity or by mandatory sinking fund redemptions:

- (i) For any series of First Lien Bonds issued pursuant to a commercial paper, variable rate demand note or similar program for which the principal amortization is not yet known, except as provided in subparagraph (ix) hereof, Debt Service Requirements shall be computed on the assumption that the principal amount shall continuously be refinanced under such program and remain outstanding, until the first Fiscal Year for which interest on such First Lien Bonds has not been capitalized or otherwise funded or provided for, at which time (which shall not be beyond the term of such program) it shall be assumed that the outstanding principal amount thereof shall be refinanced with a series of First Lien Bonds which shall be deemed to be amortized on a level debt service basis over a period not to exceed 30 years, and shall be assumed to bear interest at a fixed interest rate estimated by the Authority's financial advisor or underwriter to be the

interest rate such series of First Lien Bonds would bear if issued on such terms on the date of such estimate.

- (ii) For any series of First Lien Bonds bearing interest at a variable or adjustable rate or a rate to be negotiated or revised from time to time such that the actual future rate of interest thereon cannot be ascertained at the time of calculation, but for which the principal amortization is known, except as provided in subparagraph (iv) hereof, it shall be assumed that such First Lien Bonds will bear interest as follows: (a) for any series of First Lien Bonds then Outstanding, at the rate of interest which is the weighted average rate of interest for such First Lien Bonds during the preceding 12-month period or such shorter period from the date of issue of such First Lien Bonds, and (b) for any series of First Lien Bonds then proposed to be issued, at the Certified Interest Rate.
- (iii) Debt Service Requirements shall be calculated on the assumption that no First Lien Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of scheduled principal maturities or scheduled mandatory redemptions of such First Lien Bonds; except as provided in subparagraphs (i) or (ix).
- (iv) If the Authority shall have Outstanding any variable or adjustable rate First Lien Bonds with respect to which the Authority has executed any Qualified Derivative Agreement which remains in effect, the effect of which created or will create, in whole or in part, the economic equivalent of a fixed rate First Lien Bond, the Debt Service Requirements with respect thereto shall be calculated by reference to the effective fixed rate created by such transaction. If the effect of such Qualified Derivative Agreement is to create a fixed rate transaction for only a portion of the term or principal amount of the variable or adjustable rate First Lien Bonds, the Debt Service Requirements for the remaining term or principal amount of such variable or adjustable rate First Lien Bonds shall be determined by reference to either the actual payments or such other subparagraphs hereof as the Authority shall elect.
- (v) If the Authority has executed a Qualified Derivative Agreement which remains in effect in connection with a series of fixed rate First Lien Bonds the effect of which created or will create, in whole or in part, the economic equivalent of a First Lien Bond bearing interest at a variable or adjustable rate or a rate to be negotiated or revised from time to time, the Debt Service Requirement for such bonds shall be calculated by reference to the greater of (A) the principal and interest due on such First Lien Bonds, without adjustment for the effect of such Qualified Derivative Agreement or (B) by reference to the effective variable rate (taking into account such Qualified Derivative Agreement) determined in accordance with subparagraph (ii) hereof.

- (vi) If the Authority shall have deposited in escrow certain Defeasance Obligations the principal and interest on which will be sufficient to pay any principal or interest due on Outstanding First Lien Bonds, Debt Service Requirements shall be calculated by excluding such principal or interest due on such First Lien Bonds, notwithstanding the fact that the Authority has not fulfilled the requirements in Section 5.07 for the discharge of such First Lien Bonds.
- (vii) For any series of First Lien Bonds issued as Tax Credit Bonds, the interest amounts due on such First Lien Bonds shall be assumed to be net of any subsidy amount expected by the Chief Financial Officer to be received; provided that the Internal Revenue Service has not challenged the eligibility of such First Lien Bonds to receive such subsidy payments, in which case such subsidy shall not be taken into account.
- (viii) For Capital Appreciation Bonds or Deferred Income Bonds, the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of a sinking fund installment shall be included in the calculations of accrued and unpaid and accruing interest or principal installments made hereunder only from and after the date (the "Calculation Date") which is one year prior to the date on which such Accreted Value or Appreciated Value, as the case may be, becomes so due, and the principal and interest portions of such Accreted Value or Appreciated Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date.
- (ix) For Tender Indebtedness, the options or obligations of the holders of such First Lien Bonds to tender the same for purchase or payment prior to their stated maturity or maturities shall be treated as principal on the first date on which such holders may or are required to tender such First Lien Bonds, except that any such option or obligation shall not be treated as principal and shall instead be governed by subparagraph (i) if such First Lien Bonds are rated in at least one of the three highest long-term rating categories or in the two highest short-term rating categories (without regard to any gradations in such categories) by a Rating Agency.
- (x) With respect to First Lien Bonds having a term of longer than 60 months and 25% or more of the principal of which matures on the same date and which portion of the principal of such indebtedness is not required to be amortized by payment or redemption prior to such date, such First Lien Bonds shall be deemed to be amortized on a level debt service basis over the term of 30 years assuming as the interest rate the 30 year Revenue Bond Index, or, at the option of the Authority, if the actual term of such First Lien Bonds is less than 30 years, on a level debt service basis over such term, assuming the interest rate shall be the Revenue Bond Index related to the actual term of (and with the same rating as) such First Lien

Bonds published by The Bond Buyer no more than two weeks prior to the date of calculation, or any similar index selected by the Authority.

"Debt Service Reserve Requirement" means the required amount, if any, to be held in the Bond Reserve Fund or any Account thereof for one or more series of First Lien Bonds in accordance with the applicable Supplemental Indenture.

"Defeasance Obligations" means with respect to any particular series of First Lien Bonds, any security specified by the Authority in a Supplemental Indenture as a Defeasance Obligation in connection with the sale of such First Lien Bonds by the Authority, the deposit of which is adequate to cause such First Lien Bonds to no longer be Outstanding when the conditions for defeasance of First Lien Bonds under this Master Indenture are met.

"Deferred Income Bonds" shall mean any First Lien Bonds as to which interest accruing prior to the Current Interest Commencement Date is (i) compounded periodically on the dates specified in the Supplemental Indenture authorizing such Deferred Income Bonds and (ii) payable only at redemption or other payment thereof pursuant to such Supplemental Indenture.

"Derivative Agreement" means an agreement or contract executed by the Authority in a transaction entered into in connection with any First Lien Bonds in which the Authority and a counterparty agree to exchange payments in the future, including, without limitation, transactions commonly called swap agreements, cap and floor agreements and interest rate swap agreements.

"Escrow Deposit Agreement" means an escrow deposit agreement executed by the Authority with respect to the defeasance of any First Lien Bonds as provided in Section 5.07 hereof and in the applicable Supplemental Indenture.

"Escrow Securities" means Defeasance Obligations held under an Escrow Deposit Agreement.

"Event of Default" means an Event of Default as defined in Section 6.01 of this Master Indenture.

"Fiduciary" means the Trustee and any Registrar or Paying Agent, or any successor to any thereof, appointed and serving in such capacity pursuant to the provisions of Article VII of this Master Indenture and any trustee, registrar, paying agent, remarketing agent or similar party for any First Lien Bond, Second Lien Bond or any other bond issued to purchase a First Lien Bond or Second Lien Bond.

"First Lien Bonds" means each series of bonds, notes, certificates of indebtedness or other obligations issued pursuant to this Master Indenture and any Supplemental Indenture, whether or not such First Lien Bonds are Tax-Exempt Bonds.

"Fiscal Year" means the fiscal year of the Authority established by the Authority from time to time for accounting purposes with respect to the Wastewater System.

"Fund" means any Fund established by this Master Indenture or any Supplemental Indenture.

"Gas Utility Distribution System" means all assets and properties, including any and all interests therein, whether real or personal or tangible or intangible, held or operated by Citizens in trust or otherwise and used directly to provide gas utility service the rates and charges for which are subject to regulation by the Commission or, in the absence of Commission regulation, under rates and changes established by Citizens pursuant to Indiana Code 8-1.5-3-8 or any successor provision of law. The Gas Utility Distribution System is a Separate System for purposes of this Master Indenture.

"General Fund" means the fund to be maintained as provided in Section 3.03 hereof into which all Gross Revenues are to be deposited and from which all Operation and Maintenance Expenses are to be paid.

"Gross Revenues" means all revenues and income from the Wastewater System, including but not limited to charges and user charges, but excluding (a) extraordinary items; and (b) income accrued on any Escrow Securities and income accrued on any escrow securities for Second Lien Bonds or Subordinate Securities.

"ICA" means the Interlocal Cooperation Agreement as described in the introductory paragraph hereof.

"Interest Payment Date" means, with respect to a series of First Lien Bonds, any date designated by a Supplemental Indenture as a date on which interest is due on such First Lien Bonds.

"Interlocal Act" means Indiana Code 36-1-7, et. seq., as amended from time to time.

"Master Indenture" means this First Lien Master Trust Indenture dated as of July 1, 2011, as hereafter amended and supplemented.

"Net Revenues" means Gross Revenues less Operation and Maintenance Expenses.

"Nonprofit Act" means the Indiana Nonprofit Corporation Act of 1991, as amended, Indiana Code 23-17, et. seq.

"One-Month LIBOR Rate" shall mean, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 A.M., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

"Operation and Maintenance Expenses" means all necessary and proper expenses of the Authority paid or accrued in the ownership, operation, maintenance and repair of the Wastewater System, whether incurred by the Authority or Citizens including fees owed to the Trustee hereunder; *but excluding* interest paid (other than interest on customers' deposits), any allowance for depreciation or amortization, any non-current unfunded pension, retirement, health and

hospitalization obligations, any investment in capital assets, any payments on debt incurred or assumed by the Authority, payments or obligations on related Derivative Agreements, Repayment Obligations (including fees due to the Credit Provider), First Lien Bonds, Second Lien Bonds (except in the case of expenses owed to the Indiana Finance Authority or another conduit issuer as the holder of First Lien Bonds or Second Lien Bonds), Subordinate Securities, payments on PILOTS or other payments in lieu of taxes, the obligations or payments to fund or replenish the Bond Reserve Fund or any bond reserve fund for Second Lien Bonds or Subordinate Securities, contractual obligations with respect to amounts owed on general obligation indebtedness of the City pursuant to Section 2.04(e) of the Asset Purchase Agreement, or any operation and maintenance expenses paid from sources other than Gross Revenues.

"Outstanding" means, as of a particular date, all such First Lien Bonds theretofore and thereupon delivered except: (a) any such First Lien Bond canceled by or on behalf of the Authority at or before said date; (b) any such First Lien Bond defeased pursuant to the defeasance provisions of Section 5.07 hereof or the Supplemental Indenture authorizing its issuance, or otherwise defeased as permitted by applicable law; and (c) any such First Lien Bond cancelled in lieu of or in substitution for which another First Lien Bond shall have been delivered pursuant to the Supplemental Indenture authorizing the issuance of such First Lien Bonds.

"Owner," "Bondowner" or "Owner of First Lien Bonds" means the registered owner of any First Lien Bond.

"Parity Obligation" means any First Lien Bond, the Parity Portion of any Repayment Obligations and Regular Payments described pursuant to any Qualified Derivative Agreement, which shall all be payable from the Net Revenues on a parity with the First Lien Bonds.

"Parity Portion" means the interest due on a Repayment Obligation and that portion of the principal due on a Repayment Obligation that equals the principal that would have been due on such date on the Covered Bonds had the Covered Bonds been paid by the Authority in accordance with the terms thereof to the extent that the Authority elects to provide for payment of that portion of the Repayment Obligation from the Bond Interest and Principal Fund on parity with the First Lien Bonds, as specified in the Supplemental Indenture authorizing such Covered Bonds and other amounts due on a Repayment Obligation to the extent the Authority may elect to include such amounts as a Parity Portion, as specified in a Supplemental Indenture or Credit Facility.

"Paying Agent" means any bank or trust company organized under the laws of any state of the United States or any national banking association designated as Paying Agent or Co-Paying Agent for the First Lien Bonds of any Series and its successor or successors hereafter appointed in the manner provided in Article VII of this Master Indenture, and shall include the Trustee unless and until a separate Paying Agent is appointed by the Authority.

"Periodic Compounding Date" means the periodic date specified in a Supplemental Indenture authorizing Capital Appreciation Bonds or Deferred Income Bonds on which interest on such First Lien Bonds is to be compounded.

"Permitted Investments" means and includes, subject to a Supplemental Indenture limiting such investments, any of the following securities, if and to the extent the same are legal for investment of the Authority's funds:

- (a) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (b) below).
- (b) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America ("Direct Obligations").
- (c) Senior debt obligations of other government sponsored agencies ("GSAs").
- (d) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - (i) Export-Import Bank
 - (ii) Farm Credit System Financial Assistance Corporation
 - (iii) Rural Economic Community Development Administration (formerly the Farmers Home Administration)
 - (iv) General Services Administration
 - (v) U.S. Maritime Administration
 - (vi) Small Business Administration
 - (vii) Government National Mortgage Association (GNMA)
 - (viii) U.S. Department of Housing & Urban Development (PHA's)
 - (ix) Federal Housing Administration
 - (x) Federal Financing Bank.
- (e) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
 - (i) Senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
 - (ii) Obligations of the Resolution Funding Corporation (REFCORP)
 - (iii) Senior debt obligations of the Federal Home Loan Bank System.

- (f) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing no more than 360 calendar days after the date of purchase. (The rating on a holding company is not considered to be the rating on the related bank.)
- (g) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase.
- (h) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P or a U.S. Treasury Obligation Money Market Fund.
- (i) "Pre-refunded Municipal Obligations" defined as follows: any obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
 - (i) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's and S&P; or
 - (ii) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (b) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.
- (j) Municipal obligations rated "Aa" by Moody's and "AA" by S&P or general obligations of states with a rating of at least "A2" or higher by Moody's and "A" or higher by S&P.

The value of Permitted Investments shall be determined in accordance with the following sentence. "Value" shall be determined as provided in Section 3.10(b) hereof as of the end of each month and means the value of Permitted Investments calculated as follows:

For securities: (i) the closing bid price quoted by Interactive Data Systems, Inc.; (ii) a valuation performed by a nationally recognized and accepted pricing service whose valuation method consists of the composite average of various bid price quotes on the valuation date; or (iii) the lower of two dealer bids on the valuation date. The dealers or their parent holding

companies must be rated at least investment grade by Moody's and S&P and must be market makers in the securities being valued.

For certificates of deposit, investment contracts or agreements and bankers' acceptances: the face amount thereof plus accrued interest.

"PILOTS" means amounts owed to the City pursuant to Ordinance No. 5-2010 of the City addressing the payment of such amounts through and until December 1, 2039, or any successor provisions thereon on or after December 1, 2039.

"Pledged Funds" has the meaning given to such term in Section 3.01(b) hereof.

"Principal Payment Date" means, with respect to a series of First Lien Bonds, any date designated by a Supplemental Indenture as a date on which principal is due on such First Lien Bonds.

"Project" means, as it pertains to any particular issue of First Lien Bonds, any assets of the Wastewater System permitted to be financed or refinanced with proceeds of First Lien Bonds under the Authorizing Acts, as further described in any Supplemental Indenture.

"Project Costs" with respect to any Project means costs permitted under the Authorizing Acts, including the following:

- (i) obligations of the Authority and all contractors incurred for labor and materials in connection with the construction, installation and equipping of the Project;
- (ii) the cost of bonds and insurance of all kinds that may be required or necessary during the construction of the Project;
- (iii) all costs of architectural and engineering services, including the costs of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigation therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the Project;
- (iv) all expenses incurred in connection with the issuance of First Lien Bonds, including without limitation, compensation and expenses of the Registrar and Paying Agents, expenses of the Authority, legal and accounting expenses and fees, payments on a Qualified Derivative Agreement, costs of printing and engraving, recording and filing fees, compensation of underwriters, rating agency fees, costs of financial services, and interest;
- (v) all sums required to reimburse the Authority for advances made by it for any of the above items or for any other costs incurred and for work done, whether before or after the adoption of this Master Indenture, which are properly chargeable to the Project;

- (vi) interest due on the First Lien Bonds during the period of acquisition, construction and installation of the Project; and
- (vii) all other components of cost of labor, materials, machinery and equipment, financing charges or any other cost, purpose or use permitted by the Authorizing Acts.

"Qualified Derivative Agreement" with respect to specific First Lien Bonds, means a Derivative Agreement that hedges interest rates on First Lien Bonds (A) in which the counterparty to such Derivative Agreement (or its guarantor or credit support provider or its collateral requirements) is rated in one of the three highest Rating Categories as certified by the Chief Financial Officer or (B) with respect to which a letter is obtained from any nationally recognized rating agency stating that entering into such Derivative Agreement with respect to such First Lien Bonds will not adversely affect the rating on those First Lien Bonds.

"Rate Stabilization Fund" means the fund of that name to be maintained as provided in Section 3.09 hereof.

"Rating Agencies" or "Rating Agency" means Fitch Ratings, Moody's Investors Service and Standard & Poor's Ratings Services or any successors thereto and any other nationally recognized credit rating agency then maintaining a rating on any First Lien Bonds at the request of the Authority.

"Rating Category" means the long term rating categories of a Rating Agency, disregarding pluses, minuses, and any numerical gradations.

"Record Date" means, with respect to any series of First Lien Bonds, the date specified in the applicable Supplemental Indenture.

"Registrar" means any bank or trust company organized under the laws of any state of the United States or any national banking association designated as Registrar by the Authority to perform the duties set forth in Article VII hereof and shall initially be the Trustee.

"Regular Payments" means the original scheduled payments to be made by the Authority pursuant to a Qualified Derivative Agreement, but does not include termination payments and obligations to collateralize the Authority's obligations under a Qualified Derivative Agreement or any other obligation due pursuant to a Qualified Derivative Agreement not intended to be a Parity Obligation.

"Repayment Obligation" means an obligation arising under an agreement between the Authority and a Credit Provider pursuant to which the Authority agrees to reimburse the Credit Provider for amounts paid through a Credit Facility and used to pay debt service on or purchase price of any Covered Bonds and all other amounts due and owing to a Credit Provider under a Credit Facility. Repayment Obligations may be evidenced by First Lien Bonds with the same priority held by the Covered Bonds (except as described in Section 3.01) without meeting the requirements of Section 4.01 hereof so long as the Covered Bond meets such requirements and, in such cases, the Repayment Obligation and the Covered Bonds shall not both be included for any subsequent calculation hereunder.

"Reserve Policy" means a surety bond or other similar instrument that may be delivered by the Authority in satisfaction of the requirement to fund the Bond Reserve Fund under this Master Indenture as specified in a Supplemental Indenture authorizing First Lien Bonds. Such Supplemental Indenture shall also specify the method of repayment for any draws made upon such Reserve Policy in the manner consistent with Article III hereof

"Second Lien Bond Reserve Fund" has the meaning assigned to it in the Second Lien Master Indenture.

"Second Lien Bonds" means each series of bonds, notes, certificates of indebtedness or other obligations permitted to be issued by the Authority pursuant to the Authorizing Acts and the Second Lien Master Indenture secured in whole or in part by a lien on the Net Revenues and Pledged Funds that is junior and subordinate to the lien on the Net Revenues and Pledged Funds securing payment of First Lien Bonds.

"Second Lien Master Indenture" means the Second Lien Master Trust Indenture dated as of July 1, 2011, between the Authority and U.S. Bank, National Association, as trustee.

"Second Lien Reserve Policy" has the meaning given to the term "Reserve Policy" in the Second Lien Master Indenture.

"Separate Systems" means any and all systems other than the Wastewater System, now or hereafter owned or operated by or on behalf of the Authority or Citizens including, without limitation, the Gas Utility Distribution System, Thermal Energy System and Waterworks.

"Series 2011 Bonds" means the "CWA Authority, Inc. City of Indianapolis, Indiana First Lien Wastewater Revenue Bonds and Series 2011A."

"SIFMA Municipal Swap Index" shall mean the rate determined on the basis of an index based upon the weekly interest rates of tax-exempt variable rate issues included in a database maintained by Municipal Market Data or any successor indexing agent which meets specific criteria established by The Securities Industry and Financial Markets Association.

"Subordinate Securities" means each series of bonds, notes, certificates of indebtedness or other obligations or evidences of indebtedness permitted to be issued by the Authority pursuant to the Authorizing Acts and unsecured or secured in whole or in part by liens on the Net Revenues and Pledged Funds that are junior and subordinate to the lien on Net Revenues and Pledged Funds securing payment of Parity Obligations and Second Lien Parity Obligations (as defined in the Second Lien Master Indenture).

"Substitute Obligations and Agreements" means the bonds or other obligations of the Board and the corresponding bond resolution or indenture entered into by the Board as provided in Section 5.03(j) hereof.

"Supplemental Indenture" means each indenture supplemental hereto adopted by the Authority to supplement the provisions hereof for the issuance of First Lien Bonds permitted hereunder or to otherwise amend this Master Indenture.

"Tax Credit Bonds" means bonds issued by the Authority under laws which permit the Authority to be reimbursed for the payment of principal or interest by the federal or state government.

"Tax-Exempt Bonds" means any First Lien Bonds, the interest on which, when issued, is excludable from gross income of the Owners thereof for federal income-tax purposes as provided in an opinion of nationally recognized bond counsel.

"Tender Indebtedness" shall mean any First Lien Bond a feature of which is an option or obligation on the part of the Owners of such First Lien Bond to tender all or a portion of such bond or bonds to a fiduciary for purchase or redemption prior to the stated maturity date of such bond or bonds, which may include variable rate or adjustable rate indebtedness with such a feature.

"Thermal Energy System" means Citizen's Thermal Energy System, including the Steam Division and the Chilled Water Division, which system is a Separate System for purposes of this Master Indenture.

"Treasurer" means the Treasurer of the CWA Board.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., and its successors and assigns.

"Wastewater System" means the sewage works system and all real estate and equipment purchased by the Authority and thereafter owned by the Authority and used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto, and replacements thereof now or at any time hereafter constructed or acquired; and all services provided or to be provided by the Authority therewith.

"Water System" means the right, title and interest in, under and to all of the assets, properties and rights used and useful in the business of storing, supplying, distributing, and selling water to the public, and in providing ancillary services thereto, as described in the asset purchase agreement for the Water System, the acquisition of which was approved by Citizens by resolution on August 11, 2010, and consisting of all properties, real, personal, mixed, tangible, intangible or otherwise, now owned by Citizens or hereafter acquired by Citizens through purchase, construction or otherwise, and used in connection with such Water System of Citizens, and in any way pertaining thereto, all as located in or as necessary for or appropriate for or supporting the operation of Citizens' Water System, including, without limitation, machinery, apparatus, structures, buildings and related or appurtenant furniture, fixtures and other equipment, as such Water System is from time to time extended, bettered or otherwise improved, or any combination thereof. The Water System is a Separate System for purposes of this Master Indenture.

SECTION 1.02. INTERPRETATIONS. All terms defined herein and all pronouns used in this Master Indenture shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Master Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall

not in any way modify or restrict any of the terms or provisions hereof in this Master Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the First Lien Bonds and the validity of the lien on and pledge of the Net Revenues and Pledged Funds to secure and provide for the payment of the First Lien Bonds. The definitions contained in this Master Indenture relating to accounting terms are for the purpose of determining compliance with this Master Indenture and for the Authority's rate making purposes only and do not necessarily govern financial reporting for the Authority.

SECTION 1.03. COMPUTATIONS. Unless the facts are otherwise and except as provided in this Master Indenture, all computations required under this Master Indenture shall be made on the assumption that (a) except as provided in the definition of Debt Service Requirements, the principal of and interest on all First Lien Bonds shall be paid as and when the same become due; (b) all deposits required by this Master Indenture to be credited to the Bond Interest and Principal Fund for the retirement of certain First Lien Bonds shall be made in the amounts and at the times required by this Master Indenture or as required by a Supplemental Indenture; (c) all First Lien Bonds required to be redeemed will be redeemed in the amounts and at the times as required by this Master Indenture or as required by a Supplemental Indenture; and (d) no First Lien Bond for which moneys or Escrow Securities have been irrevocably deposited in the manner provided in Section 5.07 hereof sufficient to provide the full principal and interest thereon shall be treated as Outstanding.

SECTION 1.04. CERTIFICATES, REPORTS. Whenever pursuant to this Master Indenture a person is required to deliver a certificate or a report, such person, for the purposes of such person's estimates, may take into account those assumptions or expectations otherwise specified in the applicable provisions of this Master Indenture or, in the absence thereof, reasonably expected revenues, projected other income, reasonable rate changes and projected changes in relevant Operation and Maintenance Expenses of the Wastewater System and Debt Service Requirements.

SECTION 1.05. ACCOUNTS. The cash of the Wastewater System required to be accounted for in the General Fund may be deposited into a commingled account of the Authority, *provided* that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of the General Fund as provided herein. The designation and establishment of the General Fund under Article III shall not be construed to require the establishment of any completely independent, self-balancing fund or account, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Wastewater System for certain purposes and to establish priorities for application of such revenues and assets as provided herein. The Trustee shall hold the Bond Interest and Principal Fund and each separate Account of the Bond Reserve Fund in separate trustee accounts from all other funds and accounts of the Trustee and from any accounts the Trustee maintains for the Authority.

SECTION 1.06. ACCOUNTING TERMS. Unless this Master Indenture otherwise prescribes, this Master Indenture shall be interpreted by giving to the accounting terms used herein the respective definitions given to such terms under Accounting Principles. The Authority shall be permitted to apply Accounting Principles in determining and allocating (i) Gross

Revenues of the Wastewater System or Separate Systems; and (ii) the Operation and Maintenance Expenses of the Wastewater System or Separate Systems.

SECTION 1.07. SECURITY REPRESENTATIONS. The Authority represents and agrees that none of the Gross Revenues of the Wastewater System, or any of the property, rights or interests of the Wastewater System, are encumbered, pledged, granted as security for, or otherwise available to or burdened by the entities that own or operate the Separate Systems or their respective purposes, creditors, claimants or beneficiaries. The Authority shall take all actions and efforts necessary to establish, keep and maintain the property, rights or interests of the Wastewater System separate from the entities that own and operate the Separate Systems (and their respective purposes, creditors, claimants and beneficiaries, except to the extent provided in Section 1.06 hereof).

ARTICLE II,

TERMS OF FIRST LIEN BONDS

SECTION 2.01. NAME, AMOUNT, PURPOSE, AUTHORIZATION. The First Lien Bonds authorized by this Master Indenture shall be designated as set forth in each Supplemental Indenture and shall be issued in fully registered form, without coupons, in an aggregate principal amount not to exceed the amount authorized in the applicable Supplemental Indenture, for the purpose of funding the Project Costs, deposits to the Bond Reserve Fund, and the refunding of any First Lien Bonds, Second Lien Bonds or Subordinate Securities (including all costs associated therewith) previously issued and outstanding under and pursuant to the authority of the Authorizing Acts and all other applicable law.

SECTION 2.02. DATE, DENOMINATION, INTEREST RATES AND MATURITIES. The First Lien Bonds shall be dated, numbered and mature, subject to prior redemption, on the maturity dates on each of the dates and in the amounts set out in a Supplemental Indenture or as determined pursuant to a Supplemental Indenture.

SECTION 2.03. DETAILS OF FIRST LIEN BONDS. The Supplemental Indenture authorizing each series of First Lien Bonds shall state the purposes for which the First Lien Bonds are being issued, the forms in which such Bonds shall be issued, the terms of such series and the deposits to be made from the proceeds of such series. Each series of First Lien Bonds may differ with respect to:

- (a) title;
- (b) date;
- (c) maturities, optional maturities, term or terms and method for determination thereof;
- (d) interest rates and provisions, if any, for determining the interest rate to be borne on Capital Appreciation Bonds, Deferred Income Bonds, Tender Indebtedness, variable rate First Lien Bonds, and adjustable rate First Lien Bonds;
- (e) Interest Payment Dates, Current Interest Commencement Dates or Periodic Compounding Dates;
- (f) denominations, including the minimum denominations for such Bonds;
- (g) transfer, registration and exchangeability, including provisions for issuance of First Lien Bonds in book entry form;
- (h) limitation on the aggregate principal amount of First Lien Bonds which may be issued;
- (i) purchase, puts, redemption and tender, whether optional or mandatory, and terms and conditions thereof;

(j) the means by which, and the place at which, such Bonds and the interest thereon may be determined from time to time and payable;

(k) the purpose for which such First Lien Bonds are being issued, for example, "new money" or refunding bonds;

(l) sale or other disposition of the First Lien Bonds, and the use and application of the proceeds of such sale or other disposition;

(m) lost, stolen or mutilated First Lien Bonds;

(n) issuance of temporary First Lien Bonds;

(o) conditions to the execution, delivery and authentication of such First Lien Bonds;

(p) record date or dates;

(q) forms for different types of First Lien Bonds issued;

(r) different modes of operation for First Lien Bonds;

(s) means and methods of obtaining consent or deeming consent to amendments to this Master Indenture or a Supplemental Indenture authorizing the issuance of the series of First Lien Bonds;

(t) Defeasance Securities which may be used to defease such First Lien Bonds; and

(u) anything else not expressly prohibited by this Master Indenture.

In authorizing the issue of any series of First Lien Bonds, the CWA Board shall in a Supplemental Indenture determine and specify all matters in respect to the First Lien Bonds of such series set forth in this Section 2.03 and shall also determine and specify the forms of the First Lien Bonds of such series in the manner provided in this Master Indenture or such Supplemental Indenture.

Interest on First Lien Bonds shall be payable at such rates per annum, in the manner provided and on the Interest Payment Dates and Principal Payment Dates set forth in a Supplemental Indenture, which shall include provisions for determining the interest rate to be borne on Capital Appreciation Bonds, Deferred Income Bonds, Tender Indebtedness, variable rate First Lien Bonds and adjustable rate First Lien Bonds, to the Owners as of the Record Date.

In the event any First Lien Bonds shall be issued as variable rate bonds or in a foim that provides for different Interest Payment Dates or Principal Payment Dates from those specified above, the Supplemental Indenture that authorizes such First Lien Bonds shall provide for deposits into the Bond Interest and Principal Fund, including separate accounts therein, to assure the parity status of those First Lien Bonds and fixed rate First Lien Bonds.

SECTION 2.04. REDEMPTION PRIOR TO MATURITY. The First Lien Bonds may be subject to redemption prior to maturity in any manner provided in a Supplemental Indenture.

SECTION 2.05. MANNER OF PAYMENT, CHARACTERISTICS, EXECUTION AND AUTHENTICATION. The First Lien Bonds shall be payable, shall have the characteristics, shall be signed and executed, sealed, and shall be authenticated, all as provided and in the manner indicated in a Supplemental Indenture. If any officer of the Authority whose manual or facsimile signature shall appear on any First Lien Bonds as provided in any form of First Lien Bonds shall cease to be such officer before the authentication of the particular First Lien Bond or before the delivery of the First Lien Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

SECTION 2.06. OWNERSHIP. The Authority, Registrar and Paying Agent and any other person may treat the person in whose name any First Lien Bond is registered as the absolute Owner of such First Lien Bond for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, and for the further purpose of making and receiving payment of the interest thereon, and for all other purposes, whether or not such First Lien Bond is overdue, and neither the Authority nor the Registrar and Paying Agent shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any First Lien Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the Authority and the Registrar and Paying Agent upon such First Lien Bond to the extent of the sums paid.

SECTION 2.07. REGISTRATION, TRANSFER AND EXCHANGE. So long as any First Lien Bonds remain Outstanding, the Registrar shall keep the Register at its principal corporate trust office in which, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of the obligations in accordance with the terms of this Master Indenture. Each First Lien Bond shall be transferable and exchangeable as provided in a Supplemental Indenture.

The Authority may determine that it is beneficial to the Authority to have any particular issue of First Lien Bonds held by a central depository system and have transfers of those First Lien Bonds effected by book-entry on the books of the central depository system in the manner provided in the Supplemental Indenture.

SECTION 2.08. REPAYMENT OBLIGATIONS. Any Repayment Obligation of the Authority relating to First Lien Bonds issued hereunder may be issued as First Lien Bonds hereunder with the priority equal to that granted to the Covered Bonds associated with such Repayment Obligation or may bear a different parity position, all as described in the applicable Supplemental Indenture or Credit Facility. The Parity Portion shall be payable from the Bond Interest and Principal Fund at the same priority as payments are or would have been made on the Covered Bonds as provided in Section 3.06(b).

SECTION 2.09. QUALIFIED DERIVATIVE AGREEMENTS. The Authority may determine that it is beneficial to the Authority to enter into a Derivative Agreement, and so long as such Derivative Agreement is a Qualified Derivative Agreement, the Regular Payments to the

counterparty may, if so designated in the applicable Derivative Agreement, be entitled to payment on the same priority as a First Lien Bond to which the Qualified Derivative Agreement pertains. The Regular Payments may be secured with a lien on parity with the First Lien Bonds to which the Qualified Derivative Agreement pertains and therefore may be payable from the Bond Interest and Principal Fund at the same priority as payments are made on the corresponding First Lien Bonds in the manner provided in Section 3.06(b) hereof, unless the Authority shall determine to provide a lesser priority in the applicable Supplemental Indenture or Qualified Derivative Agreement.

SECTION 2.10. FORM OF BONDS. All First Lien Bonds issued by the Authority shall be in substantially the form set forth in a Supplemental Indenture.

SECTION 2.11. SPECIAL PROVISIONS WITH RESPECT TO CAPITAL APPRECIATION BONDS AND DEFERRED INCOME BONDS.

- (a) For the purposes of (i) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) computing the principal amount of First Lien Bonds held by the holder of a Capital Appreciation Bond in giving to the Authority any notice, consent, request, or demand pursuant to this Master Indenture for any purpose whatsoever, the principal amount of such Capital Appreciation Bond shall be deemed to be its then current Accreted Value.
- (b) For the purposes of (i) receiving payment of the redemption price if a Deferred Income Bond is redeemed prior to maturity, or (ii) computing the principal amount of First Lien Bonds held by the holder of a Deferred Income Bond in giving to the Authority any notice, consent, request, or demand pursuant to this Master Indenture for any purpose whatsoever, the principal amount of such Deferred Income Bond shall be deemed to be its then current Appreciated Value.

ARTICLE III.

SECURITY AND SOURCE OF PAYMENT FOR ALL FIRST LIEN BONDS

SECTION 3.01. PLEDGE AND SOURCE OF PAYMENT. (a) The Authority hereby covenants and agrees that all Gross Revenues shall be deposited and paid into the General Fund hereinafter established, and shall be applied solely in the manner set forth in this Article III.

- (b) The Parity Obligations shall constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by a first priority lien and security interest on (i) the Net Revenues and (ii) all of the Funds and Accounts established in Article III herein and all proceeds and other money held therein or investment earnings derived therefrom, provided that the proceeds of such series of First Lien Bonds and amounts held in any Account of the Bond Interest and Principal Fund, any Account of the Bond Reserve Fund or any Account of the Construction Fund created pursuant to a Supplemental Indenture solely for the benefit of such series of First Lien Bonds shall only be pledged for such series (clause (ii) above shall constitute the "Pledged Funds"). Pledged Funds shall not include any bond interest and principal fund, reserve fund (or any account thereof) or construction fund (or any account thereof) for any Second Lien Bonds or Subordinate Securities. Net Revenues and Pledged Funds shall, in the manner herein provided, be set aside for and are pledged to the payment of the Parity Obligations.
- (c) For the benefit of the Owners of the First Lien Bonds the Authority hereby grants a lien and security interest on the Net Revenues and Pledged Funds as provided in Section 3.01(a) above, to secure the payment of principal of, premium, if any, and interest on the First Lien Bonds.
- (d) All First Lien Bonds shall be in all respects on a parity with each other except with respect to differences pertaining to Accounts of the Bond Interest and Principal Fund, the Construction Fund and the Bond Reserve Fund and unexpended proceeds of specific First Lien Bonds, which amounts shall secure only the First Lien Bonds which were issued with respect thereto, as set forth in the Supplemental Indenture.
- (e) For the benefit of the Credit Provider for any Credit Facility, the Authority may also grant a first priority lien and security interest on the Net Revenues and Pledged Funds on parity with the corresponding Covered Bonds in order to secure payment of all amounts due on the Parity Portion in accordance with their terms. All other amounts due in respect of Repayment Obligations shall be payable as provided in Sections 3.08-3.09 hereof.
- (f) For the benefit of the counterparty on any Qualified Derivative Agreement pertaining to a specific series of First Lien Bonds, the Authority may also grant a first priority lien and security interest on the Net Revenues and Pledged Funds with respect to such First Lien Bonds on parity with such First Lien Bonds, in

order to secure payment of all Regular Payments with respect to such Qualified Derivative Agreement, unless the Authority shall determine to provide a lesser priority pursuant to and as set forth in the related Supplemental Indenture. All other payments due under a Qualified Derivative Agreement, and all payments on Derivative Agreements shall be payable as provided in Sections 3.08-3.09 hereof.

SECTION 3.02. FIRST LIEN RATE COVENANT. (a) The Authority covenants that it will at all times fix, charge, impose and collect rates, fees and other charges for the use of, and services provided by, the Wastewater System, and, to the extent it legally may do so, revise the same as may be necessary or appropriate, in order that in each Fiscal Year (the "Tested Fiscal Year") the Net Revenues (together with the amounts deposited into the General Fund from the Rate Stabilization Fund less any amounts deposited to the Rate Stabilization Fund from the General Fund for the Tested Fiscal Year as provided in subsection (e) below) will at all times be at least sufficient to equal the greater of either:

- (i) an amount not less than 120% of all amounts required to be transferred in the Tested Fiscal Year to the Bond Interest and Principal Fund for the timely payment of actual interest and principal payable on First Lien Bonds during the Tested Fiscal Year as adjusted pursuant to subsection (f) below; or
 - (ii) all amounts required to be transferred in the Tested Fiscal Year: (1) to the Bond Interest and Principal Fund for the timely payment of actual interest (less regular payments received on Qualified Derivative Agreements), principal and other obligations payable on Parity Obligations; and (2) to the Bond Reserve Fund for timely payment of the establishment of or any deficiency in an Account therein, including to repay a Reserve Policy draw.
- (b) The Authority shall test for compliance with Section 3.02(a) within 150 days after the end of each Fiscal Year. If, subject to the provisions of subsection (c) below, the Net Revenues (together with the amounts deposited into the General Fund from the Rate Stabilization Fund less any amounts deposited to the Rate Stabilization Fund from the General Fund for the Tested Fiscal Year as provided in subsection (e) below) are less than the greater of the amounts specified in (a)(i) or (ii) above, the Authority must take appropriate action under the law and within its powers to revise the Authority's rates, fees and other charges or the method of operation of the Wastewater System in order to satisfy the foregoing requirements in the next Fiscal Year following the Tested Fiscal Year (the "Current Fiscal Year"). Actions which may be taken shall include, but not be limited to the filing of a proceeding seeking additional revenues or other relief before the Commission which would increase Gross Revenues of the Wastewater System in the Current Fiscal Year. If any of such actions permit or require reasonable administrative or judicial review under the laws of the State of Indiana or the United States of America, such review shall be taken; *provided, however*, that additional filings seeking increased revenues or other relief before the Commission shall not be required so long as an issue of law or fact substantially

the same to that which would be raised by such additional filing is then pending or has been decided pursuant to a non-appealable order that prevents raising such issue in subsequent proceedings on appeal or such an issue of law or fact was previously determined adversely on appeal. The Authority shall report such actions to the Trustee within 150 days after the conclusion of the Tested Fiscal Year.

- (c) For purposes of this Section, the Authority shall not be required to implement the procedures set forth in subsection (b) hereof, if the Net Revenues the Authority would have received in the Tested Fiscal Year would have been sufficient to meet the requirements of subsection (a) hereof if the Gross Revenues for the Tested Fiscal Year were determined by giving effect for the entire Tested Fiscal Year to any increase or decrease in rates, fees, rentals or other charges authorized by an order of the Commission issued by the date that is within 120 days after the end of the Tested Fiscal Year.
- (d) So long as the Authority substantially complies in a timely fashion with the provisions of (b) and (c) above, the Authority will not be deemed to have defaulted in the performance of its duties under this Section 3.02 even if the resulting Net Revenues are not sufficient to be in compliance with the covenant set forth above in the Current Fiscal Year, so long as there is no other Event of Default under this Master Indenture.
- (e) For purposes of satisfying the rate covenant set forth in (a)(i) above, the Authority may transfer funds in the Rate Stabilization Fund, if any, to the General Fund in any Tested Fiscal Year. The net amount so transferred (after taking into account any transfers into the Rate Stabilization Fund) shall be treated as Net Revenues for the Tested Fiscal Year for purposes of calculating the foregoing rate covenant; *provided*, the amount of any such net transfer treated as Net Revenues for the Tested Fiscal Year shall not exceed 20% of the Debt Service Requirements for the Tested Fiscal Year.
- (1) For purposes of satisfying the rate covenant set forth in (a) above, the Authority may exclude from the principal and interest due on any First Lien Bonds any amounts for which the Authority has already set aside Pledged Funds prior to the start of the Tested Fiscal Year for the payment of such First Lien Bonds.

SECTION 3.03. FUNDS.

- (a) Required Funds. The following Funds shall be established, maintained and accounted for as hereinafter provided so long as any of the First Lien Bonds remain Outstanding:
 - (i) General Fund;
 - (ii) Bond Interest and Principal Fund, including any Capitalized Interest Account therein;

- (iii) Bond Reserve Fund;
- (iv) Rate Stabilization Fund; and
- (v) Construction Fund.

The Authority may, without the consent of any Owner of a First Lien Bond, amend this Master Indenture in any manner (except for the limitations on the amount that may be held in or transferred from the Rate Stabilization Fund in any Tested Fiscal Year) with respect to the Rate Stabilization Fund.

- (b) Separate Funds. The General Fund, the Construction Fund and the Rate Stabilization Fund shall be maintained as separate funds on the books of the Authority by the CWA Board and all amounts credited to such Funds shall be maintained in an official depository bank of the Authority subject to Section 6.02 hereof, The Bond Interest and Principal Fund and the Bond Reserve Fund shall be held by the Trustee in the manner provided in Section 1.05 hereof.
- (c) Other Funds and Accounts. The Authority may create separate funds and accounts pursuant to separate authorizing indentures for the payment of Second Lien Bonds or Subordinate Securities and for any other lawful purpose of the Authority in connection with the Wastewater System.

SECTION 3.04. FLOW OF FUNDS. All Gross Revenues and moneys transferred from the Rate Stabilization Fund shall be deposited, as received, into the General Fund. Moneys from time to time credited to the General Fund shall be applied first, as provided in Section 3.05 below, second, as provided in Section 3.06 below, third, as provided in Section 3.07 below and fourth, as provided in Section 3.08 below. The Authority shall also deposit into the General Fund all extraordinary items excluded from the definition of Gross Revenues, including payments received on Derivative Agreements (except as provided in Section 3.06) and any other assets, revenues, rights, interests or property hereafter pledged under a Supplemental Indenture to Parity Obligations. All amounts deposited in the General Fund shall continue to be held therein by the Authority except as transferred or applied as provided in this Master Indenture.

SECTION 3.05. OPERATIONS AND MAINTENANCE EXPENSES. As necessary, there will be applied from the General Fund sufficient amounts to pay Operation and Maintenance Expenses, as directed by or under the supervision of the Chief Financial Officer. During an Event of Default, the Authority shall be permitted, before applying Net Revenues in the manner provided in Section 6.02 hereof, to maintain sufficient Net Revenues in the General Fund, as provided in Section 6.02 hereof, in the amount reasonably determined to be necessary by the Chief Financial Officer to provide for the payment of Operation and Maintenance Expenses for a period not exceeding two months.

SECTION 3.06. BOND INTEREST AND PRINCIPAL FUND.

- (a) (i) There shall initially be deposited into a Capitalized Interest Account for any particular series of First Lien Bonds the amount of capitalized interest included in the proceeds of any First Lien Bonds as specified by any

Supplemental Indenture with respect thereto. Amounts in a Capitalized Interest Account shall be used to pay interest next due and thereafter on those First Lien Bonds, as directed by the Chief Financial Officer until said Account is exhausted or so long as permitted by the Code and State law.

- (ii) There shall also be deposited into the Bond Interest and Principal Fund any regular payment received by the Authority in connection with any Qualified Derivative Agreement entered into in connection with the First Lien Bonds.
- (b) On or before the last Business Day of each month so long as any First Lien Bonds remain Outstanding, after complying with Section 3.05 above, there shall be transferred into the Bond Interest and Principal Fund (or any Account thereof) from the General Fund the following amounts:
- (i) the interest on all Outstanding First Lien Bonds (or related interest component of the Parity Portion of the related Repayment Obligation) that is due or has accrued in such month, or such other amount as shall be specified in a Supplemental Indenture or Credit Facility relating to First Lien Bonds; and
 - (ii) the principal of all Outstanding First Lien Bonds (or the principal component of the Parity Portion of the related Repayment Obligations, to the extent permitted by a Supplemental Indenture) that is due or has accrued in such month or such other amount as shall be specified in a Supplemental Indenture or Credit Facility; and
 - (iii) any Regular Payments as shall be due or accrued in such month from the Authority on any Qualified Derivative Agreement entered into in connection with First Lien Bonds for which the Authority has determined to provide the same priority; *provided*, that in the alternative, the Authority may provide in a Supplemental Indenture that such Regular Payments or Parity Portion are subordinate to the payments on the First Lien Bonds.
- (c) For the purposes of making the deposits required by subsection (b)(ii) above, monthly deposits for principal payments due on such First Lien Bonds will be made, as nearly as possible, in an amount equal to the regularly scheduled principal that is due and payable on such First Lien Bonds on the next succeeding principal payment date, whether by maturity or by mandatory sinking fund redemption, multiplied by a fraction the numerator of which is one and the denominator of which is the number of whole calendar months in the period from the previous principal payment date to such next succeeding Principal Payment Date.
- (d) Whenever the total amounts on deposit to the credit of the applicable Account of the Bond Interest and Principal Fund and the applicable Account of the Bond

Reserve Fund for any particular Series of First Lien Bonds shall be equal to the sum of the aggregate principal amount of all such Outstanding First Lien Bonds of such Series (including any related Repayment Obligation (if applicable) constituting First Lien Bonds) plus the aggregate amount of all interest accrued and to accrue thereon through final payment or earlier redemption, no further transfer need be made into the applicable Account of the Bond Interest and Principal Fund or the applicable Account of the Bond Reserve Fund for such series.

- (e) On or before each Principal Payment Date, Interest Payment Date and/or other payment dates for Regular Payments or Parity Portions, as applicable, with respect to any particular First Lien Bonds, the Authority shall transfer from the Bond Interest and Principal Fund to the Paying Agent the amounts accumulated pursuant to clauses (i) — (iii) of Subsection (b) hereof to make the payments described in such clauses on the dates for which such payments are due. In the event that the monies in the Bond Interest and Principal Fund shall be insufficient to pay the amounts described in clauses (i) - (iii) of Subsection (b) hereof for each Outstanding series of First Lien Bonds on the dates for which such payments are due, the Authority shall transfer, on a pro rata basis to the Accounts of the Bond Interest and Principal Fund to the extent necessary to make such payments, *first*, moneys held in the General Fund, including as specified in Section 3.01 hereof, and *second*, moneys held in the Rate Stabilization Fund, if any, to pay such amounts. If such transferred amounts are insufficient to make the required payments of the amounts described in clauses (i) - (iii) of Subsection (b) hereof, the Authority shall transfer the necessary amounts on deposit in any applicable Account of the Bond Reserve Fund to make such payments solely with respect to the Series of First Lien Bonds for which such Account of the Bond Reserve Fund was created. Notwithstanding any provision of this Section 3.06 to the contrary, the Authority shall instruct the Trustee or the Trustee shall otherwise administer the Bond Interest and Principal Fund and the Authority's obligations under subsection (b) hereof in order to preserve and protect the parity status of all First Lien Bonds without regard to the date of issuance, the manner of computing interest, the Interest Payment Dates or Principal Payment Dates required for, and without consideration of any available amounts in an Account of the Bond Reserve Fund for any specific series of First Lien Bond. Moneys credited to the Bond Interest and Principal Fund shall be used solely to pay the amounts described in clauses (i) through (iii) of Subsection (b) hereof on the dates for which the payments described therein are due.
- (f) The Authority may create separate Accounts under the Bond Interest and Principal Fund for each series of First Lien Bonds; however that shall not affect the parity status of all First Lien Bonds or the application of such amount to pay principal and interest on First Lien Bonds when due in a manner consistent with such parity status.

SECTION 3.07. BOND RESERVE FUND. The Authority is authorized to specify in any Supplemental Indenture authorizing a series of First Lien Bonds that one or more Accounts

of the Bond Reserve Fund may be maintained for such First Lien Bonds (and any other series of First Lien Bonds the Authority shall determine) and the provisions with respect thereto or that no Account of the Bond Reserve Fund is being created for such First Lien Bonds. If the Authority authorizes the maintenance of one or more Accounts of the Bond Reserve Fund in a Supplemental Indenture, any deposit required to be made to such Account shall be funded after making the transfers or deposits required by Sections 3.05 and 3.06 hereof and before any expenditure under Section 3.08 hereof Each Bond Reserve Fund Account shall secure only those First Lien Bonds identified in the applicable Supplemental Indenture. The Trustee shall (a) first fully apply Net Revenues in the manner provided in Sections 3.06, 3.08 and 3.09 hereof to the Bond Interest and Principal Fund in order to pay all First Lien Bonds on parity with each other prior to transferring funds in the specific Account of the Bond Reserve Fund for any series of First Lien Bonds, if any, and then (b) transfer any amounts held in the applicable Account of the Bond Reserve Fund to the applicable Account of the Bond Interest and Principal Fund solely for the timely payment of the First Lien Bonds to which such Account is pledged.

SECTION 3.08. EXCESS NET REVENUES. After making the transfers or deposits required by Sections 3.05 - 3.07 hereof, subject to the provisions of Section 6.02 hereof, the Authority may apply any remaining Net Revenues, all extraordinary items excluded from the definition of Gross Revenues, and payments received on Derivative Agreements (except as provided in Section 3.06) as follows:

- (a) *first*, to the payment of debt service on Second Lien Bonds, deposits to be made for a reserve account created for Second Lien Bonds, any reimbursement obligations due to the provider of a credit facility therefor arising from the payment by the provider of the credit facility of the principal or interest due on such obligation and any regular payments on a derivative agreement in connection with such obligations;
- (b) *second*, to the payment of debt service on Subordinate Securities, deposits to be made for a reserve account created for Subordinate Securities, any reimbursement obligations due to the provider of a credit facility therefor arising from the payment by the provider of the credit facility of the principal or interest due on such obligation and any regular payments on a derivative agreement in connection with such obligations;
- (c) *third*, to the payment of amounts owed by the Authority pursuant to Section 2.04(e) of the Asset Purchase Agreement;
- (d) *fourth*, to pay PILOTS or any other payments in lieu of taxes, to pay capital improvements to the Wastewater System, to pay costs of replacing any depreciable property or equipment of the Wastewater System, to pay costs of any major extraordinary repairs, replacements or renewals of the Wastewater System, to fund payments to be made by the Authority on a Derivative Agreement or a derivative agreement related to Second Lien Bonds or Subordinate Securities, including any obligation to post collateral, pay penalties, make-ups, fees and termination payments with respect thereto, to pay the remaining amounts owed on Repayment Obligations, obligations due to a credit provider with respect to

Second Lien Bonds and obligations owed to a credit provider with respect to Subordinate Securities, to acquire land or any interest therein, to pay any lease or other contractual obligations, to fund the Rate Stabilization Fund as provided in Section 3.09 hereof; and

- (e) *fifth*, to any other lawful purpose for the benefit of the Wastewater System.

SECTION 3.09. RATE STABILIZATION FUND. The Authority may, as provided in Section 3.08(e) hereof, transfer any amount to the Rate Stabilization Fund from the General Fund as described in Section 3.08. Amounts held in the Rate Stabilization Fund shall be used first, to fund any shortfall in any other Fund or Account created for the First Lien Bonds and second, to fund any fund or account created for Second Lien Bonds or Subordinate Securities, if any, and thereafter may be used from time to time for any lawful purpose or purposes of the Authority pertaining to the Wastewater System, at the direction of the Chief Financial Officer, including but not limited to the following: (a) to provide for shortfall of revenues resulting from usage of the Wastewater System, (b) to pay any item described in 3.08 related to the Wastewater System, (c) to make transfers to the General Fund or (d) to satisfy any rate covenant applicable to Second Lien Bonds or Subordinate Securities. Any limitation on the amount of a transfer from the Rate Stabilization Fund for the purpose of satisfying a rate covenant applicable to Second Lien Bonds or Subordinate Securities shall be as specified in the authorizing indenture therefor. Upon an Event of Default hereunder or an event of default occurring with respect to Second Lien Bonds or Subordinate Securities, the amounts held in the Rate Stabilization Fund shall be deposited in the General Fund.

SECTION 3.10. INVESTMENT OF FUNDS: TRANSFER OF INVESTMENT INCOME.

- (a) Monies in all Funds shall, at the option and written direction of the Authority, be invested and secured in Permitted Investments and in the manner required by law for public funds, *provided* that all such deposits and investments of the Bond Interest and Principal Fund, any Account of the Construction Fund and any Account of the Bond Reserve Fund shall be made in such manner that the money required to be expended from such Fund is available on the applicable Interest Payment Date or Principal Payment Date. For purposes of maximizing investment returns, money in such Funds may be invested, together with money in other Funds or with other money of the Authority, in common investments of the kind described above, or in a common pool of such investments maintained by the Authority which shall be kept and held at an official depository of the Authority, which shall not be deemed to be a loss of the segregation of such money or Funds *provided* that safekeeping receipts, certificates of participation or other documents clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If and to the extent necessary, such investments or participations therein shall be promptly sold to prevent any default.

- (b) All investments held in the Bond Reserve Fund shall be valued and all interest and income derived from deposits and investments credited to the Bond Reserve Fund in the manner provided in the Supplemental Indenture authorizing the same.
- (c) All interest and income derived from deposits and investments of any amounts held in any Account of the Construction Fund shall remain in such Account of the Construction Fund for application to Project Costs until the Projects for which such First Lien Bonds were issued are complete, at which time all moneys in the Construction Fund shall be transferred to:
 - (i) any account or fund as shall be provided in the Supplemental Indenture pursuant to which such moneys were deposited into such Account of the Construction Fund; and
 - (ii) then to the General Fund or such other Fund as the Supplemental Indenture or the Authority shall direct.
- (d) To the extent it is not otherwise provided for in (b) and (c) above or needed to eliminate a deficiency, all interest and income derived from deposits and investments credited to the Funds shall be transferred or credited monthly to the General Fund or such other Fund as the Authority shall direct.
- (e) Notwithstanding anything to the contrary contained herein, any interest and income derived from deposits and investments of any amounts credited to any Fund or Account may be paid to the federal government if in the opinion of nationally recognized bond counsel such payment is required in order to prevent interest on any Tax-Exempt Bonds from being includable within the gross income of the Owners thereof for federal income tax purposes.

SECTION 3.11. CONSTRUCTION FUND. The Authority is authorized to specify in any Supplemental Indenture authorizing a series of First Lien Bonds that an Account of the Construction Fund may be maintained for such First Lien Bonds and the provisions with respect thereto or that no Account of the Construction Fund is being created for such First Lien Bonds. Each Construction Fund Account shall secure only those First Lien Bonds identified in the applicable Supplemental Indenture. During an Event of Default, moneys held in an Account of the Construction Fund created for certain First Lien Bonds shall be applied to the payment of such First Lien Bonds and the Parity Obligations issued in connection therewith, prior to application of any Net Revenues to such payment.

ARTICLE IV.

FIRST LIEN BONDS

SECTION 4.01. FIRST LIEN BONDS. The Authority reserves the right to issue (and shall only cause to be issued) one or more series of First Lien Bonds (the "Proposed First Lien Bonds") payable from and secured by a first priority lien and security interest on the Net Revenues and Pledged Funds on parity with any Outstanding First Lien Bonds upon meeting the requirements set forth in this Section 4.01.

- (a) No Default. An Authorized Officer of the Authority shall certify that, upon the issuance of the Proposed First Lien Bonds, the Authority will not be in default under any term or provision of any First Lien Bonds then Outstanding, this Master Indenture or any Supplemental Indenture pursuant to which any First Lien Bonds were issued.
- (b) Coverage on First Lien Bonds.
 - (i) *Historical.* The Chief Financial Officer shall certify that for either the Authority's most recent complete Fiscal Year or for any consecutive 12 out of the most recent 18 months preceding the issuance of the Proposed First Lien Bonds, the Net Revenues of the Wastewater System, as adjusted in the manner described in (f) below, were equal to at least 120% of the maximum annual Debt Service Requirements for all existing First Lien Bonds and the Proposed First Lien Bonds for any subsequent Fiscal Year while the existing First Lien Bonds are Outstanding; or
 - (ii) *Projected.* The Chief Financial Officer shall certify that the estimated Net Revenues of the Wastewater System, as adjusted in the manner described in (f) below, for each of three (3) consecutive Fiscal Years beginning in the first Fiscal Year in which the Authority will have any scheduled payments of interest on or principal of the Proposed First Lien Bonds (for the payment of which provision has not been made as indicated in such report from proceeds of the Proposed First Lien Bonds), investment income thereon or from other appropriated sources (excluding Net Revenues) are equal to at least: (A) 125% of the Debt Service Requirements for all existing Parity Obligations and the Proposed First Lien Bonds and (B) all amounts of Net Revenues required to be transferred to the Bond Reserve Fund for timely payment of the establishment of or any deficiency in an Account therein, including to repay a Reserve Policy draw, during each such respective Fiscal Year.
- (c) Repayment Obligations. The Authority shall be permitted to enter into Repayment Obligations without complying with the paragraph above so long as the corresponding Covered Bonds comply with such provision at the time such First Lien Bonds were issued.

- (d) Bond Indenture Requirements. Provision is made in a Supplemental Indenture for (i) additional payments into the Bond Interest and Principal Fund sufficient to provide for any principal and interest requirements resulting from the issuance of the Proposed First Lien Bonds, (ii) satisfaction of the applicable Debt Service Reserve Requirement by not later than the date required by the Supplemental Indenture, if required, and (iii) provisions required pursuant to Section 3.06 for deposits into or for the administration of the Bond Interest and Principal Fund in order to assure the parity status of all First Lien Bonds.
- (e) Refunding First Lien Bonds. If the Proposed First Lien Bonds are being issued for the purpose of refunding all or a portion of previously issued First Lien Bonds (the "Refunded First Lien Bonds"), none of the certifications described in (b) above are required so long as for each Fiscal Year during which existing First Lien Bonds will be Outstanding, the Debt Service Requirements for the Proposed First Lien Bonds in such Fiscal Years will not exceed the Debt Service Requirements for the Refunded First Lien Bonds in such Fiscal Year (prior to giving effect to the refunding).
- (f) Adjustments. For purposes of the determination of the Net Revenues of the Wastewater System for purposes of subsection (b) above, the Authority shall be permitted to include the full pro forma effect of any increases or decreases in rates, fees, rentals or other charges (including those resulting from any new facilities of the Wastewater System having been acquired or placed into use and operation subsequent to the commencement of the applicable period and prior to the date of issuance of the Proposed First Lien Bonds) authorized by an order of the Commission issued prior to the date of issuance of the Proposed First Lien Bonds.
- (g) Series 2011 Bonds. The Series 2011 Bonds need not meet the requirements of this Section 4.01.

SECTION 4.02. BONDS FOR EMERGENCIES. The Authority may authorize, execute and issue First Lien Bonds from time to time if, the Authority has found, as evidenced by a certificate of the Chief Financial Officer filed with the Trustee, it is necessary to repair any damage or loss to the Wastewater System to the extent that the Wastewater System has been destroyed or damaged by disaster to such an extent that it cannot be operated or such repair is necessary for the proper conduct of the operations of the Wastewater System; *provided, however*, that the proceeds of any First Lien Bonds issued for such purpose may only be used to return the Wastewater System substantially to its former operating capacity; and *provided further* that such First Lien Bonds may be issued only to the extent that insurance proceeds from such damage or loss are insufficient for the accomplishment of such purpose or only for the period that the Authority determines is necessary prior to receipt of insurance proceeds. Such First Lien Bonds may be issued under this Section 4.02 without complying with Section 4.01 above.

SECTION 4.03. REPAYMENT OBLIGATIONS, SECOND LIEN BONDS AND SUBORDINATE SECURITIES.

- (a) The Authority shall not become obligated with respect to a Repayment Obligation for which acceleration of the payment of such Repayment Obligation is permitted upon an event of default unless this Master Indenture is amended in accordance with Section 8.03 hereof to allow for acceleration of First Lien Bonds under similar circumstances.
- (b) Except as provided in Article VI or this Section 4.03 hereof, no other provision of this Master Indenture restricts the Authority's ability to issue Second Lien Bonds or Subordinate Securities.
- (c) The Authority shall only be authorized to issue Second Lien Bonds or Subordinate Securities under provisions which, in the judgment of the Authority, assure that:
 - (i) no deposit to accounts created for the payment of Second Lien Bonds or Subordinate Securities will be made on the dates required in the Second Lien Master Indenture or the Subordinate Securities until Net Revenues are first deposited into the Bond Interest and Principal Fund as required in Section 3.06 hereof for payment of the interest and principal due on First Lien Bonds and deposited in the Bond Reserve Fund as required in Section 3.07 hereof to satisfy any deficiency therein in order to assure the first priority lien and interest the First Lien Bonds are entitled to over Second Lien Bonds and Subordinate Securities; and
 - (ii) the payment of the Second Lien Bonds or Subordinate Securities may not be accelerated unless this Master Indenture is amended to allow for acceleration of First Lien Bonds under similar circumstances.

ARTICLE V.

COVENANTS AND PROVISIONS RELATING TO ALL FIRST LIEN BONDS

SECTION 5.01. PUNCTUAL PAYMENT OF PARITY OBLIGATIONS. The Authority will punctually pay or cause to be paid the interest on and principal of all Parity Obligations prior to payment of any other obligations of the Authority (except Operation and Maintenance Expenses), including those described in Section 3.08 according to the terms thereof and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings, stipulations and provisions contained in this Master Indenture and in any Supplemental Indenture authorizing the issuance of First Lien Bonds.

SECTION 5.02. OPERATION AND MAINTENANCE OF WASTEWATER SYSTEM. So long as any First Lien Bonds remain Outstanding, the Authority covenants that it will at all times maintain and operate the Wastewater System, or cause the same to be maintained and operated, in good and serviceable condition.

SECTION 5.03. SALE OR ENCUMBRANCE OF WASTEWATER SYSTEM.

- (a) Except as permitted in this Master Indenture, neither all nor a substantial part of the Wastewater System, or any property necessary to the operation and use of the Wastewater System, shall be sold, leased, mortgaged, pledged, encumbered, alienated, or otherwise disposed of. The Authority shall at all times comply with all limitations imposed upon the sale disposition, lease, transfer, mortgage or other encumbrance of the Wastewater System imposed by the Asset Purchase Agreement.
- (b) The Authority has entered into a management contract with United Water Services LLC. The Authority may enter into a separate management contract in replacement thereof or in addition thereto or lease of all or substantially all of the Wastewater System or any lesser part thereof on the condition that an opinion is received from nationally recognized bond counsel that such contract or lease will not cause the interest of any Tax-Exempt Bonds to be includable within the gross income of the Owners thereof for federal income tax purposes.
- (c) The Authority may also execute any leases, licenses, easements, or other agreements of any part of the Wastewater System in connection with the operation of the Wastewater System by the Authority.
- (d) The Authority may sell, lease or otherwise dispose of such assets or property, real or personal, of the Wastewater System which shall be or shall have become unserviceable, inadequate, uneconomic, obsolete, worn out, unfit or unadapted or property, real or personal, which is unnecessary, immaterial to, unuseful, or unprofitable in the operation of the Wastewater System as determined by the CWA Board or the Chief Financial Officer.

- (e) The Authority may sell, lease or otherwise dispose of any assets or property, real or personal, of the Wastewater System to the extent permitted by law if the book value of such assets or property sold or disposed of by the Authority during any Fiscal Year shall not exceed five percent of the depreciated book value of the Wastewater System.
- (f) The Authority may sell or otherwise dispose of any assets or property, real or personal, of the Wastewater System to the extent permitted by law if:
 - (i) such sale or disposition will not impair or destroy the ability of the Authority to continue to operate those assets and properties of the Wastewater System not sold or disposed of in an efficient manner as determined by the CWA Board or the Chief Financial Officer;
 - (ii) the terms and conditions of such proposed sale or disposition are, in the judgment of the CWA Board, fair and reasonable;
 - (iii) the sale or disposition is for cash or cash equivalent; and
 - (iv) the estimated Net Revenues of the Wastewater System to be derived for the then current Fiscal Year from the assets and properties of the Wastewater System remaining after such sale or disposition, after taking into consideration the use by the Authority of the proceeds of such proposed sale or disposition, will be sufficient to enable the Authority to comply with all covenants and conditions of this Master Indenture, as shall be established by a certificate of an independent, certified engineer.
- (g) The Authority may sell, lease or otherwise dispose of any assets or property of the Wastewater System to the extent permitted by law if:
 - (i) such sale, lease or disposition will not impair or destroy the ability of the Authority to continue to operate the assets and properties of the Wastewater System remaining after such sale, lease or disposition in an efficient manner as determined by the CWA Board or the Chief Financial Officer;
 - (ii) the terms and conditions of such proposed sale, lease or disposition are, in the judgment of the CWA Board, fair and reasonable; and
 - (iii) (A) the estimated Net Revenues of the Wastewater System to be derived for the current and the next three succeeding Fiscal Years from the assets and properties of the Wastewater System remaining after such sale, lease or disposition will be sufficient to enable the Authority to comply with all the covenants and conditions in this Master Indenture, all as shall be established by a certificate of an independent, certified engineer; *provided, however*, that no consideration shall be given to the application of the proceeds of the proposed sale, lease or disposition other than those proceeds received by the Authority in cash or cash equivalents

contemporaneous with the effective date of such sale, lease or disposition;
or

(B) (1) the estimated Net Revenues of the Wastewater System to be derived for the current and next three succeeding Fiscal Years from the assets and properties of the Wastewater System remaining after such sale, lease or disposition, after taking into account the use by the Authority of the proceeds of such proposed sale, lease or disposition will be sufficient to enable the Authority to comply with all covenants and conditions in this Master Indenture, as shall be established by a certificate of an independent, certified engineer;

(2) all payments required to be made to or for the account of the Authority under such sale, lease or other disposition shall be a prior charge and lien upon the Gross Revenues to be derived from the operation of the assets and properties to be sold, leased or disposed of; and

(3) the Trustee may, in its name or in the name of the Authority, enforce the obligations of the parties to any such lease, sale or disposition to the same extent that such obligations may be enforced by the Authority, in the event reasonable enforcement actions have not been taken by the Authority.

- (h) The Authority shall be authorized to sell, dispose or transfer from the Wastewater System any assets or properties which the Commission or a court has ordered to be excluded from utility plant used and useful to provide services under the jurisdiction of the Commission.
- (i) Compliance with subsection (b)-(h) shall be evidenced by a certificate of the Authority delivered to the Trustee prior to the effective date of any such sale, lease or disposition.
- (j) (i) The Authority may transfer the Wastewater System in whole and its obligations under this Master Indenture and all Outstanding First Lien Bonds to the Board if the Board acquires the Wastewater System and succeeds by action of the CWA Board to the duties, privileges, powers, liabilities, disabilities, immunities, and rights of the Authority under this Master Indenture and the Outstanding First Lien Bonds; and either (1) (A) (I) the Board assumes such obligations, duties, privileges, powers, liabilities, disabilities, immunities and rights under this Master Indenture and the First Lien Bonds and becomes the "Authority" under this Master Indenture and under the Outstanding First Lien Bonds or (II) the Board becomes obligated under Substitute Obligations and Agreements to operate and maintain the Wastewater System and to fix and collect Net Revenues in a manner substantially equivalent, as determined by the CWA Board, to the manner provided in this Master Indenture and the Outstanding First Lien Bonds so that the security interests and rights of any holder of the Outstanding First Lien Bonds are protected by the provisions of the Substitute

Obligations and Agreements and (B) the Authority shall provide the Trustee with either (I) a report of a Certifier that demonstrates that in the first full Fiscal Year following such assumption or succession by the Board that the rate covenant in Section 3.02 shall be satisfied after giving effect to such succession or (II) evidence that the ratings on the Outstanding First Lien Bonds, without regard to credit enhancement, by each Rating Agency will not be lowered as a result of the assumption or succession by the Board or (2) the holders of a majority in principal amount of Outstanding First Lien Bonds shall agree to accept (A) the assumption by the Board of the obligations, duties, privileges, powers, liabilities, disabilities, immunities and rights under this Master Indenture and the First Lien Bonds or (B) such Substitute Obligations and Agreements in full replacement and satisfaction of this Master Indenture and the Outstanding First Lien Bonds.

(ii) All of the covenants, stipulations, obligations, and agreements by or on behalf of and other provisions for the benefit of the Authority or the CWA Board contained herein shall then bind and inure to the benefit of the Board to whom or to which there shall be transferred by or in accordance with law any right, power, or duty of the Authority or the CWA Board or of their respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements, or other provisions hereof.

- (k) Notwithstanding anything in this subsection to the contrary, no sale, lease, or disposition of such assets or properties of the Wastewater System which shall constitute more than 10 percent of the depreciated book value of the Wastewater System shall be permitted without prior notice to the Trustee, and the Authority shall furnish to the Trustee an opinion of nationally recognized bond counsel to the effect that such sale, lease or disposition does not adversely affect the exclusion of the interest income on the Tax-Exempt First Lien Bonds Outstanding for federal income tax purposes.

SECTION 5.04. INSURANCE. The Authority further covenants and agrees that it will keep the Wastewater System insured with insurers of good standing against risks, accidents or casualties against which and to the extent, and with deductible and self-insurance provisions, to the extent that such insurance is commercially available, in such forms and amounts and with such provisions as the CWA Board shall have determined as reasonable. All net proceeds of such insurance shall be applied, as determined by the Chief Financial Officer of the Authority, to repair or replace the insured property that is damaged or destroyed, to make other capital improvements to the Wastewater System, to redeem First Lien Bonds or for deposit to the General Fund, except for proceeds of business interruption insurance, which shall be credited to the General Fund.

SECTION 5.05. ACCOUNTS AND RECORDS. So long as any First Lien Bonds remain Outstanding, the Authority covenants and agrees that it will maintain a proper and complete system of records and accounts pertaining to the Gross Revenues, revenues and receipts other than Gross Revenues pertaining to the Wastewater System, Operation and Maintenance Expenses, expenses and disbursements other than Operation and Maintenance

Expenses pertaining to the Wastewater System and the operation of the Wastewater System in which full, true and proper entries will be made of all dealings, transactions, business and affairs which in any way affect or pertain to the Gross Revenues, revenues and receipts other than Gross Revenues pertaining to the Wastewater System, Operation and Maintenance Expenses, expenses and disbursements other than Operation and Maintenance Expenses pertaining to the Wastewater System. The Authority shall cause a report of such records and accounts to be prepared by either the Authority or an independent certified public accountant or independent firm of certified public accounts and file such report with the Trustee upon completion, which shall calculate the Net Revenues for such Fiscal Year and shall set forth a calculation to demonstrate whether the Authority has satisfied the rate covenant contained in Section 3.02 hereof. Each year promptly after such report is prepared, the Authority shall furnish copies thereof to any Owners of First Lien Bonds who own \$5,000,000 or more in aggregate principal amount of First Lien Bonds who shall request the same. All expenses of obtaining such report shall constitute Operation and Maintenance Expenses of the Wastewater System.

SECTION 5.06. PLEDGE AND ENCUMBRANCE OF REVENUES. The Authority covenants and represents that it has the lawful power to create a lien on and to pledge the Net Revenues and Pledged Funds as described in Section 3.01(a) hereof to secure the payment of the First Lien Bonds, the Qualified Derivative Agreements and Repayment Obligations and has lawfully exercised such power under the constitution and laws of the State of Indiana. The Authority further covenants and represents that other than to the payment of Operation and Maintenance Expenses, payments on the First Lien Bonds, Regular Payments under Qualified Derivative Agreements and the Parity Portion of Repayment Obligations associated with such First Lien Bonds, the Net Revenues and Pledged Funds are not and will not be made subject to any other lien, pledge or encumbrance to secure the payment of any debt or obligation of the Authority, unless such lien, pledge or encumbrance is junior and subordinate to the lien and pledge securing payment of the First Lien Bonds, the Regular Payments on Qualified Derivative Agreements and the Parity Portion of Repayment Obligations associated therewith.

SECTION 5.07. DISCHARGE BY DEPOSIT. The Authority may discharge its obligation to the Owners of any or all of the First Lien Bonds to pay principal, interest and redemption premium (if any) thereon by depositing with a national banking association with capital and surplus in excess of \$100,000,000 (the "Escrow Trustee") cash in an amount equal to the principal amount and redemption premium, if any, of such First Lien Bonds plus interest thereon to the date of maturity or redemption, or by depositing with the Escrow Trustee cash and/or Defeasance Obligations, in principal amounts and maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount and redemption premium, if any, of such First Lien Bonds plus interest thereon to the date of maturity or redemption. Upon such deposit, such First Lien Bonds shall no longer be regarded to be Outstanding or unpaid. A deposit under this Section 5.07 shall not be deemed a payment of First Lien Bonds, if such First Lien Bonds are to be paid or redeemed more than 90 days after the date upon which such deposit is made, unless the Trustee shall have received a verification from an accountant or firm of accountants appointed by the Authority and reasonably acceptable to the Trustee verifying the sufficiency of the deposit to pay the principal, interest and redemption premium (if any) on such First Lien Bonds to the due date, whether such due date be by reason of maturity or upon redemption. In case any First Lien Bonds are to be redeemed on any date prior to their maturity, the Authority shall give to the Escrow Trustee irrevocable instructions to give notice of

redemption of such First Lien Bonds to be so redeemed in the manner required in the Supplemental Indenture or Indentures authorizing them. For any First Lien Bonds not to be redeemed or paid in full within the next succeeding sixty (60) days from the date of deposit provided for in this Section 5.07, the Authority shall give the Escrow Trustee in form satisfactory to it irrevocable instructions to mail, by certified mail, a notice to the Owners of such First Lien Bonds that the deposit required by this Section 5.07 has been made and that said First Lien Bonds are deemed paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal amount and redemption premium if any on such First Lien Bonds plus interest thereon to the date of maturity or redemption. Any failure, error or delay in giving such notices shall not affect the defeasance of such First Lien Bonds.

SECTION 5.08. LEGAL HOLIDAYS. In any case where the date of maturity of interest on or principal of any First Lien Bonds or the date fixed for redemption of any First Lien Bonds shall be in the cities of Indianapolis, Indiana or in New York, New York, a legal holiday or a day on which a paying agent for such First Lien Bonds is authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding day not a legal holiday or any day on which such paying agent is authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from the date of maturity or redemption to the date of actual payment.

SECTION 5.09. TAX EXEMPTION. So long as any Tax-Exempt Bonds remain Outstanding, the Authority covenants that it will not take, or omit to take, any acts, including without limitation entering into any lease, operating agreement or other contract for the operation of all or any portion of the Wastewater System or pledge to the payment of the Tax-Exempt Bonds any revenues or fail to make any required payment or rebate of interest earnings if, in the opinion of nationally recognized bond counsel, to do so would cause interest on any Tax-Exempt Bonds to be includable within the gross income of the Owners thereof for federal income tax purposes.

SECTION 5.10. NOT TO RENDER FREE SERVICE. Except as required by law and Section 8.06 of the Asset Purchase Agreement, the Authority shall not furnish or supply or permit the furnishing or supplying of wastewater service or any other commodity furnished or supplied by or through or in connection with the operation of the Wastewater System free of charge to any person within the service area of the Wastewater System as such service area is now or may hereafter be defined.

SECTION 5.11. LIEN PROTECTIONS. The lien and pledge granted in this Master Indenture shall for all purposes have the force and effects set forth in I.C. 5-1-14-4, and the revenues, money and property pledged herein shall be immediately subject to a lien in favor of the Owners of the Outstanding First Lien Bonds and is immediately binding against all parties now or hereafter having claims or any kind in tort, contract or otherwise against the Authority. The Authority shall not grant or agree to any lien, mortgage, security interest or claim against the real or personal property of the Authority, now and hereafter owned (except for any lien and/or security interest against the Net Revenues and Pledged Funds as granted pursuant to IC 5-1-14-4 by this Master Indenture for Parity Obligations and against Net Revenues and Pledged Funds for

obligations which are in all respects subordinate and junior to the claim of Parity Obligations), Any contrary grant or agreement entered into by the Authority shall be of no force or effect.

SECTION 5.12. STATUS AS GOVERNMENTAL ENTITY. The Authority was created as a political subdivision of the State and an instrumentality of the Board for the purpose, among others, to assure that the Authority would not be permitted to seek the protections of the federal bankruptcy provisions, Title 11 United States code et seq. Notwithstanding the above, in the event it has been determined by a court of competent jurisdiction that the Authority could take advantage of those provisions, as provided in the Authority's organizational documents, the Authority must secure the approval of the Attorney General of the State prior to seeking such protections.

SECTION 5.13. STATUTORY LIEN. The Trustee shall be entitled to the protections of a secured creditor of the Authority under IC 5-1-14-1.

SECTION 5.14. SECURITY PROTECTIONS UNDER INDIANA UNIFORM COMMERCIAL CODE. Under the laws of the State of Indiana, the lien and/or security interest provided by this Master Indenture is and shall be prior to (i) any pledge, assignment, lien or other security interest made to secure any obligations of the Authority not granted by this Master Indenture and (ii) any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract, a judicial or administrative judgment on any other basis. The Authority will file all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any First Lien Bonds are Outstanding the Authority will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the Authority is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9.301-9,306 of such jurisdiction. The pledge made by this Master Indenture shall be effective pursuant to IC 5-1-14-4, IC 26-1-9.1-109(d)(15) and IC 26-1-9.1-515(b) notwithstanding any failure to file a financing statement as described above.

ARTICLE VI.

EVENTS OF DEFAULT AND REMEDIES OF OWNERS OF FIRST LIEN BONDS

SECTION 6.01. EVENTS OF DEFAULT. An Event of Default is one or more of the following:

- (a) A default shall be made in the due and punctual payment of the principal or redemption price of any First Lien Bond when and as the same shall become due and payable, whether at maturity or by call or proceedings for mandatory redemption, or otherwise;
- (b) A default shall be made in the due and punctual payment of any installment of interest on any First Lien Bond when and as such interest installment shall become due and payable;
- (c) A default shall be made in the due and punctual payment of any Regular Payments due on a Qualified Derivative Agreement or any Parity Portion, in accordance with its terms;
- (d) A default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Master Indenture, any Supplemental Indenture or in the First Lien Bonds contained, and such default shall have continued for a period of 90 days after written notice specifying such default and requiring that it shall have been remedied is given to the Authority by the Trustee; *provided* that, if such failure can be corrected but not within such 90 days period, it shall not constitute an Event of Default if corrective action is instituted within such period and such corrective action is diligently pursued until the failure is corrected, *provided* that if such corrective action includes legal action such legal action shall be diligently pursued until either the failure is corrected or such failure shall be determined by a court of final and competent jurisdiction as not correctable as a matter of law;
- (e) A court having jurisdiction enters a decree or order providing for relief in respect of the Authority in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Authority or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of ninety (90) days; or
- (f) The Authority commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Authority or for any substantial part of its property, or shall make any general assignment for

the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any action in furtherance of the foregoing;

then, and in each and every such case, so long as such Event of Default shall not have been remedied, the Trustee or the Owners of not less than 25% in principal amount of the First Lien Bonds Outstanding (by notice in writing to the Authority), may declare that an Event of Default has occurred. The right of the Trustee or the Owners of not less than 25% in principal amount of the First Lien Bonds to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the First Lien Bonds shall have matured by their terms, all overdue installments of interest upon the First Lien Bonds, together with interest on such overdue installments of interest to the extent permitted by law, and all other sums then payable by the Authority under this Master Indenture or any Supplemental Indenture (except the principal of, and interest accrued since the next preceding interest payment date on, the First Lien Bonds due and payable solely by virtue of such declaration) shall be paid by or for the account of the Authority and all other Events of Default under the First Lien Bonds or under this Master Indenture or any Supplemental Indenture shall be made good, then and in every such case the Trustee or the Owners of a majority in principal amount of the First Lien Bonds Outstanding, by written notice to the Authority, shall rescind such declaration and annul such Event of Default in its entirety, but no such rescission or annulment shall extend to or affect any subsequent default or Event of Default or impair or exhaust any right or power consequent thereon.

SECTION 6.02. APPLICATION OF REVENUES AND OTHER MONEYS AFTER DEFAULT. During the continuance of an Event of Default, the Authority or any receiver appointed pursuant to Section 6.03 hereof shall pay over or cause to be paid over to the Trustee (i) all moneys, securities and funds then held by the Authority in any Pledged Fund under this Master Indenture and (ii) all Gross Revenues (and any other revenue and receipts other than Gross Revenues pertaining to the Wastewater System) as promptly as practicable after receipt thereof. During the continuance of an Event of Default, the Trustee or any receiver appointed pursuant to Section 6,03 below shall do and perform all proper acts on behalf of and for the holders of the First Lien Bonds to protect and to preserve the security created for the payment of the First Lien Bonds and to ensure the payment of the First Lien Bonds promptly as the same become due. During any continuation of an Event of Default, so long as any of the First Lien Bonds are Outstanding, at the determination of the Chief Financial Officer, Net Revenues shall fund an operating reserve in an amount of up to two months of Operating and Maintenance Expenses in order to permit the continued efficient operation of the Wastewater System (provided such reserve shall not be permitted if already established pursuant to an authorizing indenture for Second Lien Bonds or Subordinate Securities), and then, subject to Section 3.11, be applied as specified in Section 3.05 — Section 3.08, with all interest being paid before principal.

If and whenever all overdue payments with respect to the Parity Obligations together with the reasonable and proper charges, expenses and liabilities of the receiver, and all other sums payable by the Authority under this Master Indenture, shall either be paid by or for the account of the Authority or provision satisfactory to the Trustee shall be made for such payment, and all Events of Default under this Master Indenture shall be made good or secured to the satisfaction of the receiver or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee or the receiver appointed under Section 6.03 hereof shall pay over to the

Authority all moneys, securities and funds then remaining unexpended in the hands of the receiver or the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Master Indenture to be deposited or pledged, with the receiver or the Trustee), and thereupon the Authority and the receiver or the Trustee shall be restored, respectively, to their former positions and rights under this Master Indenture. No such payment over to the Authority by the receiver or the Trustee nor such restoration of the Authority and the receiver or the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Master Indenture or impair any right consequent thereon.

SECTION 6.03. APPOINTMENT OF RECEIVER. The Owners of not less than 25% in aggregate principal amount of Outstanding Bonds shall have the right to apply in an appropriate proceeding for the appointment of a receiver of the Wastewater System.

SECTION 6.04. REMEDIES NOT EXCLUSIVE. No remedy by the terms of this Master Indenture conferred upon or reserved to the Trustee or the Owners of First Lien Bonds as described herein is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Master Indenture or existing at law, including under the Authorizing Acts, or in equity or by statute on or after the date of adoption of this Master Indenture.

SECTION 6.05. EFFECT OF WAIVER AND OTHER CIRCUMSTANCES. No delay or omission of the Trustee or the Owner of a First Lien Bond to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee or the Owners of First Lien Bonds may be exercised from time to time and as often as may be deemed expedient by the Trustee or the Owners of First Lien Bonds.

SECTION 6.06. SECOND LIEN BONDS AND SUBORDINATE SECURITIES. The Authority and the Trustee agree to intervene in proceedings with respect to enforcement or payment of Second Lien Bonds and Subordinate Securities as required to protect the priority status of First Lien Bonds.

SECTION 6.07. ACCELERATION. In the event that the principal amount of any Second Lien Bond or Subordinate Securities has been accelerated in a manner which in the judgment of the Trustee jeopardizes the priority status of the First Lien Bonds, then the Trustee shall be permitted to the extent appropriate to preserve the priority status of the First Lien Bonds to accelerate the principal amount of the First Lien Bonds.

ARTICLE VII.

CONCERNING THE FIDUCIARIES: THE TRUSTEE

SECTION 7.01. PAYING AGENTS AND REGISTRAR: APPOINTMENT AND ACCEPTANCE OF DUTIES. The Authority shall appoint one or more Paying Agents and one Registrar for the First Lien Bonds of each series; and may at any time or from time to time appoint one or more other Paying Agents and Registrars having the qualifications set forth in Section 7.12 for a successor Paying Agent and Registrar. The Trustee shall be the Paying Agent and Registrar unless another party is specifically designated Paying Agent.

Each Paying Agent and Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Master Indenture by executing and delivering to the Authority a written acceptance thereof.

Unless otherwise provided, the principal corporate trust offices of the Paying Agents and the Registrar are designated as the respective offices or agencies of the Authority for the payment of the principal or redemption price of the First Lien Bonds. The principal corporate office of the Registrar is designated as the office for the registration and exchange of the First Lien Bonds.

SECTION 7.02. RESPONSIBILITIES OF FIDUCIARIES. The recitals herein and in the First Lien Bonds contained shall be taken as the statements of the Authority, and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representation as to the validity or sufficiency of this Master Indenture or of any First Lien Bonds or as to the security afforded by this Master Indenture, and no Fiduciary shall incur any liability, in respect thereof. The Registrar shall, however, be responsible for representations contained in the certificate of authentication on the First Lien Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of this Master Indenture to or upon the order of this Master Indenture onto any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, of to advance any of its own moneys, unless properly indemnified. Subject to the provisions of this Section 7.02, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own gross negligence, misconduct or default.

SECTION 7.03. EVIDENCE ON WHICH FIDUCIARIES MAY ACT. Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Master Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Master Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party, or parties. Each Fiduciary may reasonably consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Master Indenture in good faith and in accordance therewith.

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

Except as otherwise expressly provided in this Master Indenture, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority to any Fiduciary shall be sufficiently executed in the name of the Authority by an Authorized Officer or by the Chief Financial Officer.

SECTION 7.04. COMPENSATION. The Authority shall pay in the manner provided in Sections 3.08-3.09 hereof to each Fiduciary from time to time pursuant to such schedule reasonable compensation for all services rendered under this Master Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and other persons not regularly in its employ, incurred in and about the performance of their powers and duties under this Master Indenture. Subject to the provisions of Section 7.02, the Authority further agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its gross negligence, willful misconduct or default. The foregoing indemnification shall survive the termination of this Master Indenture or the resignation or removal of any Fiduciary.

SECTION 7.05. CERTAIN PERMITTED ACTS. Any Fiduciary may become the Owner of any First Lien Bonds with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondowners or to effect or aid in any reorganization growing out of the enforcement of the First Lien Bonds or this Master Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the First Lien Bonds then Outstanding.

SECTION 7.06. RESIGNATION OF REGISTRAR OR PAYING AGENT. The Registrar or Paying Agent may at any time resign and be discharged from the duties and obligations created by this Master Indenture or any Supplemental Indenture by giving not less than 60 days' written notice to the Authority, and to each Bondowner specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day a successor has been appointed and has accepted the duties of the position.

SECTION 7.07. REMOVAL OF REGISTRAR AND PAYING AGENT. The Registrar and Paying Agent may be removed, upon 60 days' notice, at any time, with or without cause by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners of a majority in principal amount of the First Lien Bonds then Outstanding or their attorneys-in-fact duly authorized. So long as no Event of Default or an event which, with

notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Registrar and Paying Agent may be removed, upon 60 days' notice, at any time by resolution of the Authority.

SECTION 7.08. APPOINTMENT OF TRUSTEE. The Trustee hereby accepts the trusts imposed upon it by this Master Indenture and agrees to perform such trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Master Indenture against the Trustee:

- (a) The Trustee, prior to the occurrence of any Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Master Indenture. Notwithstanding anything in this Section 7.08 to the contrary, if an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Master Indenture and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's affairs.
- (b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or employees but shall not be answerable for the conduct of the same if appointed in accordance with the standard specified above, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents and employees as may reasonably be employed in connection with the trust hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Authority) and shall not be responsible for any loss or damage resulting from any action or non-action by it taken or omitted to be taken in good faith in reliance upon such opinion or advice.
- (c) The Trustee shall not be responsible for any recital herein or in the First Lien Bonds (except in respect to the certificate of the Trustee endorsed on the First Lien Bonds with respect to which the Trustee shall be liable to the Authority for any wrongful or negligent authentication of any bond or bonds) or for the validity of the execution by the Authority of this Master Indenture or for any supplements thereto or for the sufficiency of the security for the First Lien Bonds issued hereunder or intended to be secured hereby, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Authority, except as hereinafter set forth; the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions hereof
- (d) The Trustee shall not be accountable for the use of the proceeds of any First Lien Bonds authenticated or delivered hereunder. The Trustee may become the Owner of First Lien Bonds and coupons secured hereby with the same rights which it would have if not Trustee.

- (e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Master Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any First Lien Bond, shall be conclusive and binding upon all future Owners of the same First Lien Bond and upon First Lien Bonds issued in exchange therefor or in place thereof.
- (f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceedings, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Authority by the Chief Financial Officer or such other officer of the Authority as may be designated for such purpose by resolution of the CWA Board as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Trustee has been notified as provided in subparagraph (h) of this Section 7.08, or of which by such subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Secretary or Assistant Secretary of the CWA Board to the effect that a resolution in the form therein set forth has been adopted by such CWA Board as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.
- (g) The permissive right of the Trustee to do things enumerated in this Master Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful default.
- (h) The Trustee shall not be presumed to have knowledge of any Default or Event of Default, *except* failure by the Authority to cause to be made any of the payments to the Trustee required to be made by Article III unless the Trustee shall be specifically notified in writing of such Default by the Authority or by the holders of 25% in aggregate principal amount of First Lien Bonds then Outstanding.
- (i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect all books, papers and records of the Authority pertaining to the Wastewater System and the First Lien Bonds, and to take such memoranda from and in regard thereto as may be desired.
- (j) The Trustee shall not be required to give any bond or surety in respect of the execution of the such trusts and powers or otherwise in respect of the premises.
- (k) Notwithstanding anything in this Master Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand, in respect of the

authentication of any First Lien Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Master Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Authority to the authentication of any First Lien Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

- (l) Before taking any action under Articles V, VI and VII, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the Trustee's gross negligence or willful misconduct, by reason of any action so taken.
- (m) All moneys received by the Trustee or any Paying Agent shall, until used or applied as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Master Indenture or law.
- (n) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods by persons believed by the Trustee to be authorized to give instructions and direction. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding any such instruction that conflicts or are inconsistent with a subsequent written instruction. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee's acting on unauthorized instructions and the risk of interception and misuse by third parties.

SECTION 7.09. SUCCESSOR TRUSTEE. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, notwithstanding anything in this Master Indenture to the contrary.

SECTION 7.10. RESIGNATION AND REMOVAL OF TRUSTEE. (a) The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the Authority and by first-class mail to each registered Owner of First Lien Bonds and such resignation shall take effect at the appointment of a successor Trustee pursuant

to this Section 7.10 and acceptance by the successor Trustee pursuant to Section 7.11. Such written notice to the Authority may be served personally or sent by registered mail.

- (b) Notwithstanding anything in this Master Indenture to the contrary, the Authority may remove the Trustee at any time, so long as there is no Event of Default or event which with the giving of proper notice and passage of time would constitute an Event of Default under this Master Indenture, by an instrument in writing delivered to the Trustee and with notice thereof by first class United States mail, to the Owners of the First Lien Bonds, and such removal shall take effect at the acceptance by the successor Trustee appointed by the Authority, with notice thereof by first class United States mail, to the Owners of the First Lien Bonds; *provided* that the effective date of such removal shall not be less than 30 days after the date the notice of removal is mailed to the Owners of the First Lien Bonds.
- (c) In the event that there is an Event of Default under this Master Indenture, the Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee and to the Authority, and signed by the Owners of a majority in aggregate principal amount of First Lien Bonds then Outstanding, and such removal shall take effect at the acceptance by the successor Trustee pursuant to Section 7.11.

SECTION 7.11. APPOINTMENT OF SUCCESSOR TRUSTEE. Subject to the provisions of this Article VII, if the Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or if it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor may be appointed by the Authority, if there is no Event of Default under this Master Indenture, or (in the event an Event of Default has occurred and is continuing or in the event the Authority shall not have appointed a successor Trustee in the manner provided above), the Owners of a majority in aggregate principal amount of First Lien Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys-in-fact, duly authorized; *provided, nevertheless*, that in case of such vacancy during an Event of Default, the Authority by an instrument executed and signed by the President or the Secretary of the CWA Board may appoint a successor Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders in the manner above provided; and any such temporary successor Trustee shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders. Every such Trustee appointed pursuant to this Section 7.10 shall be a trust company or bank authorized to act as Trustee within the State of Indiana having a reported capital, surplus and undivided profits of not less than \$100 million if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms. If no successor Trustee shall be so appointed and have accepted appointment within 60 days after the giving of written notice by the resigning Trustee as aforesaid, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor.

SECTION 7.12. CONCERNING ANY SUCCESSOR TRUSTEE. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder, and thereupon

such successor, without any further act, deed or conveyance, shall become fully vested with all of the properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of the Authority, or of its successor, execute and deliver an instrument transferring to such successor Trustee all the properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the properties, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. Upon acceptance of appointment by the successor Trustee as provided in this Section 7.12, the Authority shall mail notice of the succession of such Trustee to the trusts hereunder to the holders of all First Lien Bonds Outstanding.

SECTION 7.13. TRUSTEE PROTECTED. The certificates, documents, instruments, opinions and reports provided for in this Master Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the withdrawal of cash hereunder.

SECTION 7.14. MERGER OR CONSOLIDATION OF FIDUCIARY. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, *provided* such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all duties imposed upon it by this Master Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 7.15. ADOPTION OF AUTHENTICATION. In case any of the First Lien Bonds contemplated to be issued under this Master Indenture shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar, so authenticating such First Lien Bonds and deliver such First Lien Bonds so authenticated; and in any case if the said First Lien Bonds shall not have been authenticated, any successor Registrar may authenticate such First Lien Bonds in the name of the predecessor Registrar, or in the name of the successor Registrar, and in all such cases such certificate shall have the full force which it is anywhere in said First Lien Bonds or in the Supplemental Indenture *provided* that the certificate of the Registrar shall have.

ARTICLE VIII.

ALTERATION OF RIGHTS AND DUTIES:
AMENDMENT OF MASTER INDENTURE

SECTION 8.01. ALTERATION OF RIGHTS AND DUTIES. The rights, duties and obligations of the Authority and the Owners of the First Lien Bonds are subject in all respects to all applicable federal and state laws including, without limitation, the provisions of federal law regarding the composition of indebtedness of political subdivisions, as the same now exist or may hereafter be amended.

SECTION 8.02. AMENDMENT OF MASTER INDENTURE WITHOUT CONSENT. The Authority and the Trustee may, without the consent of or notice to any of the Owners of the First Lien Bonds, amend or supplement this Master Indenture by executing a Supplemental Indenture for any one or more of the following purposes:

- (a) to cure any ambiguity, defect, omission, mistake, manifest error or inconsistent provision in this Master Indenture or in the First Lien Bonds as determined by the CWA Board; or to comply with any applicable provision of law or regulation of Federal or State agencies; *provided, however*, that such action shall not materially adversely affect the interests of the Owners of the First Lien Bonds as determined by resolution of the CWA Board;
- (b) to change the terms or provisions of this Master Indenture to the extent necessary to prevent the interest on Tax-Exempt Bonds from being includable within the gross income of the Owners thereof for federal income tax purposes as determined by the CWA Board;
- (c) to grant to or confer upon the Trustee or the Owners of the First Lien Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Trustee or the Owners of the First Lien Bonds;
- (d) to add to the covenants and agreements of the Authority contained in this Master Indenture other covenants and agreements of, or conditions or restrictions upon, the Authority or to surrender or eliminate any right or power reserved to or conferred upon the Authority in this Master Indenture;
- (e) to subject to the lien and pledge of this Master Indenture additional pledged revenues which may include revenues, properties or other collateral;
- (f) to authorize First Lien Bonds and in connection therewith specify the terms and conditions and all other matters relating solely to such First Lien Bonds, subject, however, to all of the terms, conditions and restrictions as set forth in Article IV hereof;
- (g) to authorize any change or amendment in this Master Indenture which, in the judgment of the Authority as evidenced by a resolution of the CWA Board, does not materially and adversely affect the rights or interests of the Owners of

Outstanding First Lien Bonds and does not require unanimous consent of the Owners of First Lien Bonds then Outstanding pursuant to Section 8.03 hereof;

- (h) except as provided in Section 3.03(a) hereof, to authorize any change or amendment in this Master Indenture relating to deposits into or balances in the General Fund or the Rate Stabilization Fund;
- (i) to provide for the securitization of the Net Revenues; *provided, however*, that such action shall not materially adversely affect the interests of the Owners of the First Lien Bonds as determined by the Authority;
- (j) to authorize any change or amendment in this Master Indenture which, as evidenced by a certificate of the Chief Financial Officer of the Authority, will not result in a withdrawal or reduction in the ratings assigned to the First Lien Bonds.

SECTION 8.03. AMENDMENTS OF MASTER INDENTURE REQUIRING CONSENT. The Authority and the Trustee may at any time enter into one or more Supplemental Indentures amending, modifying, adding to or eliminating any of the provisions of this Master Indenture but, if such Supplemental Indenture is not of the character described in Section 8.02 hereof, only with the consent given in accordance with Section 8.04 hereof of the Owner or Owners of not less than a majority in aggregate unpaid principal amount of the First Lien Bonds then Outstanding and affected by such amendment, modification, addition or elimination; *provided, however*, that nothing in this Section shall permit (a) an extension of the maturity of the principal of or interest on any First Lien Bond issued hereunder, or (b) a reduction in the principal amount of any First Lien Bond or the rate of interest on any First Lien Bond, or (c) a privilege or priority of any First Lien Bond or First Lien Bonds over, any other First Lien Bond or First Lien Bonds, (d) the creation of the lien upon, or pledge of, the Net Revenues ranking prior to or in parity with the First Lien Bonds other than as permitted by Section 4.01 hereof, or (e) a reduction in the aggregate principal amount of the First Lien Bonds required for consent to such amendment, unless as to the matters in (a) and (b) the consent of each Owner affected is obtained and as to the matters in (c), (d) and (e) the consent of all Owners is obtained. If any such modification or amendment will not take effect so long as a First Lien Bond of any specified series remains Outstanding or will not affect such series of First Lien Bonds, consent of the holder of such First Lien Bond of such series shall not be required and such series of First Lien Bonds shall not be Outstanding for purposes of any calculation of Outstanding First Lien Bonds under this Section.

SECTION 8.04. CONSENT OF OWNERS. (a) Any consent required by Section 8.03 hereof by any Owner shall be in writing, may be in any number of concurrent writings of similar tenor, and may be signed by such Owner or his duly authorized attorney. Proof of the execution of any such consent or of the writing appointing any such attorney and of the ownership of First Lien Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Master Indenture, and shall be conclusive in favor of the Authority with regard to any action taken, suffered or omitted to be taken by the Authority under such instrument; namely:

(1) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take

acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(2) The fact of the ownership by any person of any First Lien Bond and the date of the ownership of same may be proved by a certificate executed by an appropriate officer of the Registrar and Paying Agent, stating that at the date thereof such First Lien Bond was registered in the name of such party in the Register.

In lieu of the foregoing, the Authority may accept such other proofs of the foregoing as it shall deem appropriate.

Consents required pursuant to Section 8.03 shall be valid only if given following the giving of notice by or on behalf of the Authority requesting such consent and setting forth the substance of the amendment of this Master Indenture in respect of which such consent is sought and stating that copies thereof are available at the office of the Secretary for inspection. Such notice shall be given by certified mail to each registered Owner of the First Lien Bonds affected at the address shown on the Register or such other manner as the Authority shall deem appropriate under the circumstances under which consent is being sought.

(b) In the alternative, the Authority may condition the purchase of a First Lien Bond upon the consent to an amendment of this Master Indenture. In such case, by its purchase of such First Lien Bond, each purchaser, including subsequent purchasers, shall be deemed to have consented to such amendment. In the event the payment of any First Lien Bond is insured by a bond insurer, the bond insurer shall have the right on behalf of the Owner of the First Lien Bonds so insured and in the event payment of any First Lien Bond is supported by a Credit Facility, the Credit Provider shall have the right to exercise consent or waiver rights in any instance or circumstance wherein the Owners of the First Lien Bonds have such rights, unless the Supplemental Indenture under which such First Lien Bonds were issued provides to the contrary.

(c) As may be provided in a Supplemental Indenture, a Credit Provider may be given the right to execute a document granting consent on behalf of the holders of the First Lien Bonds to which the Credit Facility it provides shall relate.

SECTION 8.05. REVOCATION OF CONSENT. Any consent by any Owner of a First Lien Bond pursuant to the provisions of this Article shall be irrevocable, and shall be conclusive and binding upon all future Owners of the same First Lien Bond delivered on transfer thereof or in exchange for or replacement thereof.

SECTION 8.06. RELIANCE ON OPINION OF COUNSEL. Before entering into any amendment or Supplemental Indenture under this Article VIII, the Trustee may obtain, and shall be protected in relying on, an opinion of counsel to the effect that such Supplemental Indenture is authorized or permitted by this Master Indenture and complies with the terms thereof.

ARTICLE IX.

MISCELLANEOUS.

SECTION 9.01. FURTHER PROCEDURES. Any Authorized Officer of the Authority is hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Master Indenture.

SECTION 9.02. LIMITATION OF LIABILITY OF THE CWA BOARD. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future member of the governing body, officer, employee or agent of the Authority in his respective individual capacity, and neither the CWA Board, the Authority, nor any officer thereof executing the First Lien Bonds shall be liable personally on the First Lien Bonds or the sale thereof or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the CWA Board, officer, employee or agent of the Authority, or the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Master Indenture or the Authorizing Acts, *provided* such member, officer, employee or agent acts in good faith and with due diligence.

SECTION 9.03. NOTICES. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, addressed as follows: If to the Authority at 2020 North Meridian Street, Indianapolis, Indiana 46202, Attention: General Counsel. The Authority may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 9.04. CONSTRUCTION AND SEVERABILITY. If any section, paragraph, clause or provision of this Master Indenture shall for any reason be held to be inconsistent with the First Lien Bonds, invalid or unenforceable, the inconsistency, invalidity or unenforceability of such section, paragraph, clause or provision shall not affect the terms of the First Lien Bonds, or any of the remaining provisions of this Master Indenture.

SECTION 9.05. REPEALER. All resolutions of the Authority, or parts thereof, inconsistent herewith, are hereby repealed to the extent of such inconsistency.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: 

eric Rush AUTHOP.1 E-1) OFFICER

SECOND LIEN MASTER TRUST INDENTURE

between

CWA AUTHORITY, INC.,
AS ISSUER

and

U.S. BANK NATIONAL ASSOCIATION,
AS SECOND LIEN TRUSTEE

Dated as of July 1, 2011

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SECOND LIEN MASTER TRUST INDENTURE

This SECOND LIEN MASTER TRUST INDENTURE dated as of July 1, 2011 (the "Second Lien Master Indenture"), between the CWA AUTHORITY, INC. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Authorizing Acts and the Interlocal Cooperation Agreement (the "ICA") among the City of Indianapolis (the "City"), the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District") and the Board of Directors for Utilities of the Department of Public Utilities of the City, d/b/a Citizens Energy Group ("Citizens") and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States, having a corporate trust office in Indianapolis, Indiana, as trustee (the "Second Lien Trustee"),

WITNESSETH:

WHEREAS, the Authority has entered into an agreement (the "Asset Purchase Agreement") with Citizens, the City and the Sanitary District to purchase certain assets of the sanitary sewer system of the City and the Sanitary District (the "Wastewater System") and to thereafter own the Wastewater System serving the inhabitants of Marion County and other nearby communities; and

WHEREAS, the members of the Authority's board (the "CWA Board") are the members of the Board of Directors for Utilities (the "Board") of the Department of Public Utilities of the City, which will hereafter provide all administrative and financial support to the Authority, including collecting all fees and charges due for use of the Wastewater System for the sole account and benefit of the Authority; and

WHEREAS, the Authority is authorized to issue bonds and certificates of indebtedness pursuant to the Authorizing Acts (as defined herein) that are payable out of the income and revenues derived from the Wastewater System to finance such acquisitions, the construction of necessary betterments, improvements, extensions or additions to the Wastewater System or to pay prior obligations issued for such purpose and to finance working capital needs; and

WHEREAS, to effect the purchase of the Wastewater System in the manner provided in the Asset Purchase Agreement and to fund additional improvements thereto, pay start-up costs and fund working capital needs of the Wastewater System, the Authority desires to enter into this Second Lien Master Indenture and to issue certain Second Lien Bonds (as defined hereunder), all as described herein; and

WHEREAS, all Second Lien Bonds issued hereunder, now and in the future, are and shall be secured by a subordinate pledge of the Net Revenues of the Wastewater System (as defined herein) subordinate to the pledge of such Net Revenues granted to the First Lien Parity Obligations pursuant to the First Lien Master Indenture (each as defined herein) and a first priority lien on the Second Lien Pledged Funds (as defined herein) in the manner described in Section 3.01(a) hereof; and

WHEREAS, the Authority may determine to secure payment or purchase of certain Second Lien Bonds with a Second Lien Credit Facility (as defined herein) whereby the Second Lien Credit Provider (as defined herein) agrees to support those Second Lien Bonds and whereby

the Authority shall be obligated to repay such Second Lien Credit Provider for any such payment or purchase made on the Second Lien Bonds ("Second Lien Repayment Obligations"); and

WHEREAS, the Authority may, from time to time, enter into a Second Lien Qualified Derivative Agreement (as defined herein) in relation to all or a portion of a series of Second Lien Bonds issued hereunder, whereby regularly scheduled payments (the "Regular Payments") on the Second Lien Qualified Derivative Agreement with respect to the related Second Lien Bonds shall be exchanged for other payments made by the provider of such Second Lien Qualified Derivative Agreement; and

WHEREAS, this Second Lien Master Indenture and each and every Second Lien Parity Obligation issued hereunder or entered into pursuant hereto, now and in the future, is and shall be subordinate and junior in all respects to the First Lien Master Indenture and each and every First Lien Parity Obligations (each as defined herein) as provided in this Second Lien Master Indenture and the First Lien Master Indenture; and

WHEREAS, IC 5-1-14-9 provides that the State of Indiana (the "State") will not adopt, amend, or repeal a statute in a way that impairs the rights and remedies of the owners of obligations, until the obligations, interest on the obligations, interest on an unpaid installment of interest, and all costs and expenses in connection with an action or proceedings by or on behalf of the owners are fully paid and discharged; and

WHEREAS, Article I, section 24 of the Indiana Constitution provides that the State shall not pass any law impairing the obligations of contracts; and

WHEREAS, Article I, section 10 of the United States Constitution provides that no state shall pass any law impairing obligations of contracts; and

WHEREAS, this Second Lien Master Indenture is intended to be made as a contract for the benefit of the Owners of the Second Lien Bonds entitled to the benefits of IC 5-1-14-9, Article I, Section 24 of the Indiana Constitution and Article I, Section 10 of the United States Constitution; and

WHEREAS, the Authority has been formed to be a political subdivision of the State of Indiana and an instrumentality of the Board and in that capacity is a governmental entity within the meaning of 11 U.S.C. § 101(27) that therefore may not either file a voluntary petition or be subject to an involuntary petition in bankruptcy; and

WHEREAS, the Second Lien Bonds authorized to be issued under this Second Lien Master Indenture, including specifically the Series 2011 Bonds, as defined herein, shall be bonds that are secured by a statutory lien created pursuant to and entitled to the protections of IC 5-1-14-1;

WHEREAS, the CWA Board has duly and legally authorized, executed, acknowledged and delivered this Second Lien Master Indenture pursuant to the Authorizing Acts in this form for the purposes of, among other things, purchasing, operating and improving the Wastewater

System through the issuance of the Series 2011 Bonds and providing for the issuance from time to time of Additional Second Lien Bonds (as defined herein); and

NOW, THEREFORE, the Authority and Second Lien Trustee hereby covenant and agree as follows:

THIS MASTER TRUST INDENTURE WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants contained in this Second Lien Master Indenture, and of the purchase and acceptance of the Second Lien Bonds by the holders thereof, and for other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Second Lien Bonds are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, to secure the payment of the Second Lien Repayment Obligations and the Second Lien Qualified Derivative Agreements and to secure the payment of the principal of and redemption premium, if any, and interest on the Second Lien Bonds at any time issued and Outstanding under this Second Lien Master Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the Second Lien Bonds and in this Second Lien Master Indenture, has executed and delivered this Second Lien Master Indenture, and has pledged and assigned, and by these presents does hereby pledge and assign and grant a security interest in, unto the Second Lien Trustee, and to its successors in trust, the Net Revenues and the Second Lien Pledged Funds as described in Section 3.01 hereof, subject to the provisions of this Second Lien Master Indenture permitting the application thereof for the purposes and on the terms set forth in this Second Lien Master Indenture. *The pledge made by this Second Lien Master Indenture is subject to the pledge and lien to which the First Lien Parity Obligations may be entitled by their terms and the terms of the First Lien Master Indenture in the manner provided in Section 3.01(b) of the First Lien Master Indenture and Section 3.01(b) hereof.*

The pledge made by this Second Lien Master Indenture is, and shall be, also subject to this Second Lien Master Indenture, for the equal and proportionate benefit, security and protection of the payment of: (i) the principal of and interest owed on all Second Lien Bonds issued or to be issued under and secured by this Second Lien Master Indenture; (ii) the Parity Portion (as defined herein) of the Second Lien Repayment Obligations; and (iii) all Regular Payments on Second Lien Qualified Derivative Agreements (collectively, the "Second Lien Parity Obligations") (without duplication of obligation), each without preference, priority or distinction of any such Second Lien Parity Obligation over any other such Second Lien Parity Obligation by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Second Lien Parity Obligation shall have the same rights and privilege under and by virtue of this Second Lien Master Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of this Second Lien Master Indenture in the manner described in Section 3.01 hereof; *provided, however*, that if the Authority shall pay or cause to be paid to the holders of the Second Lien Bonds the principal and interest and redemption premium, if any, to become due in respect thereof at the times and in the manner

stipulated therein and herein (or shall provide, as permitted by Section 5.07 hereof, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall pay all amounts due under Second Lien Qualified Derivative Agreements and Second Lien Repayment Obligations and shall keep, perform and observe all the covenants and promises in the Second Lien Qualified Derivative Agreements and Second Lien Repayment Obligations and in this Second Lien Master Indenture expressed to be kept, performed and observed by or on the part of the Authority, and shall pay or cause to be paid to the Second Lien Trustee all sums of money due and to become due to it in accordance with this Second Lien Master Indenture, then this Second Lien Master Indenture and the rights hereby granted shall cease, terminate and be void, at the option of the Authority (evidenced by a certified resolution of the CWA Board delivered to the Second Lien Trustee), but otherwise this Second Lien Master Indenture shall remain in full force and effect.

It is further covenanted and agreed that the Second Lien Bonds are to be issued, authenticated and delivered, and the Second Lien Qualified Derivative Agreements and Second Lien Repayment Obligations are to be executed and delivered and that the fees, income and funds herein pledged and provided to be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject to the following covenants, conditions and trusts; and the Authority, for itself and its successors, does hereby covenant and agree to and with the Second Lien Trustee and its successors in trust under this Second Lien Master Indenture, for the benefit of whomsoever shall hold, or contract with the Authority with respect to, the Second Lien Bonds, Second Lien Qualified Derivative Agreements and Second Lien Repayment Obligations, as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.01. DEFINITIONS. In addition to the words and terms defined elsewhere in this Second Lien Master Indenture, the following words and terms as used in this Second Lien Master Indenture shall have the following meanings unless the context or use indicate another or different meaning or intent:

"Account" means an account established in any Fund created by this Second Lien Master Indenture.

"Accounting Principles" means accounting principles prescribed by the Commission and customarily used by Citizens; *provided* that, if the Commission no longer prescribes accounting principles or, if such accounting principles are not applicable to the Wastewater System, then "Accounting Principles" means accounting principles prescribed by Citizens.

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Second Lien Bond plus the interest accrued but unpaid on such Second Lien Bond from the date of original issuance of such Second Lien Bond to the Periodic Compounding Date next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Bonds set forth in the Supplemental Indenture authorizing such Second Lien Bonds, compounded periodically on each Periodic Compounding Date. Plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, shall be calculated based upon an assumption that, unless otherwise provided in the Supplemental Indenture authorizing such Capital Appreciation Bonds, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

"Additional Second Lien Bonds" means Second Lien Bonds issued subsequent to the Series 2011 Bonds.

"Alternate Variable Rate Taxable Index" shall mean such index as, at the time, is in general use by taxable issuers as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is not excluded from gross income for federal income tax purposes, as determined by an Authorized Officer.

"Alternate Variable Rate Tax-Exempt Index" shall mean such index as, at the time, is in general use by tax-exempt issuers as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is excluded from gross income for federal income tax purposes, as determined by an Authorized Officer.

"Appreciated Value" shall mean, with respect to any Deferred Income Bond, (i) as of any date of computation prior to the Current Interest Commencement Date, an amount equal to the principal amount of such Second Lien Bond plus the interest accrued but unpaid on such Second Lien Bond from its date of original issuance to the Periodic Compounding Date next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Deferred Income Bonds set forth in the Supplemental Indenture authorizing such Second Lien Bonds, compounded periodically on each Periodic Compounding Date as in such Supplemental Indenture provided, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Periodic Compounding Date, shall be calculated based upon an assumption that, unless otherwise provided in the Supplemental Indenture authorizing such Deferred Income Bonds, Appreciated Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months and (ii) as of any date of computation on and after the Current Interest Commencement Date, the Appreciated Value on the Current Interest Commencement Date.

"Authorizing Acts" means the Nonprofit Act, IC 36-9-25, the Interlocal Act and the Citizens Act, including all laws supplemental thereto.

"Authority" means the CWA Authority, Inc., a nonprofit public benefit corporation created pursuant to the Authorizing Acts, acting pursuant to a public charitable trust for the Wastewater System, and its successors and assigns, including specifically Citizens pursuant to Section 5.03(j).

"Authorized Officer" means the Chair, Vice Chair, President, any Vice President, Treasurer or Assistant Treasurer, Secretary or Assistant Secretary of the Authority or any other officer specifically authorized by the CWA Board to act as an Authorized Officer under this Second Lien Master Indenture.

"Board" means the Board of Directors for Utilities of the Department of Public Utilities of the City, whose members, in accordance with the ICA, shall be the members of the CWA Board and its successors and assigns.

"Business Day" means any day other than a Saturday, Sunday or other day that banks in the City are permitted to be closed.

"Capital Appreciation Bonds" shall mean any Second Lien Bonds issued under this Second Lien Master Indenture as to which all or a portion of interest is (i) compounded on the Periodic Compounding Dates specified in the Supplemental Indenture authorizing such Capital Appreciation Bonds and (ii) payable only at maturity, earlier redemption or otherwise pursuant to this Second Lien Master Indenture or any Supplemental Indenture.

"Capitalized Interest Account" means any Capitalized Interest Account in the Second Lien Bond Interest and Principal Fund established pursuant to Section 3.06 of this Second Lien Master Indenture.

"Certifier" means an independent certified public accountant or an independent financial or feasibility consultant selected by the Authority qualified to provide the report described in Section 4.01(b)(ii).

"Certified. Interest Rate" means

(i) with respect to Second Lien Bonds that were or will be, at the date of the original issuance thereof, the subject of a bond counsel's opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the average of the SIFMA Municipal Swap Index or, if such index is no longer available, the Alternate Variable Rate Tax-Exempt Index for the five (5) years preceding such date of determination; and

(ii) with respect to Second Lien Bonds that were not and will not be, at the date of the original issuance thereof, the subject of a bond counsel's opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the average of the One-Month LIBOR Rate or, if such rate is no longer available, the Alternate Variable Rate Taxable Index for the five (5) years preceding such date of determination.

"Chief Financial Officer" means the person appointed by the CWA Board to hold such title at the Authority.

"Citizens" means the Board of Directors for Utilities of the Department of Public Utilities of the City, d/b/a Citizens Energy Group pursuant to a public charitable trust, and its successors and assigns.

"Citizens Act" means Indiana Code 8-1-11,1 and 11.2 et. seq., as amended from time to time.

"City" means the Consolidated City of Indianapolis, Indiana.

"Code" means, for each series of Second Lien Bonds, the Internal Revenue Code of 1986, as in effect on the date of issuance of those Second Lien Bonds and the applicable judicial decisions or published rulings, or any applicable regulations promulgated or proposed thereunder.

"Commission" means the Indiana Utility Regulatory Commission or if the Commission shall be abolished or some part of its functions assumed by some other governmental agency, the board, body or commission succeeding to or sharing the functions thereof.

"Covered Bonds" means Second Lien Bonds benefited by a Second Lien Credit Facility.

"Current Interest Commencement Date" shall mean, with respect to any particular Deferred Income Bonds, the date specified in the Supplemental Indenture authorizing such Deferred Income Bonds (which date must be prior to the maturity date for such Deferred Income Bonds) after which interest accruing on such Deferred Income Bonds shall be payable periodically on dates specified in such Supplemental Indenture with the first such payment date being the first such periodic date immediately succeeding such Current Interest Commencement Date.

"CWA Board" means the Board of Directors of the Authority, whose members shall be the members of the Board in accordance with the ICA.

"Defeasance Obligations" means with respect to any particular series of Second Lien Bonds, any security specified by the Authority in a Supplemental Indenture as a Defeasance Obligation in connection with the sale of such Second Lien Bonds by the Authority, the deposit of which is adequate to cause such Second Lien Bonds to no longer be Outstanding when all conditions for defeasance of such Second Lien Bonds are met.

"Deferred Income Bonds" shall mean any Second Lien Bonds as to which interest accruing prior to the Current Interest Commencement Date is (i) compounded periodically on the dates specified in the Supplemental Indenture authorizing such Deferred Income Bonds and (ii) payable only at redemption or other payment thereof pursuant to such Supplemental Indenture.

"Event of Default" means an Event of Default as defined in Section 6.01 of this Second Lien Master Indenture.

"First Lien Bond Interest and Principal Fund" means the Bond Interest and Principal Fund established under the First Lien Master Indenture.

"First Lien Bond Reserve Fund" means the Bond Reserve Fund established under the First Lien Master Indenture.

"First Lien Bonds" means each series of bonds, notes, certificates of indebtedness or other obligations permitted to be issued by the Authority pursuant to the Authorizing Acts and the First Lien Master Indenture secured by a priority lien on the Net Revenues and First Lien Pledged Funds.

"First Lien Debt Service Requirements" has the meaning assigned to the term "Debt Service Requirements" in the First Lien Master Indenture.

"First Lien Escrow Securities" has the meaning assigned to the term "Escrow Securities" in the First Lien Master Indenture.

"First Lien Master Indenture" means the First Lien Master Trust Indenture of even date herewith between the Authority and The Bank of New York Mellon Trust Company, N.A..

"First Lien Parity Obligations" has the meaning assigned to the term "Parity Obligations" in the First Lien Master Indenture.

"First Lien Pledged Funds" has the meaning assigned to the term "Pledged Funds" in the First Lien Master Indenture.

"First Lien Reserve Policy" has the meaning assigned to the term "Reserve Policy" in the First Lien Master Indenture.

"Fiscal Year" means the fiscal year of the Authority established by the Authority from time to time for accounting purposes with respect to the Wastewater System.

"Fund" means any Fund established by this Second Lien Master Indenture or any Supplemental Indenture.

"Gas Utility Distribution System" means all assets and properties, including any and all interests therein, whether real or personal or tangible or intangible, held or operated by Citizens in trust or otherwise and used directly to provide gas utility service the rates and charges for which are subject to regulation by the Commission or, in the absence of Commission regulation, under rates and charges established by Citizens pursuant to Indiana Code 8-1.5-3-8 or any successor provision of law, The Gas Utility Distribution System is a Separate System for purposes of this Second Lien Master Indenture.

"General Fund" means the fund to be maintained pursuant to the provisions of the First Lien Master Indenture into which all Gross Revenues are to be deposited and from which all Operation and Maintenance Expenses are to be paid and, if no First Lien Bonds are Outstanding under the First Lien Master Indenture, means the General Fund as maintained pursuant to the provisions hereof.

"Gross Revenues" means all revenues and income from the Wastewater System, including but not limited to charges and user charges, but excluding (a) extraordinary items; and (b) income accrued on any First Lien Escrow Securities, Second Lien Escrow Securities and any escrow securities for Subordinate Securities.

"ICA" means the Interlocal Cooperation Agreement as described in the introductory paragraph hereof.

"Interlocal Act" means Indiana Code 36-1-7, et. seq., as amended from time to time.

"Net Revenues" shall have the meaning given such term in the First Lien Master Indenture.

"Nonprofit Act" means the Indiana Nonprofit Corporation Act of 1991, as amended, Indiana Code 23-17, et. seq.

"One-Month LIBOR Rate" shall mean, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at

approximately 11:00 A.M., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

"Operation and Maintenance Expenses" shall have the meaning given such term in the First Lien Master Indenture.

"Outstanding" means, as of a particular date, all such Second Lien Bonds theretofore and thereupon delivered except: (a) any such Second Lien Bond canceled by or on behalf of the Authority at or before said date; (b) any such Second Lien Bond defeased pursuant to the defeasance provisions of Section 5.07 hereof or the Supplemental Indenture authorizing its issuance, or otherwise defeased as permitted by applicable law; and (c) any such Second Lien Bond cancelled in lieu of or in substitution for which another Second Lien Bond shall have been delivered pursuant to the Supplemental Indenture authorizing the issuance of such Second Lien Bonds.

"Owner," "Bondowner" or "Owner of Second Lien Bonds" means the registered owner of any Second Lien Bond.

"Parity Portion" means the interest due on a Second Lien Repayment Obligation and that portion of the principal due on a Second Lien Repayment Obligation that equals the principal that would have been due on such date on the Covered Bonds had the Covered Bonds been paid by the Authority in accordance with the terms thereof to the extent that the Authority elects to provide for payment of that portion of the Second Lien Repayment Obligation from the Second Lien Bond Interest and Principal Fund on parity with the Second Lien Bonds, as specified in the Supplemental Indenture authorizing such Covered Bonds and other amounts due on a Second Lien Repayment Obligation to the extent the Authority may elect to include such amounts as a Parity Portion, as specified in a Supplemental Indenture or Second Lien Credit Facility.

"Periodic Compounding Date" means the periodic date specified in a Supplemental Indenture authorizing Capital Appreciation Bonds or Deferred Income Bonds on which interest on such Second Lien Bonds is to be compounded.

"Permitted Investments" shall have the meaning given such term in the First Lien Master Indenture or as permitted by law.

The value of Permitted Investments shall be determined in accordance with the provisions of the First Lien Master Indenture.

"PILOTS" means amounts owed to the City pursuant to Ordinance No. 5-2010 of the City addressing the payment of such amounts through and until December 1, 2039, or any successor provisions thereon on or after December 1, 2039.

"Project" means, as it pertains to any particular issue of Second Lien Bonds, any assets of the Wastewater System permitted to be financed or refinanced with proceeds of Second Lien Bonds under the Authorizing Acts, as further described in any Supplemental Indenture.

"Project Costs" with respect to any Project means costs permitted under the Authorizing Acts, including the following:

- (i) obligations of the Authority and all contractors incurred for labor and materials in connection with the construction, installation and equipping of the Project;
- (ii) the cost of bonds and insurance of all kinds that may be required or necessary during the construction of the Project;
- (iii) all costs of architectural and engineering services, including the costs of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigation therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the Project;
- (iv) all expenses incurred in connection with the issuance of Second Lien Bonds, including without limitation, compensation and expenses of the Second Lien Registrar and Second Lien Paying Agents, expenses of the Authority, legal and accounting expenses and fees, payments on a Second Lien Qualified Derivative Agreement, costs of printing and engraving, recording and filing fees, compensation of underwriters, rating agency fees, costs of financial services, and interest;
- (v) all sums required to reimburse the Authority for advances made by it for any of the above items or for any other costs incurred and for work done, whether before or after the adoption of this Second Lien Master Indenture, which are properly chargeable to the Project;
- (vi) interest due on the Second Lien Bonds during the period of acquisition, construction and installation of the Project; and
- (vii) all other components of cost of labor, materials, machinery and equipment, financing charges or any other cost, purpose or use permitted by the Authorizing Acts.

"Rate Stabilization Fund" means the fund of that name created and maintained as provided in Section 3.09 of the First Lien Master Indenture and if no First Lien Bonds are outstanding under the First Lien Master Indenture, means the Rate Stabilization Fund as maintained pursuant to Section 3.09 hereof.

"Rating Agencies" or "Rating Agency" means Fitch Ratings, Moody's Investors Service and Standard & Poor's Ratings Services or any successors thereto and any other nationally recognized credit rating agency then maintaining a rating on any Second Lien Bonds at the request of the Authority.

"Rating Category" means the long term rating categories of a Rating Agency, disregarding pluses, minuses, and any numerical gradations.

"Record Date" means, with respect to any series of Second Lien Bonds, the date specified in the applicable Supplemental Indenture.

"Regular Payments" means the original scheduled payments to be made by the Authority pursuant to a Second Lien Qualified Derivative Agreement, but does not include termination payments and obligations to collateralize the Authority's obligations under a Second Lien Qualified Derivative Agreement or any other obligation due pursuant to a Second Lien Qualified Derivative Agreement and not intended to be a Second Lien Parity Obligation.

"Second Lien Bond Interest and Principal Fund" means the Second Lien Bond Interest and Principal Fund established by Section 3.03 hereof for the Second Lien Bonds.

"Second Lien Bond Reserve Fund" means the Second Lien Bond Reserve Fund established by Section 3.03 hereof for certain of the Second Lien Bonds.

"Second Lien Bonds" means the second lien bonds, notes, certificates of indebtedness or other obligations issued pursuant to this Second Lien Master Indenture and any Supplemental Indenture, whether or not such Second Lien Bonds are Tax-Exempt Bonds.

"Second Lien Construction Fund" means the Construction Fund established by Section 3.11 hereof and any separate Accounts established by a Supplemental Indenture for any particular series of Second Lien Bonds.

"Second Lien Credit Facility" means a credit facility, a guaranty, a letter of credit (whether direct pay or standby), a line of credit, a liquidity facility, a municipal bond insurance policy, a standby bond purchase agreement, a surety bond or any other related or similar agreement or document or any combination of agreements or documents described in this definition and issued by a Second Lien Credit Provider and related to any Second Lien Bonds; *provided however*, that a Second Lien Reserve Policy is not a Second Lien Credit Facility. A Second Lien Credit Facility gives rise to Second Lien Repayment Obligations which, if specified in a Supplemental Indenture, may be evidenced by Second Lien Bonds and which may be secured hereunder on a parity basis with the Covered Bonds to which such Second Lien Credit Facility relates. A Second Lien Credit Facility may also give rise to obligations that are not payable on a parity basis with Covered Bonds, if so specified in a Supplemental Indenture.

"Second Lien Credit Provider" means a bank, a financial institution, a guarantor, an insurance company, a surety or any other credit enhancer or liquidity provider which issues a Second Lien Credit Facility for all or a part of a series of Second Lien Bonds.

"Second Lien Debt Service Requirement" means, unless the Authority shall specify the Second Lien Debt Service Requirement in the Supplemental Indenture authorizing a series of Second Lien Bonds or unless the Authority elects to apply one of the following rules for the computation of Second Lien Debt Service Requirements, the annual amount required for

payment of principal and interest, but excluding interest which has been funded by Second Lien Bond proceeds, on all Outstanding Second Lien Bonds, whether by maturity or by mandatory sinking fund redemptions:

- (i) For any series of Second Lien Bonds issued pursuant to a commercial paper, variable rate demand note or similar program for which the principal amortization is not yet known, except as provided in subparagraph (ix) hereof, Second Lien Debt Service Requirements shall be computed on the assumption that the principal amount shall continuously be refinanced under such program and remain outstanding, until the first Fiscal Year for which interest on such Second Lien Bonds has not been capitalized or otherwise funded or provided for, at which time (which shall not be beyond the term of such program) it shall be assumed that the outstanding principal amount thereof shall be refinanced with a series of Second Lien Bonds which shall be deemed to be amortized on a level debt service basis over a period not to exceed 30 years, and shall be assumed to bear interest at a fixed interest rate estimated by the Authority's financial advisor or underwriter to be the interest rate such series of Second Lien Bonds would bear if issued on such terms on the date of such estimate.
- (ii) For any series of Second Lien Bonds bearing interest at a variable or adjustable rate or a rate to be negotiated or revised from time to time such that the actual future rate of interest thereon cannot be ascertained at the time of calculation, but for which the principal amortization is known, except as provided in subparagraph (iv) hereof, it shall be assumed that such Second Lien Bonds will bear interest as follows: (a) for any series of Second Lien Bonds then Outstanding, at the rate of interest which is the weighted average rate of interest for such Second Lien Bonds during the preceding 12-month period or such shorter period from the date of issue of such Second Lien Bonds, and (b) for any series of Second Lien Bonds then proposed to be issued, at the Certified Interest Rate.
- (iii) Second Lien Debt Service Requirements shall be calculated on the assumption that no Second Lien Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of scheduled principal maturities or scheduled mandatory redemptions of such Second Lien Bonds; except as provided in subparagraphs (i) or (ix).
- (iv) If the Authority shall have Outstanding any variable or adjustable rate Second Lien Bonds with respect to which the Authority has executed any Second Lien Qualified Derivative Agreement which remains in effect, the effect of which created or will create, in whole or in part, the economic equivalent of a fixed rate Second Lien Bond, the Second Lien Debt Service Requirements with respect thereto shall be calculated by reference to the effective fixed rate created by such transaction. If the effect of such Second Lien Qualified Derivative Agreement is to create a fixed rate

transaction for only a portion of the term or principal amount of the variable or adjustable rate Second Lien Bonds, the Second Lien Debt Service Requirements for the remaining term or principal amount of such variable or adjustable rate Second Lien Bonds shall be determined by reference to either the actual payments or such other subparagraphs hereof as the Authority shall elect.

- (v) If the Authority has executed a Second Lien Qualified Derivative Agreement which remains in effect in connection with a series of fixed rate Second Lien Bonds the effect of which created or will create, in whole or in part, the economic equivalent of a Second Lien Bond bearing interest at a variable or adjustable rate or a rate to be negotiated or revised from time to time, the Second Lien Debt Service Requirement for such bonds shall be calculated by reference to the greater of (A) the principal and interest due on such Second Lien Bonds, without adjustment for the effect of such Second Lien Qualified Derivative Agreement or (B) by reference to the effective variable rate (taking into account such Second Lien Qualified Derivative Agreement) determined in accordance with subparagraph (ii) hereof.
- (vi) If the Authority shall have deposited in escrow certain Defeasance Obligations the principal and interest on which will be sufficient to pay any principal or interest due on Outstanding Second Lien Bonds, Second Lien Debt Service Requirements shall be calculated by excluding such principal or interest due on such Second Lien Bonds, notwithstanding the fact that the Authority has not fulfilled the requirements in Section 5.07 for the discharge of such Second Lien Bonds.
- (vii) For any series of Second Lien Bonds issued as Tax Credit Bonds, the interest amounts due on such Second Lien Bonds shall be assumed to be net of any subsidy amount expected by the Chief Financial Officer to be received; provided that the Internal Revenue Service has not challenged the eligibility of such Second Lien Bonds to receive such subsidy payments, in which case such subsidy shall not be taken into account.
- (viii) For Capital Appreciation Bonds or Deferred Income Bonds, the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of a sinking fund installment shall be included in the calculations of accrued and unpaid and accruing interest or principal installments made hereunder only from and after the date (the "Calculation Date") which is one year prior to the date on which such Accreted Value or Appreciated Value, as the case may be, becomes so due, and the principal and interest portions of such Accreted Value or Appreciated Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date.

- (ix) For Tender Indebtedness related to Second Lien Bonds, the options or obligations of the holders of such Second Lien Bonds to tender the same for purchase or payment prior to their stated maturity or maturities shall be treated as principal on the first date on which such holders may or are required to tender such Second Lien Bonds, except that any such option or obligation shall not be treated as principal and shall instead be governed by subparagraph (i) if such Second Lien Bonds are rated in at least one of the three highest long-term rating categories or in the two highest short-term rating categories (without regard to any gradations in such categories) by a Rating Agency.
- (x) With respect to Second Lien Bonds having a term of longer than 60 months and 25% or more of the principal of which matures on the same date and which portion of the principal of such indebtedness is not required to be amortized by payment or redemption prior to such date, such Second Lien Bonds shall be deemed to be amortized on a level debt service basis over the term of 30 years assuming as the interest rate the 30 year Revenue Bond Index, or, at the option of the Authority, if the actual term of such Second Lien Bonds is less than 30 years, on a level debt service basis over such term, assuming the interest rate shall be the Revenue Bond Index related to the actual term of (and with the same rating as) such Second Lien Bonds published by The Bond Buyer no more than two weeks prior to the date of calculation, or any similar index selected by the Authority.

"Second Lien Derivative Agreement" means an agreement or contract executed by the Authority in a transaction entered into in connection with any Second Lien Bonds in which the Authority and a counterparty agree to exchange payments in the future, including, without limitation, transactions commonly called swap agreements, cap and floor agreements and interest rate swap agreements.

"Second Lien Escrow Deposit Agreement" means a Second Lien Escrow Deposit Agreement executed by the Authority with respect to the defeasance of any Second Lien Bonds as provided in Section 5.07 hereof and in the applicable Supplemental Indenture.

"Second Lien Escrow Securities" means Defeasance Obligations held under a Second Lien Escrow Deposit Agreement.

"Second Lien Fiduciary" means the Second Lien Trustee and any Second Lien Registrar or Second Lien Paying Agent, or any successor to any thereof, appointed and serving in such capacity pursuant to the provisions of Article VII of this Second Lien Master Indenture and any trustee, registrar, paying agent, remarketing agent or similar party for any Second Lien Bond or any other bond issued to purchase a Second Lien Bond.

"Second Lien Interest Payment Date" means, with respect to a series of Second Lien Bonds, any date designated by a Supplemental Indenture as a date on which interest is due on such Second Lien Bonds.

"Second Lien Master Indenture" means this Second Lien Master Trust Indenture dated as of July 1, 2011, as hereafter amended and supplemented.

"Second Lien Parity Obligation" means any Second Lien Bonds, the Parity Portion of any Second Lien Repayment Obligations and any Regular Payments described pursuant to any Second Lien Qualified Derivative Agreements, which shall all be payable from the Net Revenues on a parity with the Second Lien Bonds.

"Second Lien Paying Agent" means any bank or trust company organized under the laws of any state of the United States or any national banking association designated as Second Lien Paying Agent or Co-Second Lien Paying Agent for the Second Lien Bonds of any Series and its successor or successors hereafter appointed in the manner provided in Article VII of this Second Lien Master Indenture, and shall include the Second Lien Trustee unless and until a separate Second Lien Paying Agent is appointed by the Authority.

"Second Lien Pledged Funds" has the meaning given to such term in Section 3.01(b) hereof.

"Second Lien Principal Payment Date" means, with respect to a series of Second Lien Bonds, any date designated by a Supplemental Indenture as a date on which principal is due on such Second Lien Bonds.

"Second Lien Qualified Derivative Agreement" with respect to specific Second Lien Bonds, means a Second Lien Derivative Agreement that hedges interest rates on Second Lien Bonds (A) in which the counterparty to such Second Lien Derivative Agreement (or its guarantor or credit support provider or its collateral requirements) is rated in one of the three highest Rating Categories as certified by the Chief Financial Officer or (B) with respect to which a letter is obtained from any nationally recognized rating agency stating that entering into such Second Lien Derivative Agreement with respect to such Second Lien Bonds will not adversely affect the rating on those Second Lien Bonds.

"Second Lien Registrar" means any bank or trust company organized under the laws of any state of the United States or any national banking association designated as Second Lien Registrar by the Authority to perform the duties set forth in Article VII hereof and shall initially be the Second Lien Trustee.

"Second Lien Repayment Obligation" means an obligation arising under an agreement between the Authority and a Second Lien Credit Provider pursuant to which the Authority agrees to reimburse the Second Lien Credit Provider for amounts paid through a Second Lien Credit Facility and used to pay debt service on or purchase price of any Covered Bonds and all other amounts due and owing to a Second Lien Credit Provider under a Second Lien Credit Facility. Second Lien Repayment Obligations may be evidenced by Second Lien Bonds with the same

priority held by the Covered Bonds except as described in Section 3.01 without meeting the requirements of Section 4.01 hereof so long as the Covered Bond meets such requirements and, in such cases, the Second Lien Repayment Obligation and the Covered Bonds shall not both be included for any subsequent calculation hereunder.

"Second Lien Reserve Policy" means a surety bond or other similar instrument that may be delivered by the Authority in satisfaction of the requirement to fund the Second Lien Bond Reserve Fund under this Second Lien Master Indenture as specified in a Supplemental Indenture authorizing Second Lien Bonds. Such Supplemental Indenture shall also specify the method of repayment for any draws made upon such Second Lien Reserve Policy in the manner consistent with Article III hereof.

"Second Lien Reserve Requirement" means the required amount, if any, to be held in the Second Lien Bond Reserve Fund or any Account thereof for one or more series of Second Lien Bonds in accordance with the applicable Supplemental Indenture.

"Second Lien Trustee" means U.S. Bank National Association, and its successors and assigns.

"Separate Systems" means any and all systems other than the Wastewater System, now or hereafter owned or operated by or on behalf of the Authority or Citizens including, without limitation, the Gas Utility Distribution System, Thermal Energy System and Waterworks.

"Series 2011 Bonds" means the "CWA Authority, Inc. City of Indianapolis, Indiana Second Lien Wastewater Revenue Bonds, Series 2011B and Series 2011C,"

"SIFMA Municipal Swap Index" shall mean the rate determined on the basis of an index based upon the weekly interest rates of tax-exempt variable rate issues included in a database maintained by Municipal Market Data or any successor indexing agent which meets specific criteria established by The Securities Industry and Financial Markets Association.

"Subordinate Securities" means each series of bonds, notes, certificates of indebtedness or other obligations or evidences of indebtedness permitted to be issued by the Authority pursuant to the Authorizing Acts and unsecured or secured in whole or in part by liens on the Net Revenues, First Lien Pledged Funds and Second Lien Pledged Funds that are junior and subordinate to the lien on such funds securing payment of First Lien Parity Obligations and Second Lien Parity Obligations.

"Substitute Obligations and Agreements" means the bonds or other obligations of the Board and the corresponding bond resolution or indenture entered into by the Board as provided in Section 5.03(j) hereof.

"Supplemental Indenture" means each indenture supplemental hereto adopted by the Authority to supplement the provisions hereof, for the issuance of Second Lien Bonds permitted hereunder or to otherwise amend this Second Lien Master Indenture.

"Tax Credit Bonds" means bonds issued by the Authority under laws which permit the Authority to be reimbursed for the payment of principal or interest by the federal or state government.

"Tax-Exempt Bonds" means any Second Lien Bonds, the interest on which, when issued, is excludable from gross income of the Owners thereof for federal income-tax purposes as provided in an opinion of nationally recognized bond counsel.

"Tender Indebtedness" shall mean any Second Lien Bond a feature of which is an option or obligation on the part of the Owners of such Second Lien Bond to tender all or a portion of such bond or bonds to a fiduciary for purchase or redemption prior to the stated maturity date of such bond or bonds, which may include variable rate or adjustable rate indebtedness with such a feature.

"Thermal Energy System" means Citizen's Thermal Energy System, including the Steam Division and the Chilled Water Division, which system is a Separate System for purposes of this Second Lien Master Indenture.

"Treasurer" means the Treasurer of the CWA Board.

"Wastewater System" means the sewage works system and all real estate and equipment purchased by the Authority and thereafter owned by the Authority and used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto, and replacements thereof now or at any time hereafter constructed or acquired; and all services provided or to be provided by the Authority therewith.

"Water System" means the right, title and interest in, under and to all of the assets, properties and rights used and useful in the business of storing, supplying, distributing, and selling water to the public, and in providing ancillary services thereto, as described in the asset purchase agreement for the Water System, the acquisition of which was approved by Citizens by resolution on August 11, 2010, and consisting of all properties, real, personal, mixed, tangible, intangible or otherwise, now owned by Citizens or hereafter acquired by Citizens through purchase, construction or otherwise, and used in connection with such Water System of Citizens, and in any way pertaining thereto, all as located in or as necessary for or appropriate for or supporting the operation of Citizens' Water System, including, without limitation, machinery, apparatus, structures, buildings and related or appurtenant furniture, fixtures and other equipment, as such Water System is from time to time extended, bettered or otherwise improved, or any combination thereof. The Water System is a Separate System for purposes of this Second Lien Master Indenture.

SECTION 1.02. INTERPRETATIONS. All terms defined herein and all pronouns used in this Second Lien Master Indenture shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Second Lien Master Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof in this Second Lien Master Indenture and all the terms and provisions hereof

shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Second Lien Bonds and the validity of the lien on and pledge of the Net Revenues and Second Lien Pledged Funds to secure and provide for the payment of the Second Lien Bonds. The definitions contained in this Second Lien Master Indenture relating to accounting terms are for the purpose of determining compliance with this Second Lien Master Indenture and for the Authority's rate making purposes only and do not necessarily govern financial reporting for the Authority.

SECTION 1.03. COMPUTATIONS. Unless the facts are otherwise and except as provided in this Second Lien Master Indenture, all computations required under this Second Lien Master Indenture shall be made on the assumption that (a) except as provided in the definition of Second Lien Debt Service Requirements, the principal of and interest on all Second Lien Bonds shall be paid as and when the same become due; (b) all deposits required by this Second Lien Master Indenture to be credited to the Second Lien Bond Interest and Principal Fund for the retirement of certain Second Lien Bonds shall be made in the amounts and at the times required by this Second Lien Master Indenture or as required by a Supplemental Indenture; (c) all Second Lien Bonds required to be redeemed will be redeemed in the amounts and at the times as required by this Second Lien Master Indenture or as required by a Supplemental Indenture; and (d) no Second Lien Bond for which moneys or Second Lien Escrow Securities have been irrevocably deposited in the manner provided in Section 5.07 hereof sufficient to provide the full principal and interest thereon shall be treated as Outstanding.

SECTION 1.04. CERTIFICATES, REPORTS. Whenever pursuant to this Second Lien Master Indenture a person is required to deliver a certificate or a report, such person, for the purposes of such person's estimates, may take into account those assumptions or expectations otherwise specified in the applicable provisions of this Second Lien Master Indenture or, in the absence thereof, reasonably expected revenues, projected other income, reasonable rate changes and projected changes in relevant Operation and Maintenance Expenses of the Wastewater System and Second Lien Debt Service Requirements.

SECTION 1.05. ACCOUNTS. As also provided in the First Lien Master Indenture, the cash of the Wastewater System required to be accounted for in the General Fund may be deposited into a commingled account of the Authority, *provided* that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of the General Fund as provided in the First Lien Master Indenture or as provided herein if no First Lien Bonds are outstanding. The maintenance of the General Fund under the First Lien Master Indenture and, if no First Lien Bonds are outstanding, as provided in Article III hereof, shall not be construed to require the establishment of any completely independent, self-balancing fund or account, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Wastewater System for certain purposes and to establish priorities for application of such revenues and assets as provided herein. The Second Lien Trustee shall hold the Second Lien Bond Interest and Principal Fund and each separate Account of the Second Lien Bond Reserve Fund in separate trustee accounts from all other funds and accounts of the Second Lien Trustee and from any accounts the Second Lien Trustee maintains for the Authority.

SECTION 1.06. ACCOUNTING TERMS. Unless this Second Lien Master Indenture otherwise prescribes, this Second Lien Master Indenture shall be interpreted by giving to the accounting terms used herein the respective definitions given to such terms under Accounting Principles. The Authority shall be permitted to apply Accounting Principles in determining and allocating (i) Gross Revenues of the Wastewater System or Separate Systems; and (ii) the Operation and Maintenance Expenses of the Wastewater System or Separate Systems.

SECTION 1.07. SECURITY REPRESENTATIONS. The Authority represents and agrees that none of the Gross Revenues of the Wastewater System, or any of the property, rights or interests of the Wastewater System, are encumbered, pledged, granted as security for, or otherwise available to or burdened by the entities that own or operate the Separate Systems or their respective purposes, creditors, claimants or beneficiaries. The Authority shall take all actions and efforts necessary to establish, keep and maintain the property, rights or interests of the Wastewater System separate from the entities that own and operate the Separate Systems (and their respective purposes, creditors, claimants and beneficiaries, except to the extent provided in Section 1.06 hereof).

SECTION 1.08. STATUS. (a) Notwithstanding anything in this Second Lien Master Indenture to the contrary, (i) with respect to (1) the Net Revenues and (2) to the extent the Second Lien Pledged Funds constitute the same assets and revenues as the First Lien Pledged Funds (whether such is held in, or constitutes a receivable interest that when and if received would be directed by the First Lien Master Indenture to be deposited in, the First Lien Pledged Funds), this Second Lien Master Indenture (and each and every Second Lien Parity Obligation issued or entered into pursuant thereto) shall be subordinate and junior in all respects to the First Lien Master Indenture and each and every First Lien Parity Obligation now or hereafter issued or entered into pursuant thereto (including without limitation, as to: the pledges and liens set forth therein; the manner and limitations as to which Net Revenues and any other revenues and assets of the Authority are directed to be held, invested and applied therein; payment and provision for payment of any First Lien Parity Obligation; the application of Net Revenues, the First Lien Pledged Funds, and any and all extraordinary items excluded from the definition of Gross Revenues, payments received on Derivative Agreements which are not Qualified Derivative Agreements (each as defined for this purpose in the First Lien Master Indenture) and any other assets, revenues, rights, interests or property now or hereafter pledged under the First Lien Master Indenture to secure or provide for the payment of First Lien Parity Obligations; and all other provisions of the First Lien Master Indenture) and (b) this Second Lien Master Indenture (and each and every Second Lien Parity Obligation issued or entered into pursuant thereto) shall be deemed and interpreted as being so subordinate and junior with respect to (i) the Net Revenues and (ii) to the extent the Second Lien Pledged Funds constitute the same assets and revenues as the First Lien Pledged Funds (whether such is held in, or constitutes a receivable interest that when and if received would be directed by the First Lien Master Indenture to be deposited in, the First Lien Pledged Funds), such same assets and revenues; *provided however* that the First Lien Parity Obligations are not payable in any way from the Second Lien Bond Principal and Interest Fund, the Second Lien Bond Reserve Fund or the Second Lien Construction Fund when, if and as to the extent that such Funds are funded by amounts that are derived from (i) proceeds of Second Lien Parity Obligations or (ii) Net Revenues that have been

deposited therein in a manner consistent with Sections 3.08 or 3.09 of the First Lien Master Indenture.

- (b) The Second Lien Parity Obligations are subordinate and junior to and payable after the First Lien Parity Obligations with respect to (i) the Net Revenues and (ii) to the extent the Second Lien Pledged Funds constitute the same assets and revenues as the First Lien Pledged Funds (whether such is held in, or constitutes a receivable interest that when and if received would be directed by the Second Lien Master Indenture to be deposited in, the Second Lien Pledged Funds), such same assets and revenues; *provided however* that the First Lien Parity Obligations are not payable in any way from the Second Lien Bond Principal and Interest Fund, the Second Lien Construction Fund or the Second Lien Bond Reserve Fund when, if and as to the extent that such Funds are funded by amounts that are derived from (i) proceeds of Second Lien Parity Obligations or (ii) Net Revenues that have been deposited therein in a manner consistent with Sections 3.08 or 3.09 of the First Lien Master Indenture.
- (c) Notwithstanding anything in the Master Indenture to the contrary, this Section may not be replaced, amended or removed without the consent of the holders of the First Lien Parity Obligations in the manner provided in the First Lien Master Indenture.

ARTICLE II.

TERMS OF SECOND LIEN BONDS

SECTION 2.01. NAME, AMOUNT, PURPOSE, AUTHORIZATION. The Second Lien Bonds authorized by this Second Lien Master Indenture shall be designated as set forth in each Supplemental Indenture and shall be issued in fully registered form, without coupons, in an aggregate principal amount not to exceed the amount authorized in the applicable Supplemental Indenture, for the purpose of funding the Project Costs, deposits to the Second Lien Bond Reserve Fund, and the refunding of any First Lien Bonds, Second Lien Bonds or Subordinate Securities (including all costs associated therewith) previously issued and outstanding under and pursuant to the authority of the Authorizing Acts and all other applicable law.

SECTION 2.02. DATE, DENOMINATION, INTEREST RATES AND MATURITIES. The Second Lien Bonds shall be dated, numbered and mature, subject to prior redemption, on the maturity dates on each of the dates and in the amounts set out in a Supplemental Indenture or as determined pursuant to a Supplemental Indenture.

SECTION 2.03. DETAILS OF SECOND LIEN BONDS. The Supplemental Indenture authorizing each series of Second Lien Bonds shall state the purposes for which the Second Lien Bonds are being issued, the forms in which such Bonds shall be issued, the terms of such series and the deposits to be made from the proceeds of such series. Each series of Second Lien Bonds may differ with respect to:

- (a) title;
- (b) date;
- (c) maturities, optional maturities, term or terms and method for determination thereof;
- (d) interest rates and provisions, if any, for determining the interest rate to be borne on Capital Appreciation Bonds, Deferred Income Bonds, Tender Indebtedness, variable rate Second Lien Bonds, and adjustable rate Second Lien Bonds;
- (e) Second Lien Interest Payment Dates, Current Interest Commencement Dates or Periodic Compounding Dates;
- (f) denominations, including the minimum denominations for such Second Lien Bonds;
- (g) transfer, registration and exchangeability, including provisions for issuance of Second Lien Bonds in book entry form;
- (h) limitation on the aggregate principal amount of First Lien Bonds which may be issued;

(i) purchase, puts, redemption and tender, whether optional or mandatory, and terms and conditions thereof;

(j) the means by which, and the place at which, such Second Lien Bonds and the interest thereon may be determined from time to time and payable;

(k) the purpose for which such Second Lien Bonds are being issued, for example, "new money" or refunding bonds;

(l) sale or other disposition of the Second Lien Bonds, and the use and application of the proceeds of such sale or other disposition;

(m) lost, stolen or mutilated Second Lien Bonds;

(n) issuance of temporary Second Lien Bonds;

(o) conditions to the execution, delivery and authentication of such Second Lien Bonds;

(p) record date or dates;

(q) forms for different types of Second Lien Bonds issued;

(r) different modes of operation for Second Lien Bonds;

(s) means and methods of obtaining consent or deeming consent to amendments to this Second Lien Master Indenture or a Supplemental Indenture authorizing the issuance of the series of Second Lien Bonds;

(t) Defeasance Securities which may be used to defease such Second Lien Bonds;
and

(u) anything else not expressly prohibited by this Second Lien Master Indenture.

In authorizing the issue of any series of Second Lien Bonds, the CWA Board shall in a Supplemental Indenture, determine and specify all matters in respect to the Second Lien Bonds of such series set forth in this Section 2.03 and shall also determine and specify the forms of the Second Lien Bonds of such series in the manner provided in this Second Lien Master Indenture or such Supplemental Indenture.

Interest on Second Lien Bonds shall be payable at such rates per annum, in the manner provided and on the Second Lien Interest Payment Dates and Second Lien Principal Payment Dates set forth in a Supplemental Indenture to the Owners as of the Record Date.

In the event any Second Lien Bonds shall be issued as variable rate bonds or in a form that provides for different Second Lien Interest Payment Dates or Second Lien Principal Payment Dates from those specified above, the Supplemental Indenture that authorizes such

Second Lien Bonds shall provide for deposits into the Second Lien Bond Interest and Principal Fund, including separate accounts therein, to assure the parity status of those Second Lien Bonds and fixed rate Second Lien Bonds.

SECTION 2.04. REDEMPTION PRIOR TO MATURITY. The Second Lien Bonds may be subject to redemption prior to maturity in any manner provided in a Supplemental Indenture.

SECTION 2.05. MANNER OF PAYMENT, CHARACTERISTICS, EXECUTION AND AUTHENTICATION. The Second Lien Bonds shall be payable, shall have the characteristics, shall be signed and executed, sealed, and shall be authenticated, all as provided and in the manner indicated in a Supplemental Indenture. If any officer of the Authority whose manual or facsimile signature shall appear on any Second Lien Bonds as provided in any form of Second Lien Bonds shall cease to be such officer before the authentication of the particular Second Lien Bond or before the delivery of the Second Lien Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

SECTION 2.06. OWNERSHIP. The Authority, Second Lien Registrar and Second Lien Paying Agent and any other person may treat the person in whose name any Second Lien Bond is registered as the absolute Owner of such Second Lien Bond for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, and for the further purpose of making and receiving payment of the interest thereon, and for all other purposes, whether or not such Second Lien Bond is overdue, and neither the Authority nor the Second Lien Registrar and Second Lien Paying Agent shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Second Lien Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the Authority and the Second Lien Registrar and Second Lien Paying Agent upon such Second Lien Bond to the extent of the sums paid.

SECTION 2.07. REGISTRATION, TRANSFER AND EXCHANGE. So long as any Second Lien Bonds remain Outstanding, the Second Lien Registrar shall keep the Register at its principal corporate trust office in which, subject to such reasonable regulations as it may prescribe, the Second Lien Registrar shall provide for the registration and transfer of the obligations in accordance with the terms of this Second Lien Master Indenture. Each Second Lien Bond shall be transferable and exchangeable as provided in a Supplemental Indenture.

The Authority may determine that it is beneficial to the Authority to have any particular issue of Second Lien Bonds held by a central depository system and have transfers of those Second Lien Bonds effected by book-entry on the books of the central depository system in the manner provided in the Supplemental Indenture.

SECTION 2.08. SECOND LIEN REPAYMENT OBLIGATIONS. Any Second Lien Repayment Obligation of the Authority relating to Second Lien Bonds issued hereunder may be issued as Second Lien Bonds hereunder with the priority equal to that granted to the Covered Bonds associated with such Second Lien Repayment Obligation or may bear a different

parity position, all as described in the applicable Supplemental Indenture or Second Lien Credit Facility. The Parity Portion shall be payable from the Second Lien Bond Interest and Principal Fund at the same priority as payments are or would have been made on the Covered Bonds as provided in Section 3.06(b).

SECTION 2.09. SECOND LIEN QUALIFIED DERIVATIVE AGREEMENTS.

The Authority may determine that it is beneficial to the Authority to enter into a Second Lien Derivative Agreement, and so long as such Second Lien Derivative Agreement is a Second Lien Qualified Derivative Agreement, the Regular Payments to the counterparty may, if so designated in the applicable Derivative Agreement, be entitled to payment on the same priority as a Second Lien Bond to which the Second Lien Qualified Derivative Agreement pertains. The Regular Payments may be secured with a lien on parity with the Second Lien Bonds to which the Second Lien Qualified Derivative Agreement pertains and therefore may be payable from the Second Lien Bond Interest and Principal Fund at the same priority as payments are made on the corresponding Second Lien Bonds in the manner provided in Section 3.06(b) hereof, unless the Authority shall determine to provide a lesser priority in the applicable Supplemental Indenture or Qualified Derivative Agreement.

SECTION 2.10. FORM OF BONDS. All Second Lien Bonds issued by the Authority shall be in substantially the form set forth in a Supplemental Indenture.

SECTION 2.11. SPECIAL PROVISIONS WITH RESPECT TO CAPITAL APPRECIATION BONDS AND DEFERRED INCOME BONDS.

- (a) For the purposes of (i) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) computing the principal amount of Second Lien Bonds held by the holder of a Capital Appreciation Bond in giving to the Authority any notice, consent, request, or demand pursuant to this Second Lien Master Indenture for any purpose whatsoever, the principal amount of such Capital Appreciation Bond shall be deemed to be its then current Accreted Value.
- (b) For the purposes of (i) receiving payment of the redemption price if a Deferred Income Bond is redeemed prior to maturity, or (ii) computing the principal amount of Second Lien Bonds held by the holder of a Deferred Income Bond in giving to the Authority any notice, consent, request, or demand pursuant to this Second Lien Master Indenture for any purpose whatsoever, the principal amount of such Deferred Income Bond shall be deemed to be its then current Appreciated Value.

ARTICLE III.

SECURITY AND SOURCE OF PAYMENT FOR ALL SECOND LIEN BONDS

SECTION 3.01. PLEDGE AND SOURCE OF PAYMENT. (a) The Authority hereby covenants and agrees that all Gross Revenues shall be deposited and paid into the General Fund and shall be applied solely in the manner set forth pursuant to Article III of the First Lien Master Indenture and thereafter shall be applied as provided in this Article III.

- (b) The Second Lien Parity Obligations shall constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by (i) a lien and security interest on the Net Revenues junior in priority to the lien and security interest granted to the First Lien Parity Obligations, (ii) the General Fund and the Rate Stabilization Fund on a basis subordinate to the First Lien Parity Obligations as described in the First Lien Master Indenture and herein and (iii) a first lien priority interest on all of the Funds and Accounts established in Article III herein and all proceeds and other moneys held therein or investment earnings derived therefrom, provided that the proceeds of such series of Second Lien Bonds and amounts held in any Account of the Second Lien Bond Interest and Principal Fund, any Account of the Second Lien Bond Reserve Fund or any Account of the Second Lien Construction Fund created pursuant to a Supplemental Indenture solely for the benefit of such series of Second Lien Bonds shall only be pledged for such series (clauses (ii) and (iii) above shall constitute the "Second Lien Pledged Funds"). Second Lien Pledged Funds shall not include the First Lien Bond Interest and Principal Fund or the First Lien Bond Reserve Fund. Net Revenues and Second Lien Pledged Funds shall, in the manner herein provided, be set aside for and are pledged to the payment of the Second Lien Parity Obligations.
- (e) For the benefit of the Owners of the Second Lien Bonds the Authority hereby grants a lien and security interest on the Net Revenues and the Second Lien Pledged Funds as provided in Section 3.01(a) above, all to secure the payment of principal of, premium, if any, and interest on the Second Lien Bonds.
- (d) All Second Lien Bonds shall be in all respects on a parity with each other except with respect to differences pertaining to Accounts of the Second Lien Bond Interest and Principal Fund, the Second Lien Construction Fund and the Second Lien Bond Reserve Fund and unexpended proceeds of specific Second Lien Bonds, which amounts shall secure only the Second Lien Bonds which were issued with respect thereto, as set forth in the Supplemental Indenture.
- (e) For the benefit of the Second Lien Credit Provider for any Second Lien Credit Facility, the Authority may also grant a lien and security interest on the Net Revenues and Second Lien Pledged Funds on parity with the corresponding Covered Bonds in order to secure payment of all amounts due on the Parity Portion in accordance with their terms. All other amounts due in respect of

Second Lien Repayment Obligations shall be payable as provided in Sections 3.08-3.09 hereof.

- (f) For the benefit of the counterparty on any Second Lien Qualified Derivative Agreement pertaining to a specific series of Second Lien Bonds, the Authority may also grant a lien and security interest on the Net Revenues and Second Lien Pledged Funds with respect to such Second Lien Bonds on parity with such Second Lien Bonds in order to secure payment of all Regular Payments with respect to such Second Lien Qualified Derivative Agreement, unless the Authority shall determine to provide a lesser priority pursuant to and as set forth in the related Supplemental Indenture. All other payments due under a Second Lien Qualified Derivative Agreement, and all payments on Second Lien Derivative Agreements shall be payable as provided in Sections 3.08-3.09 hereof.

SECTION 3.02. SECOND LIEN RATE COVENANT. (a) The Authority covenants that it will at all times fix, charge, impose and collect rates, fees and other charges for the use of, and services provided by, the Wastewater System, and, to the extent it legally may do so, revise the same as may be necessary or appropriate, in order that in each Fiscal Year (the "Tested Fiscal Year") the Net Revenues (together with the amounts deposited into the General Fund from the Rate Stabilization Fund and less any amounts deposited to the Rate Stabilization Fund from the General Fund for the Tested Fiscal Year as provided in subsection (e) below), less all amounts required to be transferred in the Tested Fiscal Year to the First Lien Bond Interest and Principal Fund for the timely payment of actual interest and principal and other amounts payable on First Lien Parity Obligations and all amounts required to be transferred to the First Lien Bond Reserve Fund for timely payment of the establishment of or any deficiency in an account therein, including to repay a First Lien Reserve Policy draw during the Tested Fiscal Year, will at all times be at least sufficient to equal the greater of either:

- (i) an amount not less than 110% of all amounts required to be transferred in the Tested Fiscal Year to the Second Lien Bond Interest and Principal Fund for the timely payment of the actual interest and principal payable on Second Lien Bonds during the Tested Fiscal Year as adjusted pursuant to subsection (f) below; or
 - (ii) all amounts required to be transferred in the Tested Fiscal Year: (1) to the Second Lien Bond Interest and Principal Fund for the timely payment of actual interest (less regular payments received on Second Lien Qualified Derivative Agreements for the Tested Fiscal Year), principal and other obligations payable on Second Lien Parity Obligations; and (2) to the Second Lien Bond Reserve Fund for timely payment of the establishment of or any deficiency in an Account therein, including to repay a Second Lien Reserve Policy draw.
- (b) The Authority shall test for compliance with Section 3.02(a) within 150 days after the end of each Fiscal Year. If, subject to the provisions of subsection (c) below, the Net Revenues (together with the amounts deposited into the General Fund

from the Rate Stabilization Fund less any amounts deposited to the Rate Stabilization Fund from the General Fund for the Tested Fiscal Year as provided in subsection (e) below) are less than the greater of the amounts specified in (a)(i) or (ii) above, the Authority must take appropriate action under the law and within its powers to revise the Authority's rates, fees and other charges or the method of operation of the Wastewater System in order to satisfy the foregoing requirements in the next Fiscal Year following the Tested Fiscal Year (the "Current Fiscal Year"). Actions which may be taken shall include, but not be limited to the filing of a proceeding seeking additional revenues or other relief before the Commission which would increase Gross Revenues of the Wastewater System in the Current Fiscal Year. If any of such actions permit or require reasonable administrative or judicial review under the laws of the State of Indiana or the United States of America, such review shall be taken; *provided, however*, that additional filings seeking increased revenues or other relief before the Commission shall not be required so long as an issue of law or fact substantially the same to that which would be raised by such additional filing is then pending or has been decided pursuant to a non-appealable order that prevents raising such issue in subsequent proceedings on appeal or such an issue of law or fact was previously determined adversely on appeal. The Authority shall report such actions to the Second Lien Trustee within 150 days after the conclusion of the Tested Fiscal Year.

- (c) For purposes of this Section, the Authority shall not be required to implement the procedures set forth in subsection (b) hereof, if the Net Revenues the Authority would have received in the Tested Fiscal Year would have been sufficient to meet the requirements of subsection (a) hereof if the Gross Revenues for the Tested Fiscal Year were determined by giving effect for the entire Tested Fiscal Year to any increase or decrease in rates, fees, rentals or other charges authorized by an order of the Commission issued by the date that is within 120 days after the end of the Tested Fiscal Year.
- (d) So long as the Authority substantially complies in a timely fashion with the provisions of (b) and (c) above, the Authority will not be deemed to have defaulted in the performance of its duties under this Section 3.02 even if the resulting Net Revenues are not sufficient to be in compliance with the covenant set forth above in the Current Fiscal Year, so long as there is no other Event of Default under this Second Lien Master Indenture.
- (e) For purposes of satisfying the rate covenant set forth in (a)(i) above, the Authority may transfer funds in the Rate Stabilization Fund, if any, to the General Fund in any Tested Fiscal Year. The net amount so transferred (after taking into account any transfers into the Rate Stabilization Fund) shall be treated as Net Revenues for the Tested Fiscal Year for purposes of calculating the foregoing rate covenant; *provided*, the amount of any such net transfer treated as Net Revenues for the Tested Fiscal Year shall not exceed 10% of the Second Lien Debt Service Requirements for the Tested Fiscal Year.

- (f) For purposes of satisfying the rate covenant set forth in (a) above, the Authority may exclude from the principal and interest due on any Second Lien Bonds any amounts for which the Authority has already set aside Second Lien Pledged Funds prior to the start of the Tested Fiscal Year for the payment of such Second Lien Bonds.

SECTION 3.03. FUNDS.

- (a) **Required Funds.** The following Funds shall be established, maintained and accounted for as hereinafter provided so long as any of the Second Lien Bonds remain Outstanding:
 - (i) Second Lien Bond Interest and Principal Fund, including any Capitalized Interest Account therein;
 - (ii) Second Lien Bond Reserve Fund; and
 - (iii) Second Lien Construction Fund.

The Authority may, without the consent of any Owner of a Second Lien Bond, amend the First Lien Master Indenture or this Second Lien Master Indenture in any manner (except for the limitations on the amount that may be held in or transferred from the Rate Stabilization Fund in any Tested Fiscal Year) with respect to the Rate Stabilization Fund.

- (b) **Separate Funds., Existence of General Fund and Rate Stabilization Fund.** The General Fund, the Rate Stabilization Fund and the Second Lien Construction Fund shall be maintained as separate funds on the books of the Authority by the CWA Board and all amounts credited to such Funds shall be maintained in an official depository bank of the Authority subject to Section 6.02 of the First Lien Master Indenture (if First Lien Bonds are outstanding) or Section 6.02 hereof. Further, the Authority covenants and agrees that the General Fund and the Rate Stabilization Fund shall be continued for so long as any Second Lien Bonds are Outstanding. The Second Lien Bond Interest and Principal Fund and the Second Lien Bond Reserve Fund shall be held by the Second Lien Trustee in the manner provided in Section 1.05 hereof.

SECTION 3.04. FLOW OF FUNDS.

- (a) **First Lien Bonds Outstanding.** If First Lien Bonds are outstanding, moneys from time to time credited to the General Fund shall be applied first, as provided in Sections 3.04 — 3.07 of the First Lien Master Indenture and then as provided in Section 3.06 below, and finally, as provided in Section 3.07 below.
- (b) **No First Lien Bonds Outstanding.** If no First Lien Bonds are outstanding, moneys from time to time credited to the General Fund shall be applied first, as provided

in Section 3.05 below, second, as provided in Section 3.06 below, third, as provided in Section 3.07 below and fourth, as provided in Section 3.08 below.

- (c) Deposit of Extraordinary Items. The Authority shall deposit into the General Fund all extraordinary items excluded from the definition of Gross Revenues including payments received on Second Lien Derivative Agreements which are not Second Lien Qualified Derivative Agreements and any other assets, revenues, rights, interests or property hereafter pledged under a Supplemental Indenture to Second Lien Parity Obligations.

SECTION 3.05. OPERATIONS AND MAINTENANCE EXPENSES. As necessary, there will be applied from the General Fund sufficient amounts to pay Operation and Maintenance Expenses, as directed by or under the supervision of the Chief Financial Officer. During an Event of Default, the Authority shall be permitted, before applying Net Revenues in the manner provided in Section 6.02 of the First Lien Master Indenture (if First Lien Bonds are outstanding) and Section 6.02 hereof, to maintain sufficient Net Revenues in the General Fund, as provided in Section 6.02 of the First Lien Master Indenture and Section 6.02 hereof, in the amount reasonably determined to be necessary by the Chief Financial Officer to provide for the payment of Operation and Maintenance Expenses for a period not exceeding two months.

SECTION 3.06. SECOND LIEN BOND INTEREST AND PRINCIPAL FUND.

- (a)
 - (i) There shall initially be deposited into a Capitalized Interest Account for any particular series of Second Lien Bonds the amount of capitalized interest included in the proceeds of any Second Lien Bonds as specified by any Supplemental Indenture with respect thereto. Amounts in a Capitalized Interest Account shall be used to pay interest due on those Second Lien Bonds as directed by the Chief Financial Officer until said Account is exhausted or so long as permitted by the Code and State law.
 - (ii) There shall also be deposited into the Second Lien Bond Interest and Principal Fund any regular payment received by the Authority in connection with any Second Lien Qualified Derivative Agreement entered into in connection with the Second Lien Bonds.
- (b) On or before the last Business Day of each month so long as any Second Lien Bonds remain Outstanding, after complying with Sections 3.05 — 3.07 of the First Lien Master Indenture (if any First Lien Bonds are outstanding) or Section 3.05 above (if no First Lien Bonds are outstanding), there shall be transferred into the Second Lien Bond Interest and Principal Fund (or any Account thereof) from the General Fund the following amounts:
 - (i) the interest on all Outstanding Second Lien Bonds (or related interest component of the Parity Portion of the related Second Lien Repayment Obligation) that is due or has accrued in such month, or such other amount

as shall be specified in a Supplemental Indenture or Second Lien Credit Facility relating to Second Lien Bonds; and

- (ii) the principal of all Outstanding Second Lien Bonds (or the principal component of the Parity Portion of the related Second Lien Repayment Obligations, to the extent permitted by a Supplemental Indenture) that is due or has accrued in such month or such other amount as shall be specified in a Supplemental Indenture or Second Lien Credit Facility; and
 - (iii) any Regular Payments as shall be due or accrued in such month from the Authority on any Second Lien Qualified Derivative Agreement entered into in connection with Second Lien Bonds for which the Authority has determined to provide the same priority; *provided*, that in the alternative, the Authority may provide in a Supplemental Indenture that such Regular Payments or Parity Portion are subordinate to the payments on the Second Lien Bonds.
- (c) For the purposes of making the deposits required by subsection (b)(ii) above, monthly deposits for principal payments due on such Second Lien Bonds will be made, as nearly as possible, in an amount equal to the regularly scheduled principal that is due and payable on such Second Lien Bonds on the next succeeding principal payment date, whether by maturity or by mandatory sinking fund redemption, multiplied by a fraction the numerator of which is one and the denominator of which is the number of whole calendar months in the period from the previous Second Lien Principal Payment Date to such next succeeding principal payment date.
- (d) Whenever the total amounts on deposit to the credit of the applicable Account of the Second Lien Bond Interest and Principal Fund and the applicable Account of the Second Lien Bond Reserve Fund for any particular Series of Second Lien Bonds shall be equal to the sum of the aggregate principal amount of all such Outstanding Second Lien Bonds of such Series (including any related Second Lien Repayment Obligation (if applicable) constituting Second Lien Bonds) plus the aggregate amount of all interest accrued and to accrue thereon through final payment or earlier redemption, no further transfer need be made into the applicable Account of the Second Lien Bond Interest and Principal Fund or the applicable Account of the Second Lien Bond Reserve Fund for such series.
- (e) On or before each Second Lien Principal Payment Date, Second Lien Interest Payment Date and/or other payment dates for Regular Payments or Parity Portions as applicable, with respect to any particular Second Lien Bonds, the Authority shall transfer from the Second Lien Bond Interest and Principal Fund to the Second Lien Paying Agent the amounts accumulated pursuant to clauses (i) — (iii) of Subsection (b) hereof to make the payments described in such clauses on the dates for which such payments are due. In the event that the monies in the Second Lien Bond Interest and Principal Fund shall be insufficient to pay the

amounts described in clauses (i) - (iii) of Subsection (b) hereof for each Outstanding series of Second Lien Bonds on the dates for which such payments are due, the Authority shall transfer, on a pro rata basis to the Accounts of the Second Lien Bond Interest and Principal Fund to the extent necessary to make such payments, *first*, moneys held in the General Fund after making the required deposits specified in Sections 3.05 - 3.07 of the First Lien Master Indenture (if any First Lien Bonds are Outstanding) and as specified in Section 3.01 hereof and *second*, moneys held in the Rate Stabilization Fund after making any necessary transfers for First Lien Parity Obligations (if any First Lien Parity Obligations are outstanding), if any, to pay such amounts. If such transferred amounts are insufficient to make the required payments of the amounts described in clauses (i) - (iii) of Subsection (b) hereof, the Authority shall transfer the necessary amounts on deposit in any applicable Account of the Second Lien Bond Reserve Fund to make such payments solely with respect to the Series of First Lien Bonds for which such Account of the Second Lien Bond Reserve Fund was created. Notwithstanding any provision of this Section 3.06 to the contrary, the Authority shall instruct the Second Lien Trustee or the Second Lien Trustee shall otherwise administer the Second Lien Bond Interest and Principal Fund and the Authority's obligations under subsection (b) hereof in order to preserve and protect the parity status of all Second Lien Bonds without regard to the date of issuance, the manner of computing interest, the Second Lien Interest Payment Dates or Second Lien Principal Payment Dates required for, and without consideration of any available amounts in an Account of the Second Lien Bond Reserve Fund for any specific Series of Second Lien Bond. Moneys credited to the Second Lien Bond Interest and Principal Fund shall be used solely to pay the amounts described in clauses (i) through (iii) of Subsection (b) hereof on the dates for which the payments described therein are due.

- (f) The Authority may create separate Accounts under the Second Lien Bond Interest and Principal Fund for each series of Second Lien Bonds; however that shall not affect the parity status of all Second Lien Bonds or the application of such amount to pay principal and interest on Second Lien Bonds when due in a manner consistent with such parity status.

SECTION 3.07. SECOND LIEN BOND RESERVE FUND. The Authority is authorized to specify in any Supplemental Indenture authorizing a series of Second Lien Bonds that one or more Accounts of the Second Lien Bond Reserve Fund may be maintained for such Second Lien Bonds (and any other series of Second Lien Bonds the Authority shall determine) and the provisions with respect thereto or that no Account of the Second Lien Bond Reserve Fund is being created for such Second Lien Bonds. If the Authority authorizes the maintenance of one or more Accounts of the Bond Reserve Fund in a Supplemental Indenture, any deposit required to be made to such Account shall be funded after making the transfers or deposits required by Sections 3.05 — 3.07 of the First Lien Master Indenture and Section 3.06 hereof (if First Lien Bonds are outstanding) and Sections 3.05 and 3.06 hereof and before any expenditure under Section 3.08 hereof (if no First Lien Bonds are outstanding). Each Second Lien Bond Reserve Fund Account shall secure only those Second Lien Bonds identified in the applicable

Supplemental Indenture, The Second Lien Trustee shall (a) first fully apply Net Revenues in the manner provided in Sections 3.06, 3.08 and 3.09 hereof to the Second Lien Bond Interest and Principal Fund in order to pay all Second Lien Bonds on parity with each other prior to transferring funds in the specific Account of the Second Lien Bond Reserve Fund for any series of Second Lien Bonds, if any and then (b) transfer any amounts held in the applicable Account of the Second Lien Bond Reserve Fund to the applicable Account of the Second Lien Bond Interest and Principal Fund solely for the timely payment of the Second Lien Bonds to which such Account is pledged.

SECTION 3.08. EXCESS NET REVENUES. If no First Lien Bonds are outstanding, after making the transfers or deposits required by Sections 3.05 - 3.07 hereof, subject to the provisions of Section 6.02 hereof, the Authority may apply any remaining Net Revenues and all extraordinary items excluded from the definition of Gross Revenues, including payments received on Derivative Agreements (except as provided in Section 3.06), as follows:

- (a) *first*, to the payment of debt service on Subordinate Securities, deposits to be made for a reserve account created for Subordinate Securities, any reimbursement obligations due to the provider of a credit facility therefor arising from the payment by the provider of the credit facility of the principal or interest due on such obligation and any regular payments on a derivative agreement in connection with such obligations;
- (b) *second*, to the payment of amounts owed by the Authority pursuant to Section 2.04(e) of the Asset Purchase Agreement;
- (c) *third*, to pay PILOTS or any other payments in lieu of taxes, to pay capital improvements to the Wastewater System, to pay costs of replacing any depreciable property or equipment of the Wastewater System, to pay costs of any major extraordinary repairs, replacements or renewals of the Wastewater System, to fund payments to be made by the Authority on a Second Lien Derivative Agreement or a derivative agreement related to Subordinate Securities, including any obligation to post collateral, pay penalties, make-ups, fees and termination payments with respect thereto, to pay the remaining amounts of Second Lien Repayment Obligations and obligations owed to a credit provider with respect to Subordinate Securities, to acquire land or any interest therein, to pay any lease or other contractual obligations, to fund the Rate Stabilization Fund as provided in Section 3.09 hereof; and
- (d) *fourth*, to for any other lawful purpose for the benefit of the Wastewater System purposes.

SECTION 3.09. RATE STABILIZATION FUND. The Authority may, as provided in Section 3.08 of the First Lien Master Indenture or Section 3.08 hereof, transfer any amount to the Rate Stabilization Fund from the General Fund. Amounts held in the Rate Stabilization Fund shall be used to fund any shortfall in any other Fund or Account created for the Second Lien Bonds and any fund or account created for Subordinate Securities, if any, and thereafter may be

used from time to time for any lawful purpose or purposes of the Authority pertaining to the Wastewater System, at the direction of the Chief Financial Officer, including but not limited to the following: (a) to provide for shortfall of revenues resulting from usage of the Wastewater System, (b) to pay any item described in Section 3.08 related to the Wastewater System, (c) to make transfers to the General Fund or (d) to satisfy any rate covenant applicable to Subordinate Securities. Any limitation on the amount of a transfer from the Rate Stabilization Fund for the purpose of satisfying a rate covenant applicable to Subordinate Securities shall be as specified in the authorizing indenture therefor. Upon an Event of Default hereunder or an event of default occurring with respect to Subordinate Securities, the amounts held in the Rate Stabilization Fund shall be deposited in the General Fund.

SECTION 3.10. INVESTMENT OF FUNDS: TRANSFER OF INVESTMENT INCOME.

- (a) Monies in all Funds shall, at the option and direction of the Authority, be invested and secured in Permitted Investments and in the manner required by law for public funds, *provided* that all such deposits and investments of the Second Lien Bond Interest and Principal Fund, any Account of the Second Lien Construction Fund and any Account of the Second Lien Bond Reserve Fund shall be made in such manner that the money required to be expended from such Fund is available on the applicable Second Lien Interest Payment Date or Second Lien Principal Payment Date. For purposes of maximizing investment returns, money in such Funds may be invested, together with money in other Funds or with other money of the Authority, in common investments of the kind described above, or in a common pool of such investments maintained by the Authority which shall be kept and held at an official depository of the Authority, which shall not be deemed to be a loss of the segregation of such money or Funds *provided* that safekeeping receipts, certificates of participation or other documents clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If and to the extent necessary, such investments or participations therein shall be promptly sold to prevent any default.
- (b) All investments held in the Second Lien Bond Reserve Fund shall be valued and all interest and income derived from deposits and investments credited to the Second Lien Bond Reserve Fund in the manner provided in the Supplemental Indenture authorizing the same.
- (c) All interest and income derived from deposits and investments of any amounts held in any Account of the Second Lien Construction Fund shall remain in such Account of the Second Lien Construction Fund for application to Project Costs until the Projects for which such Second Lien Bonds were issued are complete, at which time all moneys in such Account of the Second Lien Construction Fund shall be transferred to:

- (i) any account or fund as shall be provided in the Supplemental Indenture pursuant to which such moneys were deposited into such Account of the Second Lien Construction Fund; and
 - (ii) then to the General Fund or such other Fund as the Supplemental Indenture or the Authority shall direct.
- (d) To the extent it is not otherwise provided for in (b) and (c) above or needed to eliminate a deficiency, all interest and income derived from deposits and investments credited to the Funds shall be transferred or credited monthly to the General Fund or such other Fund as the Authority shall direct.
- (e) Notwithstanding anything to the contrary contained herein, any interest and income derived from deposits and investments of any amounts credited to any Fund or Account may be paid to the federal government if in the opinion of nationally recognized bond counsel such payment is required in order to prevent interest on any Tax-Exempt Bonds from being includable within the gross income of the Owners thereof for federal income tax purposes.

SECTION 3.11. SECOND LIEN CONSTRUCTION FUND. The Authority is authorized to specify in any Supplemental Indenture authorizing a series of Second Lien Bonds that an Account of the Second Lien Construction Fund may be maintained for such Second Lien Bonds and the provisions with respect thereto or that no Account of the Second Lien Construction Fund is being created for such Second Lien Bonds. Each Second Lien Construction Fund Account shall secure only those Second Lien Bonds identified in the applicable Supplemental Indenture. During an Event of Default, moneys held in an Account of the Second Lien Construction Fund created for certain Second Lien Bonds shall be applied to the payment of such Second Lien Bonds and the Second Lien Parity Obligations issued in connection therewith, prior to application of any Net Revenues to such payment.

ARTICLE IV.

SECOND LIEN BONDS

SECTION 4.01. SECOND LIEN BONDS. The Authority reserves the right to issue (and shall only cause to be issued) one or more series of Second Lien Bonds (the "Proposed Second Lien Bonds") payable from and secured by a subordinate lien and security interest on the Net Revenues and a priority lien on the Second Lien Pledged Funds as described in Section 3.01(a) hereof, all on parity with any Outstanding Second Lien Bonds upon meeting the requirements set forth in this Section 4.01.

- (a) No Default. An Authorized Officer of the Authority shall certify that, upon the issuance of the Proposed Second Lien Bonds, the Authority will not be in default under any term or provision of any First Lien Bonds then outstanding or Second Lien Bonds then Outstanding, the First Lien Master Indenture, any supplemental indenture pursuant to which any First Lien Bonds were issued, this Second Lien Master Indenture or any Supplemental Indenture pursuant to which any Second Lien Bonds were issued.
- (b) Coverage on Second Lien Bonds.
 - (i) *Historical.* The Chief Financial Officer shall certify that for either the Authority's most recent complete Fiscal Year or for any consecutive 12 out of the most recent 18 months preceding the issuance of the Proposed Second Lien Bonds, the Net Revenues of the Wastewater System, adjusted as provided in (f) below, were equal to at least 110% of the maximum annual First Lien Debt Service Requirements and Second Lien Debt Service Requirements for all existing First Lien Bonds and Second Lien Bonds and the Proposed Second Lien Bonds, for any subsequent Fiscal Year while the existing Second Lien Bonds are Outstanding; or
 - (ii) *Projected.* The Chief Financial Officer shall certify that the estimated Net Revenues of the Wastewater System, adjusted as provided in (f) below, for each of three (3) consecutive Fiscal Years beginning in the first Fiscal Year in which the Authority will have any scheduled payments of interest on or principal of the Proposed Second Lien Bonds (for the payment of which provision has not been made as indicated in such report from proceeds of the Proposed Second Lien Bonds, investment income thereon or from other appropriated sources (excluding Net Revenues)) are equal to at least (A) 115% of the annual First Lien Debt Service Requirements and the Second Lien Debt Service Requirements for all existing First Lien Parity Obligations and Second Lien Parity Obligations and the Proposed Second Lien Bonds, and (B) all amounts of Net Revenues required to be transferred to the First Lien Bond Reserve Fund and the Second Lien Bond Reserve Fund for timely payment of the establishment of or any deficiency in an Account therein, including to repay a First Lien Reserve

Policy draw or a Second Lien Reserve Policy draw, during each such respective Fiscal Year.

- (c) Second Lien Repayment Obligations. The Authority shall be permitted to enter into Second Lien Repayment Obligations without complying with the paragraph above so long as the corresponding Covered Bonds comply with such provision at the time such Second Lien Bonds were issued.
- (d) Bond Indenture Requirements. Provision is made in a Supplemental Indenture for (i) additional payments into the Second Lien Bond Interest and Principal Fund sufficient to provide for any principal and interest requirements resulting from the issuance of the Proposed Second Lien Bonds, (ii) satisfaction of the applicable Second Lien Reserve Requirement by not later than the date required by the Supplemental Indenture, if required, and (iii) provisions required pursuant to Section 3.06 for deposits into or for the administration of the Second Lien Bond Interest and Principal Fund in order to assure the parity status of all Second Lien Bonds.
- (e) Refunding Second Lien Bonds. (1) If the Proposed Second Lien Bonds are being issued for the purpose of refunding all or a portion of previously issued Second Lien Bonds (the "Refunded Second Lien Bonds"), none of the certifications described in (b) above are required so long as for each Fiscal Year during which existing Second Lien Bonds will be Outstanding, the Second Lien Debt Service Requirements for the Proposed Second Lien Bonds in such Fiscal Years will not exceed the Second Lien Debt Service Requirements for the Refunded Second Lien Bonds in such Fiscal Year (prior to giving effect to the refunding); and (2) if the Proposed Second Lien Bonds are being issued for the purpose of refunding all or a portion of previously issued First Lien Bonds none of the certifications described in (b) above are required so long as for each Fiscal Year during which existing First Lien Bonds will be outstanding and existing Second Lien Bonds will be Outstanding, the First Lien Debt Service Requirements plus the Second Lien Debt Service Requirements (taking into account the Proposed Second Lien Bonds) will not exceed the First Lien Debt Service Requirements and the Second Lien Debt Service Requirements were such refunding not to occur.
- (f) Adjustments. For purposes of the determination of the Net Revenues of the Wastewater System for purposes of subsection (b) above, the Authority shall be permitted to include the full pro forma effect of any increases or decreases in rates, fees, rentals or other charges (including those resulting from any new facilities of the Wastewater System having been acquired or placed into use and operation subsequent to the commencement of the applicable period and prior to the date of issuance of the Proposed Second Lien Bonds) authorized by an order of the Commission issued on or prior to the date of issuance of the Proposed Second Lien Bonds.

- (g) Series 2011 Bonds. The Series 2011 Bonds need not meet the requirements of this Section 4.01.

SECTION 4.02. BONDS FOR EMERGENCIES. The Authority may authorize, execute and issue Second Lien Bonds from time to time if, the Authority has found, as evidenced by a certificate of the Chief Financial Officer filed with the Second Lien Trustee, it is necessary to repair any damage or loss to the Wastewater System to the extent that the Wastewater System has been destroyed or damaged by disaster to such an extent that it cannot be operated or such repair is necessary for the proper conduct of the operations of the Wastewater System; *provided, however,* that the proceeds of any Second Lien Bonds issued for such purpose may only be used to return the Wastewater System substantially to its former operating capacity; and *provided further* that such Second Lien Bonds may be issued only to the extent that insurance proceeds from such damage or loss are insufficient for the accomplishment of such purpose or only for the period that the Authority determines is necessary prior to receipt of insurance proceeds. Such Second Lien Bonds may be issued under this Section 4.02 without complying with Section 4.01 above.

SECTION 4.03. SECOND LIEN REPAYMENT OBLIGATIONS: SUBORDINATE SECURITIES.

- (a) The Authority shall not become obligated with respect to a Second Lien Repayment Obligation for which acceleration of the payment of such Second Lien Repayment Obligation is permitted upon an event of default unless this Second Lien Master Indenture and the First Lien Master Indenture are amended, in accordance with the terms, to allow for acceleration of First Lien Bonds and Second Lien Bonds under similar circumstances.
- (b) Except as provided in Article VI or this Section 4.03 hereof, no other provision of this Second Lien Master Indenture restricts the Authority's ability to issue Subordinate Securities.
- (c) The Authority shall only be authorized to issue Subordinate Securities under provisions which, in the judgment of the Authority, assure that:
- (i) no deposit to accounts created for the Subordinate Securities will be made until Net Revenues are first deposited into the Second Lien Bond Interest and Principal Fund as required in Section 3.06 hereof for payment of the interest and principal due on Second Lien Bonds and deposited in the Second Lien Bond Reserve Fund as required in Section 3.07 hereof to satisfy any deficiency therein in order to assure the senior priority lien and interest the Second Lien Bonds are entitled to over the Subordinate Securities; and
 - (ii) the payment of the Subordinate Securities may not be accelerated unless this Second Lien Master Indenture is amended to allow for acceleration of Second Lien Bonds under similar circumstances.

SECTION 4.04. FIRST LIEN BONDS. The Authority may not issue First Lien Bonds except upon compliance with the requirements of Article IV of the First Lien Master Indenture.

ARTICLE V.

COVENANTS AND PROVISIONS
RELATING TO ALL SECOND LIEN BONDS

SECTION 5.01. PUNCTUAL PAYMENT OF FIRST LIEN PARITY OBLIGATIONS AND SECOND LIEN PARITY OBLIGATIONS. The Authority will punctually pay or cause to be paid the interest on and principal of all First Lien Parity Obligations and Second Lien Parity Obligations prior to any other obligations of the Authority (except Operation and Maintenance Expenses) including those described in Section 3.08 according to the terms thereof and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings, stipulations and provisions contained in this Second Lien Master Indenture and in any Supplemental Indenture authorizing the issuance of Second Lien Bonds.

SECTION 5.02. OPERATION AND MAINTENANCE OF WASTEWATER SYSTEM. The Authority covenants that it will at all times maintain and operate the Wastewater System, or cause the same to be maintained and operated, in good and serviceable condition.

SECTION 5.03. SALE OR ENCUMBRANCE OF WASTEWATER SYSTEM.

- (a) Except as permitted in this Second Lien Master Indenture, neither all nor a substantial part of the Wastewater System, or any property necessary to the operation and use of the Wastewater System, shall be sold, leased, mortgaged, pledged, encumbered, alienated, or otherwise disposed of. The Authority shall at all times comply with all limitations imposed upon the sale disposition, lease, transfer, mortgage or other encumbrance of the Wastewater System imposed by the Asset Purchase Agreement.
- (b) The Authority has entered into a management contract with United Water Services LLC. The Authority may enter into a separate management contract in replacement thereof or in addition thereto or lease of all or substantially all of the Wastewater System or any lesser part thereof on the condition that an opinion is received from nationally recognized bond counsel that such contract or lease will not cause the interest of any Tax-Exempt Bonds to be includable within the gross income of the Owners thereof for federal income tax purposes.
- (c) The Authority may also execute any leases, licenses, easements, or other agreements of any part of the Wastewater System in connection with the operation of the Wastewater System by the Authority.
- (d) The Authority may sell, lease or otherwise dispose of such assets or property, real or personal, of the Wastewater System which shall be or shall have become unserviceable, inadequate, uneconomic, obsolete, worn out, unfit or unadapted or property, real or personal, which is unnecessary, immaterial to, unuseful, or

unprofitable in the operation of the Wastewater System as determined by the CWA Board or the Chief Financial Officer.

- (e) The Authority may sell, lease or otherwise dispose of any assets or property, real or personal, of the Wastewater System to the extent permitted by law if the book value of such assets or property sold or disposed of by the Authority during any Fiscal Year shall not exceed five percent of the depreciated book value of the Wastewater System.
- (f) The Authority may sell or otherwise dispose of any assets or property, real or personal, of the Wastewater System to the extent permitted by law if:
 - (i) such sale or disposition will not impair or destroy the ability of the Authority to continue to operate those assets and properties of the Wastewater System not sold or disposed of in an efficient manner as determined by the CWA Board or the Chief Financial Officer;
 - (ii) the terms and conditions of such proposed sale or disposition are, in the judgment of the CWA Board, fair and reasonable;
 - (iii) the sale or disposition is for cash or cash equivalent; and
 - (iv) the estimated Net Revenues of the Wastewater System to be derived for the then current Fiscal Year from the assets and properties of the Wastewater System remaining after such sale or disposition, after taking into consideration the use by the Authority of the proceeds of such proposed sale or disposition, will be sufficient to enable the Authority to comply with all covenants and conditions of this Second Lien Master Indenture, as shall be established by a certificate of an independent, certified engineer.
- (g) The Authority may sell, lease or otherwise dispose of any assets or property of the Wastewater System to the extent permitted by law if:
 - (i) such sale, lease or disposition will not impair or destroy the ability of the Authority to continue to operate the assets and properties of the Wastewater System remaining after such sale, lease or disposition in an efficient manner as determined by the CWA Board or the Chief Financial Officer;
 - (ii) the terms and conditions of such proposed sale, lease or disposition are, in the judgment of the CWA Board, fair and reasonable; and
 - (iii) (A) the estimated Net Revenues of the Wastewater System to be derived for the current and the next three succeeding Fiscal Years from the assets and properties of the Wastewater System remaining after such sale, lease or disposition will be sufficient to enable the Authority to comply

with all the covenants and conditions in this Second Lien Master Indenture, all as shall be established by a certificate of an independent, certified engineer; *provided, however*, that no consideration shall be given to the application of the proceeds of the proposed sale, lease or disposition other than those proceeds received by the Authority in cash or cash equivalents contemporaneous with the effective date of such sale, lease or disposition; or

(B) (1) the estimated Net Revenues of the Wastewater System to be derived for the current and next three succeeding Fiscal Years from the assets and properties of the Wastewater System remaining after such sale, lease or disposition, after taking into account the use by the Authority of the proceeds of such proposed sale, lease or disposition will be sufficient to enable the Authority to comply with all covenants and conditions in this Second Lien Master Indenture, as shall be established by a certificate of an independent, certified engineer;

(2) all payments required to be made to or for the account of the Authority under such sale, lease or other disposition shall be a prior charge and lien upon the Gross Revenues to be derived from the operation of the assets and properties to be sold, leased or disposed of; and

(3) the Second Lien Trustee may, in its name or in the name of the Authority, enforce the obligations of the parties to any such lease, sale or disposition to the same extent that such obligations may be enforced by the Authority, in the event reasonable enforcement actions have not been taken by the Authority.

- (h) The Authority shall be authorized to sell, dispose or transfer from the Wastewater System any assets or properties which the Commission or a court has ordered to be excluded from utility plant used and useful to provide services under the jurisdiction of the Commission.
- (i) Compliance with subsection (b)-(j) shall be evidenced by a certificate of the Authority delivered to the Second Lien Trustee prior to the effective date of any such sale, lease or disposition.
- (j) (i) The Authority may transfer the Wastewater System in whole and its obligations under this Second Lien Master Indenture and all Outstanding Second Lien Bonds to the Board if the Board acquires the Wastewater System and succeeds by action of the CWA Board to the duties, privileges, powers, liabilities, disabilities, immunities, and rights of the Authority under this Second Lien Master Indenture and the Outstanding Second Lien Bonds; and either (1) (A) (I) the Board assumes such obligations, duties, privileges, powers, liabilities, disabilities, immunities and rights under this Second Lien Master Indenture and the Second Lien Bonds and becomes the "Authority" under this Second Lien

Master Indenture and under the Outstanding Second Lien Bonds or (II) the Board becomes obligated under Substitute Obligations and Agreements to operate and maintain the Wastewater System and to fix and collect Net Revenues in a manner substantially equivalent, as determined by the CWA Board, to the manner provided in this Second Lien Master Indenture and the Outstanding Second Lien Bonds so that the security interests and rights of any holder of the Outstanding Second Lien Bonds are protected by the provisions of the Substitute Obligations and Agreements and (B) the Authority shall provide the Second Lien Trustee with either (I) a report of a Certifier that demonstrates that in the first full Fiscal Year following such assumption or succession by the Board that the rate covenant in Section 3.02 shall be satisfied after giving effect to such succession or (II) evidence that the ratings on the Outstanding Second Lien Bonds, without regard to credit enhancement, by each Rating Agency will not be lowered as a result of the assumption or succession by the Board or (2) the holders of a majority in principal amount of Outstanding Second Lien Bonds shall agree to accept (A) the assumption by the Board of the obligations, duties, privileges, powers, liabilities, disabilities, immunities and rights under this Second Lien Master Indenture and the Second Lien Bonds or (B) such Substitute Obligations and Agreements in full replacement and satisfaction of this Second Lien Master Indenture and the Outstanding Second Lien Bonds.

- (ii) All of the covenants, stipulations, obligations, and agreements by or on behalf of and other provisions for the benefit of the Authority or the CWA Board contained herein shall then bind and inure to the benefit of the Board to whom or to which there shall be transferred by or in accordance with law any right, power, or duty of the Authority or the CWA Board or of their respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements, or other provisions hereof

- (k) Notwithstanding anything in this subsection to the contrary, no sale, lease, or disposition of such assets or properties of the Wastewater System which shall constitute more than 10 percent of the depreciated book value of the Wastewater System shall be permitted without prior notice to the Second Lien Trustee, and the Authority shall furnish to the Second Lien Trustee an opinion of nationally recognized bond counsel to the effect that such sale, lease or disposition does not adversely affect the exclusion of the interest income on the Tax-Exempt Second Lien Bonds Outstanding for federal income tax purposes.

SECTION 5.04. INSURANCE. The Authority further covenants and agrees that it will keep the Wastewater System insured with insurers of good standing against risks, accidents or casualties against which and to the extent, and with deductible and self-insurance provisions, to the extent that such insurance is commercially available in such forms and amounts with such provisions as the CWA Board shall have determined as reasonable. All net proceeds of such insurance shall be applied, as determined by the Chief Financial Officer of the Authority, to repair or replace the insured property that is damaged or destroyed, to make other capital

improvements to the Wastewater System, to redeem First Lien Bonds and Second Lien Bonds, after redemption of First Lien Bonds, or for deposit to the General Fund, except for proceeds of business interruption insurance, which shall be credited to the General Fund.

SECTION 5.05. ACCOUNTS AND RECORDS. The Authority covenants and agrees that it will maintain a proper and complete system of records and accounts pertaining to the Gross Revenues, revenues and receipts other than Gross Revenues pertaining to the Wastewater System, Operation and Maintenance Expenses, expenses and disbursements other than Operation and Maintenance Expenses pertaining to the Wastewater System and the operation of the Wastewater System in which full, true and proper entries will be made of all dealings, transactions, business and affairs which in any way affect or pertain to the Gross Revenues, revenues and receipts other than Gross Revenues pertaining to the Wastewater System, Operation and Maintenance Expenses, expenses and disbursements other than Operation and Maintenance Expenses pertaining to the Wastewater System. The Authority shall cause a report of such records and accounts to be prepared by either the Authority or an independent certified public accountant or independent firm of certified public accounts and file such report with the Second Lien Trustee upon completion, which shall calculate the Net Revenues for such Fiscal Year and shall set forth a calculation to demonstrate whether the Authority has satisfied the rate covenant contained in Section 3.02 hereof Each year promptly after such report is prepared, the Authority shall furnish copies thereof to any Owners of Second Lien Bonds who own \$5,000,000 or more in aggregate principal amount of Second Lien Bonds who shall request the same. All expenses of obtaining such report shall constitute Operation and Maintenance Expenses of the Wastewater System.

SECTION 5.06. PLEDGE AND ENCUMBRANCE OF REVENUES. The Authority covenants and represents that it has the lawful power to create a lien on and to pledge the Net Revenues and Second Lien Pledged Funds as described in Section 3.01(a) hereof to secure the payment of the Second Lien Bonds, the Second Lien Qualified Derivative Agreements and Second Lien Repayment Obligations and has lawfully exercised such power under the constitution and laws of the State of Indiana. The Authority further covenants and represents that other than to the payment of Operation and Maintenance Expenses, First Lien Parity Obligations, payments on the Second Lien Bonds, Regular Payments under Second Lien Qualified Derivative Agreements and the Parity Portion of Second Lien Repayment Obligations associated with such Second Lien Bonds, the Net Revenues and Second Lien Pledged Funds are not and will not be made subject to any other lien, pledge or encumbrance to secure the payment of any debt or obligation of the Authority, unless such lien, pledge or encumbrance is junior and subordinate to the lien and pledge securing payment of the Second Lien Bonds, the Regular Payments on Second Lien Qualified Derivative Agreements, and the Parity Portion of Second Lien Repayment Obligations associated therewith.

SECTION 5.07. DISCHARGE BY DEPOSIT. The Authority may discharge its obligation to the Owners of any or all of the Second Lien Bonds to pay principal, interest and redemption premium (if any) thereon by depositing with a national banking association with capital and surplus in excess of \$100,000,000 (the "Escrow Second Lien Trustee") cash in an amount equal to the principal amount and redemption premium, if any, of such Second Lien Bonds plus interest thereon to the date of maturity or redemption, or by depositing with the

Escrow Second Lien Trustee cash and/or Defeasance Obligations, in principal amounts and maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount and redemption premium, if any, of such Second Lien Bonds plus interest thereon to the date of maturity or redemption. Upon such deposit, such Second Lien Bonds shall no longer be regarded to be Outstanding or unpaid. A deposit under this Section 5.07 shall not be deemed a payment of Second Lien Bonds, if such Second Lien Bonds are to be paid or redeemed more than 90 days after the date on which such deposit is made, unless the Second Lien Trustee shall have received a verification from an accountant or firm of accountants appointed by the Authority and reasonably acceptable to the Second Lien Trustee verifying the sufficiency of the deposit to pay the principal, interest and redemption premium (if any) on such Second Lien Bonds to the due date, whether such due date be by reason of maturity or upon redemption. In case any Second Lien Bonds are to be redeemed on any date prior to their maturity, the Authority shall give to the Escrow Second Lien Trustee irrevocable instructions to give notice of redemption of such Second Lien Bonds to be so redeemed in the manner required in the Supplemental Indenture or Indentures authorizing them. For any Second Lien Bonds not to be redeemed or paid in full within the next succeeding sixty (60) days from the date of deposit provided for in this Section 5.07, the Authority shall give the Escrow Second Lien Trustee in form satisfactory to it irrevocable instructions to mail, by certified mail, a notice to the Owners of such Second Lien Bonds that the deposit required by this Section 5.07 has been made and that said Second Lien Bonds are deemed paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal amount and redemption premium if any on such Second Lien Bonds plus interest thereon to the date of maturity or redemption. Any failure, error or delay in giving such notices shall not affect the defeasance of such Second Lien Bonds.

SECTION 5.08. LEGAL HOLIDAYS. In any case where the date of maturity of interest on or principal of any Second Lien Bonds or the date fixed for redemption of any Second Lien Bonds shall be in the cities of Indianapolis, Indiana or in New York, New York, a legal holiday or a day on which a paying agent for such Second Lien Bonds is authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding day not a legal holiday or any day on which such paying agent is authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from the date of maturity or redemption to the date of actual payment.

SECTION 5.09. TAX EXEMPTION. So long as any Tax-Exempt Bonds remain Outstanding, the Authority covenants that it will not take, or omit to take, any acts, including without limitation entering into any lease, operating agreement or other contract for the operation of all or any portion of the Wastewater System or pledge to the payment of the Tax-Exempt Bonds any revenues or fail to make any required payment or rebate of interest earnings if, in the opinion of nationally recognized bond counsel, to do so would cause interest on any Tax-Exempt Bonds to be includable within the gross income of the Owners thereof for federal income tax purposes.

SECTION 5.10. NOT TO RENDER FREE SERVICE. Except as required by law and Section 8.06 of the Asset Purchase Agreement, the Authority shall not furnish or supply or

permit the furnishing or supplying of wastewater service or any other commodity furnished or supplied by or through or in connection with the operation of the Wastewater System free of charge to any person within the service area of the Wastewater System as such service area is now or may hereafter be defined.

SECTION 5.11. LIEN PROTECTIONS. The lien and pledge granted in this Second Lien Master Indenture shall for all purposes have the force and effects set forth in I.C. 5-1-14-4, and the revenues, money and property pledged herein shall be immediately subject to a lien in favor of the Owners of the Outstanding Second Lien Bonds and is immediately binding against all parties now or hereafter having claims or any kind in tort, contract or otherwise against the Authority. The Authority shall not grant or agree to any lien, mortgage, security interest or claim against the real or personal property of the Authority, now and hereafter owned (except for any lien and/or security interest against the Net Revenues and Pledged Funds as granted pursuant to IC 5-1-14-4, by the First Lien Master Indenture, by this Second Lien Master Indenture for Second Lien Parity Obligations and against Net Revenues and Second Lien Pledged Funds for obligations which are in all respects subordinate and junior to the claim of Second Lien Parity Obligations). Any contrary grant or agreement entered into by the Authority shall be of no force or effect.

SECTION 5.12. STATUS AS GOVERNMENTAL ENTITY. The Authority was created as a political subdivision of the State and an instrumentality of the Board for the purpose, among others, to assure that the Authority would not be permitted to seek the protections of the federal bankruptcy provisions, Title 11 United States code et seq. Notwithstanding the above, in the event it has been determined by a court of competent jurisdiction that the Authority could take advantage of those provisions, as provided in the Authority's organizational documents, the Authority must secure the approval of the Attorney General of the State prior to seeking such protections.

SECTION 5.13. STATUTORY LIEN. The Second Lien Trustee shall be entitled to the protections of a secured creditor of the Authority under IC 5-1-14-1.

SECTION 5.14. SECURITY PROTECTIONS UNDER INDIANA UNIFORM COMMERCIAL CODE. Under the laws of the State of Indiana, the lien and/or security interest provided by this Second Lien Master Indenture, is and shall be prior to (i) any pledge, assignment, lien or other security interest made to secure any obligations of the Authority not granted by this Second Lien Master Indenture and (ii) any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract or a judicial or administrative judgment on any other basis. The Authority will file all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any Second Lien Bonds are Outstanding the Authority will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the Authority is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9.301-9.306 of such jurisdiction. The pledge made by this Second Lien Master Indenture shall be effective pursuant to IC 5-1-14-4, IC 26-1-9.1-109(d)(15) and IC 26-1-9.1-515(b) notwithstanding any failure to file a financing statement as described above.

SECTION 5.15. FIRST LIEN MASTER INDENTURE.

- (a) The Authority covenants that it will at all times comply with the provisions of the First Lien Master Indenture.
- (b) Except as provided in Section 3.03(a) of the First Lien Master Indenture and 3.03(a) herein, the Authority will not amend or modify Sections 3.01 — 3.09, Section 4.01 and Section 6.02 of the First Lien Master Indenture in any manner or way the CWA Board determines will prejudice or affect adversely the rights or interests of the holders of the Second Lien Bonds.

ARTICLE VI.

EVENTS OF DEFAULT AND REMEDIES OF OWNERS OF SECOND LIEN BONDS

SECTION 6.01. EVENTS OF DEFAULT. An Event of Default is one or more of the following:

- (a) A default shall be made in the due and punctual payment of the principal or redemption price of any Second Lien Bond when and as the same shall become due and payable, whether at maturity or by call or proceedings for mandatory redemption, or otherwise;
- (b) A default shall be made in the due and punctual payment of any installment of interest on any Second Lien Bond when and as such interest installment shall become due and payable;
- (c) A default shall be made in the due and punctual payment of any Regular Payments due on a Second Lien Qualified Derivative Agreement or any Parity Portion, in accordance with its terms;
- (d) A default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Second Lien Master Indenture, any Supplemental Indenture or in the Second Lien Bonds contained, and such default shall have continued for a period of 90 days after written notice specifying such default and requiring that it shall have been remedied is given to the Authority by the Second Lien Trustee; *provided* that, if such failure can be corrected but not within such 90 days period, it shall not constitute an Event of Default if corrective action is instituted within such period and such corrective action is diligently pursued until the failure is corrected, *provided* that if such corrective action includes legal action such legal action shall be diligently pursued until either the failure is corrected or such failure shall be determined by a court of final and competent jurisdiction as not correctable as a matter of law;
- (e) A court having jurisdiction enters a decree or order providing for relief in respect of the Authority in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Authority or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of ninety (90) days;
- (f) The Authority commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator,

assignee, trustee, custodian, sequestrator (or similar official) of the Authority or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any action in furtherance of the foregoing; or

- (g) The occurrence of an Event of Default (as that term is defined in the First Lien Master Indenture) under the First Lien Master Indenture;

then, and in each and every such case, so long as such Event of Default shall not have been remedied, the Second Lien Trustee or the Owners of not less than 25% in principal amount of the Second Lien Bonds Outstanding (by notice in writing to the Authority), may declare that an Event of Default has occurred. The right of the Second Lien Trustee or the Owners of not less than 25% in principal amount of the Second Lien Bonds to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Second Lien Bonds shall have matured by their terms, all overdue installments of interest upon the Second Lien Bonds, together with interest on such overdue installments of interest to the extent permitted by law, and all other sums then payable by the Authority under this Second Lien Master Indenture or any Supplemental Indenture (except the principal of, and interest accrued since the next preceding interest payment date on, the Second Lien Bonds due and payable solely by virtue of such declaration) shall be paid by or for the account of the Authority and all other Events of Default under the Second Lien Bonds or under this Second Lien Master Indenture or any Supplemental Indenture shall be made good, then and in every such case the Second Lien Trustee or the Owners of a majority in principal amount of the Second Lien Bonds Outstanding, by written notice to the Authority, shall rescind such declaration and annul such Event of Default in its entirety, but no such rescission or annulment shall extend to or affect any subsequent default or Event of Default or impair or exhaust any right or power consequent thereon.

SECTION 6.02. APPLICATION OF REVENUES AND OTHER MONEYS AFTER DEFAULT. During the continuance of an Event of Default, and after complying with the provisions of the First Lien Master Indenture, the Authority or any receiver appointed pursuant to Section 6.03 hereof shall pay over or cause to be paid over to the Second Lien Trustee (i) all moneys, securities and funds then held by the Authority in any Second Lien Pledged Fund under this Second Lien Master Indenture and (ii) all Gross Revenues (and any other revenue and receipts other than Gross Revenues pertaining to the Wastewater System) as promptly as practicable after receipt thereof. During the continuance of an Event of Default, the Second Lien Trustee or any receiver appointed pursuant to Section 6.03 below shall do and perform all proper acts on behalf of and for the holders of the First Lien Bonds to protect and to preserve the security created for the payment of the First Lien Bonds and to ensure the payment of the First Lien Bonds promptly as the same become due. During any continuation of an Event of Default, so long as any of the Second Lien Bonds are Outstanding, at the determination of the Chief Financial Officer, Net Revenues shall fund an operating reserve in an amount of up to two months of Operating and Maintenance Expenses in order to permit the continued efficient operation of the Wastewater System (provided such reserve shall not be permitted if already established pursuant to the First Lien Master Indenture or an authorizing indenture for

Subordinate Securities), and then, subject to Section 3.11, be applied as specified in Section 3.05 — Section 3.08, with all interest being paid before principal.

If and whenever all overdue payments with respect to the Second Lien Parity Obligations together with the reasonable and proper charges, expenses and liabilities of the receiver, and all other sums payable by the Authority under this Second Lien Master Indenture, shall either be paid by or for the account of the Authority or provision satisfactory to the Second Lien Trustee shall be made for such payment, and all Events of Default under this Second Lien Master Indenture shall be made good or secured to the satisfaction of the receiver or provision deemed by the Second Lien Trustee to be adequate shall be made therefor, the Second Lien Trustee or the receiver appointed under Section 6.03 hereof shall pay over to the Authority all moneys, securities and funds then remaining unexpended in the hands of the receiver or the Second Lien Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Second Lien Master Indenture to be deposited or pledged, with the receiver or the Second Lien Trustee), and thereupon the Authority and the receiver or the Second Lien Trustee shall be restored, respectively, to their former positions and rights under this Second Lien Master Indenture. No such payment over to the Authority by the receiver or the Second Lien Trustee nor such restoration of the Authority and the receiver or the Second Lien Trustee to their former positions and rights shall extend to or affect any subsequent default under this Second Lien Master Indenture or impair any right consequent thereon.

SECTION 6.03. APPOINTMENT OF RECEIVER. If no First Lien Bonds or First Lien Parity Obligations are Outstanding, the Owners of not less than 25% in aggregate principal amount of Outstanding Second Lien Bonds shall have the right to apply in an appropriate proceeding for the appointment of a receiver of the Wastewater System.

SECTION 6.04. REMEDIES NOT EXCLUSIVE. No remedy by the terms of this Second Lien Master Indenture conferred upon or reserved to the Second Lien Trustee or the Owners of Second Lien Bonds as described herein is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Second Lien Master Indenture or existing at law, including under the Authorizing Acts, or in equity or by statute on or after the date of adoption of this Second Lien Master Indenture.

SECTION 6.05. EFFECT OF WAIVER AND OTHER CIRCUMSTANCES. No delay or omission of the Second Lien Trustee or the Owner of a Second Lien Bond to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Second Lien Trustee or the Owners of Second Lien Bonds may be exercised from time to time and as often as may be deemed expedient by the Second Lien Trustee or the Owners of Second Lien Bonds.

SECTION 6.06. SUBORDINATE SECURITIES. The Authority and the Second Lien Trustee agree to intervene in proceedings with respect to enforcement or payment of Subordinate Securities as required to protect the priority status of Second Lien Bonds.

SECTION 6.07. ACCELERATION. In the event that the principal amount of any Subordinate Securities has been accelerated in a manner which in the judgment of the Second Lien Trustee jeopardizes the priority status of the Second Lien Bonds, then the Second Lien Trustee shall be permitted to the extent appropriate to preserve the priority status of the Second Lien Bonds to accelerate the principal amount of the Second Lien Bonds.

ARTICLE VII.

CONCERNING THE FIDUCIARIES: THE TRUSTEE

SECTION 7.01. PAYING AGENTS AND REGISTRAR: APPOINTMENT AND ACCEPTANCE OF DUTIES. The Authority shall appoint one or more Second Lien Paying Agents and one Second Lien Registrar for the Second Lien Bonds of each series; and may at any time or from time to time appoint one or more other Second Lien Paying Agents and Second Lien Registrars having the qualifications set forth in Section 7.12 for a successor Second Lien Paying Agent and Second Lien Registrar, The Second Lien Trustee shall be the Second Lien Paying Agent and Second Lien Registrar unless another party is specifically designated Second Lien Paying Agent.

Each Second Lien Paying Agent and Second Lien Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Second Lien Master Indenture by executing and delivering to the Authority a written acceptance thereof.

Unless otherwise provided, the principal corporate trust offices of the Second Lien Paying Agents and the Second Lien Registrar are designated as the respective offices or agencies of the Authority for the payment of the principal or redemption price of the Second Lien Bonds. The principal corporate office of the Second Lien Registrar is designated as the office for the registration and exchange of the Second Lien Bonds.

SECTION 7.02. RESPONSIBILITIES OF FIDUCIARIES. The recitals herein and in the Second Lien Bonds contained shall be taken as the statements of the Authority, and no Second Lien Fiduciary assumes any responsibility for the correctness of the same. No Second Lien Fiduciary makes any representation as to the validity or sufficiency of this Second Lien Master Indenture or of any Second Lien Bonds or as to the security afforded by this Second Lien Master Indenture, and no Second Lien Fiduciary shall incur any liability, in respect thereof The Second Lien Registrar shall, however, be responsible for representations contained in the certificate of authentication on the Second Lien Bonds. No Second Lien Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Second Lien Fiduciary in accordance with the provisions of this Second Lien Master Indenture to or upon the order of this Second Lien Master Indenture onto any other Second Lien Fiduciary. No Second Lien Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, of to advance any of its own moneys, unless properly indemnified. Subject to the provisions of this Section 7.02, no Second Lien Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

SECTION 7.03. EVIDENCE ON WHICH FIDUCIARIES MAY ACT. Each Second Lien Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Second Lien Master Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Second Lien Master Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the

proper party, or parties. Each Second Lien Fiduciary may reasonably consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Second Lien Master Indenture in good faith and in accordance therewith.

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

Except as otherwise expressly provided in this Second Lien Master Indenture, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority to any Second Lien Fiduciary shall be sufficiently executed in the name of the Authority by an Authorized Officer or by the Chief Financial Officer.

SECTION 7.04. COMPENSATION. The Authority shall pay in the manner provided in Sections 3.08-3.09 hereof to each Second Lien Fiduciary from time to time pursuant to such schedule reasonable compensation for all services rendered under this Second Lien Master Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and other persons not regularly in its employ, incurred in and about the performance of their powers and duties under this Second Lien Master Indenture. Subject to the provisions of Section 7.02, the Authority further agrees to indemnify and save each Second Lien Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence, misconduct or default.

SECTION 7.05. CERTAIN PERMITTED ACTS. Any Second Lien Fiduciary may become the Owner of any Second Lien Bonds with the same rights it would have if it were not a Second Lien Fiduciary. To the extent permitted by law, any Second Lien Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondowners or to effect or aid in any reorganization growing out of the enforcement of the Second Lien Bonds or this Second Lien Master Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the Second Lien Bonds then Outstanding.

SECTION 7.06. RESIGNATION OF REGISTRAR OR PAYING AGENT. The Second Lien Registrar or Second Lien Paying Agent may at any time resign and be discharged from the duties and obligations created by this Second Lien Master Indenture or any Supplemental Indenture by giving not less than 60 days' written notice to the Authority, and to each Bondowner specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day a successor has been appointed and has accepted the duties of the position.

SECTION 7.07. REMOVAL OF REGISTRAR AND PAYING AGENT. The Second Lien Registrar and Second Lien Paying Agent may be removed, upon 60 days' notice, at any time with or without cause by an instrument or concurrent instruments in writing, filed with the Second Lien Trustee, and signed by the Owners of a majority in principal amount of the Second Lien Bonds then Outstanding or their attorneys-in-fact duly authorized. So long as no Event of Default or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Second Lien Registrar and Second Lien Paying Agent may be removed, upon 60 days' notice, at any time by resolution of the Authority.

SECTION 7.08. APPOINTMENT OF TRUSTEE. The Second Lien Trustee hereby accepts the trusts imposed upon it by this Second Lien Master Indenture and agrees to perform such trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Second Lien Master Indenture against the Second Lien Trustee:

- (a) The Second Lien Trustee, prior to the occurrence of any Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Second Lien Master Indenture. Notwithstanding anything in this Section 7.08 to the contrary, if an Event of Default has occurred (which has not been cured), the Second Lien Trustee shall exercise such of the rights and powers vested in it by this Second Lien Master Indenture and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's affairs.
- (b) The Second Lien Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or employees but shall not be answerable for the conduct of the same if appointed in accordance with the standard specified above, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents and employees as may reasonably be employed in connection with the trust hereof. The Second Lien Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Authority) and shall not be responsible for any loss or damage resulting from any action or non-action by it taken or omitted to be taken in good faith in reliance upon such opinion or advice.
- (c) The Second Lien Trustee shall not be responsible for any recital herein or in the Second Lien Bonds (except in respect to the certificate of the Second Lien Trustee endorsed on the Second Lien Bonds with respect to which the Second Lien Trustee shall be liable to the Authority for any wrongful or negligent authentication of any bond or bonds) or for the validity of the execution by the Authority of this Second Lien Master Indenture or for any supplements thereto or for the sufficiency of the security for the Second Lien Bonds issued hereunder or intended to be secured hereby, and the Second Lien Trustee shall not be bound to

ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Authority, except as hereinafter set forth; the Second Lien Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions hereof.

- (d) The Second Lien Trustee shall not be accountable for the use of the proceeds of any Second Lien Bonds authenticated or delivered hereunder. The Second Lien Trustee may become the Owner of Second Lien Bonds and coupons secured hereby with the same rights which it would have if not Second Lien Trustee.
- (e) The Second Lien Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Second Lien Trustee pursuant to this Second Lien Master Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Second Lien Bond, shall be conclusive and binding upon all future Owners of the same Second Lien Bond and upon Second Lien Bonds issued in exchange therefor or in place thereof.
- (f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceedings, the Second Lien Trustee shall be entitled to rely upon a certificate signed on behalf of the Authority by the Chief Financial Officer or such other officer of the Authority as may be designated for such purpose by resolution of the CWA Board as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Second Lien Trustee has been notified as provided in subparagraph (h) of this Section 7.08, or of which by such subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Second Lien Trustee may accept a certificate of the Secretary or Assistant Secretary of the CWA Board to the effect that a resolution in the form therein set forth has been adopted by such CWA Board as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.
- (g) The permissive right of the Second Lien Trustee to do things enumerated in this Second Lien Master Indenture shall not be construed as a duty and the Second Lien Trustee shall not be answerable for other than its negligence or willful default.
- (h) The Second Lien Trustee shall not be presumed to have knowledge of any Default or Event of Default, *except* failure by the Authority to cause to be made any of the payments to the Second Lien Trustee required to be made by Article III unless the

Second Lien Trustee shall be specifically notified in writing of such Default by the Authority or by the holders of 25% in aggregate principal amount of Second Lien Bonds then Outstanding,

- (i) At any and all reasonable times the Second Lien Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect all books, papers and records of the Authority pertaining to the Wastewater System and the Second Lien Bonds, and to take such memoranda from and in regard thereto as may be desired.
- (j) The Second Lien Trustee shall not be required to give any bond or surety in respect of the execution of the such trusts and powers or otherwise in respect of the premises.
- (k) Notwithstanding anything in this Second Lien Master Indenture to the contrary, the Second Lien Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Second Lien Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Second Lien Master Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Second Lien Trustee deemed desirable for the purpose of establishing the right of the Authority to the authentication of any Second Lien Bonds, the withdrawal of any cash, or the taking of any other action by the Second Lien Trustee,
- (l) Before taking any action under Articles V, VI and VII, the Second Lien Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the Second Lien Trustee's negligence or willful default, by reason of any action so taken.
- (m) All moneys received by the Second Lien Trustee or any Second Lien Paying Agent shall, until used or applied as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Second Lien Master Indenture or law,

SECTION 7.09. SUCCESSOR TRUSTEE. Any corporation or association into which the Second Lien Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become successor Second Lien Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or

conveyance on the part of any of the parties hereto, notwithstanding anything in this Second Lien Master Indenture to the contrary.

SECTION 7.10. RESIGNATION AND REMOVAL OF TRUSTEE. (a) The Second Lien Trustee and any successor Second Lien Trustee may at any time resign from the trusts hereby created by giving written notice to the Authority and by first-class mail to each registered Owner of Second Lien Bonds and such resignation shall take effect at the appointment of a successor Second Lien Trustee pursuant to this Section 7.10 and acceptance by the successor Second Lien Trustee pursuant to Section 7.11. Such written notice to the Authority may be served personally or sent by registered mail.

- (b) Notwithstanding anything in this Second Lien Master Indenture to the contrary, the Authority may remove the Second Lien Trustee at any time, so long as there is no Event of Default or event which with the giving of proper notice and passage of time would constitute an Event of Default under this Second Lien Master Indenture, by an instrument in writing delivered to the Second Lien Trustee and with notice thereof by first class United States mail, to the Owners of the Second Lien Bonds, and such removal shall take effect at the acceptance by the successor Second Lien Trustee appointed by the Authority, with notice thereof by first class United States mail, to the Owners of the Second Lien Bonds; *provided* that the effective date of such removal shall not be less than 30 days after the date the notice of removal is mailed to the Owners of the Second Lien Bonds.
- (c) In the event that there is an Event of Default under this Second Lien Master Indenture, the Second Lien Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Second Lien Trustee and to the Authority, and signed by the Owners of a majority in aggregate principal amount of Second Lien Bonds then Outstanding, and such removal shall take effect at the acceptance by the successor Second Lien Trustee pursuant to Section 7.11.

SECTION 7.11. APPOINTMENT OF SUCCESSOR TRUSTEE. Subject to the provisions of this Article VII, if the Second Lien Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or if it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor may be appointed by the Authority, if there is no Event of Default under this Second Lien Master Indenture, or (in the event an Event of Default has occurred and is continuing or in the event the Authority shall not have appointed a successor Second Lien Trustee in the manner provided above), the Owners of a majority in aggregate principal amount of Second Lien Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys-in-fact, duly authorized; *provided, nevertheless*, that in case of such vacancy during an Event of Default the Authority by an instrument executed and signed by the President or the Secretary of the CWA Board may appoint a successor Second Lien Trustee to fill such vacancy until a successor Second Lien Trustee shall be appointed by the Bondholders in the manner above provided; and any such temporary successor Second Lien Trustee shall immediately and without further act be

superseded by the Second Lien Trustee so appointed by such Bondholders. Every such Second Lien Trustee appointed pursuant to this Section 7.10 shall be a trust company or bank authorized to act as Second Lien Trustee within the State of Indiana having a reported capital, surplus and undivided profits of not less than \$100 million if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms. If no successor Second Lien Trustee shall be so appointed and have accepted appointment within 60 days after the giving of written notice by the resigning Second Lien Trustee as aforesaid, the resigning Second Lien Trustee may petition any court of competent jurisdiction for the appointment of a successor.

SECTION 7.12. CONCERNING ANY SUCCESSOR TRUSTEE. Every successor Second Lien Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all of the properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of the Authority, or of its successor, execute and deliver an instrument transferring to such successor Second Lien Trustee all the properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Second Lien Trustee shall deliver all securities and moneys held by it as Second Lien Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Second Lien Trustee for more fully and certainly vesting in such successor the properties, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. Upon acceptance of appointment by the successor Second Lien Trustee as provided in this Section 7.12, the Authority shall mail notice of the succession of such Second Lien Trustee to the trusts hereunder to the holders of all Second Lien Bonds Outstanding.

SECTION 7.13. TRUSTEE PROTECTED. The certificates, documents, instruments, opinions and reports provided for in this Second Lien Master Indenture may be accepted by the Second Lien Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Second Lien Trustee for the withdrawal of cash hereunder.

SECTION 7.14. MERGER OR CONSOLIDATION OF FIDUCIARY. Any company into which any Second Lien Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Second Lien Fiduciary may sell or transfer all or substantially all of its corporate trust business, *provided* such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all duties imposed upon it by this Second Lien Master Indenture, shall be the successor to such Second Lien Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 7.15. ADOPTION OF AUTHENTICATION. In case any of the Second Lien Bonds contemplated to be issued under this Second Lien Master Indenture shall have been authenticated but not delivered, any successor Second Lien Registrar may adopt the certificate of

authentication of any predecessor Second Lien Registrar, so authenticating such Second Lien Bonds and deliver such Second Lien Bonds so authenticated; and in any case if the said Second Lien Bonds shall not have been authenticated, any successor Second Lien Registrar may authenticate such Second Lien Bonds in the name of the predecessor Second Lien Registrar, or in the name of the successor Second Lien Registrar, and in all such cases such certificate shall have the full force which it is anywhere in said Second Lien Bonds or in the Supplemental Indenture *provided* that the certificate of the Second Lien Registrar shall have.

ARTICLE VIII.

ALTERATION OF RIGHTS AND DUTIES: AMENDMENT
OF THIS SECOND LIEN MASTER INDENTURE

SECTION 8.01. ALTERATION OF RIGHTS AND DUTIES. The rights, duties and obligations of the Authority and the Owners of the Second Lien Bonds are subject in all respects to all applicable federal and state laws including, without limitation, the provisions of federal law regarding the composition of indebtedness of political subdivisions, as the same now exist or may hereafter be amended.

SECTION 8.02. AMENDMENT OF SECOND LIEN MASTER INDENTURE WITHOUT CONSENT. The Authority and the Second Lien Trustee may, without the consent of or notice to any of the Owners of the Second Lien Bonds, amend or supplement this Second Lien Master Indenture by executing a Supplemental Indenture for any one or more of the following purposes:

- (a) to cure any ambiguity, defect, omission, mistake, manifest error or inconsistent provision in this Second Lien Master Indenture or in the Second Lien Bonds as determined by the CWA Board; or to comply with any applicable provision of law or regulation of Federal or State agencies; *provided, however*, that such action shall not materially adversely affect the interests of the Owners of the Second Lien Bonds as determined by resolution of the CWA Board;
- (b) to change the terms or provisions of this Second Lien Master Indenture to the extent necessary to prevent the interest on Tax-Exempt Bonds from being includable within the gross income of the Owners thereof for federal income tax purposes as determined by the CWA Board;
- (c) to grant to or confer upon the Second Lien Trustee or the Owners of the Second Lien Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Second Lien Trustee or the Owners of the Second Lien Bonds;
- (d) to add to the covenants and agreements of the Authority contained in this Second Lien Master Indenture other covenants and agreements of, or conditions or restrictions upon, the Authority or to surrender or eliminate any right or power reserved to or conferred upon the Authority in this Second Lien Master Indenture;
- (e) to subject to the lien and pledge of this Second Lien Master Indenture additional pledged revenues which may include revenues, properties or other collateral;
- (f) to authorize Second Lien Bonds and in connection therewith specify the terms and conditions and all other matters relating solely to such Second Lien Bonds, subject, however, to all of the terms, conditions and restrictions as set forth in Article IV hereof;

- (g) to authorize any change or amendment in this Second Lien Master Indenture which, in the judgment of the Authority as evidenced by a resolution of the CWA Board, does not materially and adversely affect the rights or interests of the Owners of Outstanding Second Lien Bonds and does not require unanimous consent of the Owners of Second Lien Bonds then Outstanding pursuant to Section 8.03 hereof;
- (h) except as provided in Section 3.03(a) hereof, to authorize any change or amendment in this Second Lien Master Indenture relating to deposits or balances in the General Fund or the Rate Stabilization Fund if no First Lien Bonds are outstanding;
- (i) to provide for the securitization of the Net Revenues; *provided, however,* that such action shall not materially adversely affect the interests of the Owners of the Second Lien Bonds as determined by the Authority;
- (j) to authorize any change or amendment in this Second Lien Master Indenture which, as evidenced by a certificate of the Chief Financial Officer of the Authority, will not result in a withdrawal or reduction in the ratings assigned to the Second Lien Bonds.

SECTION 8.03. AMENDMENTS OF SECOND LIEN MASTER INDENTURE REQUIRING CONSENT. The Authority and the Second Lien Trustee may at any time enter into one or more Supplemental Indentures amending, modifying, adding to or eliminating any of the provisions of this Second Lien Master Indenture but, if such Supplemental Indenture is not of the character described in Section 8.02 hereof, only with the consent given in accordance with Section 8.04 hereof of the Owner or Owners of not less than a majority in aggregate unpaid principal amount of the Second Lien Bonds then Outstanding and affected by such amendment, modification, addition or elimination; *provided, however,* that nothing in this Section shall permit (a) an extension of the maturity of the principal of or interest on any Second Lien Bond issued hereunder, or (b) a reduction in the principal amount of any Second Lien Bond or the rate of interest on any Second Lien Bond, or (c) a privilege or priority of any Second Lien Bond or Second Lien Bonds over, any other Second Lien Bond or Second Lien Bonds, (d) the creation of the lien upon, or pledge of, the Net Revenues ranking prior to or on parity with the Second Lien Bonds other than as permitted by Section 4.01 hereof, or (e) a reduction in the aggregate principal amount of the Second Lien Bonds required for consent to such amendment, unless as to the matters in (a) and (b) the consent of each Owner affected is obtained and as to the matters in (c), (d) and (e) the consent of all Owners is obtained. If any such modification or amendment will not take effect so long as a Second Lien Bond of any specified series remains Outstanding or will not affect such series of Second Lien Bonds, consent of the holder of such Second Lien Bond of such series shall not be required and such series of Second Lien Bonds shall not be Outstanding for purposes of any calculation of Outstanding Second Lien Bonds under this Section.

SECTION 8.04. CONSENT OF OWNERS. (a) Any consent required by Section 8.03 hereof by any Owner shall be in writing, may be in any number of concurrent

writings of similar tenor, and may be signed by such Owner or his duly authorized attorney. Proof of the execution of any such consent or of the writing appointing any such attorney and of the ownership of Second Lien Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Second Lien Master Indenture, and shall be conclusive in favor of the Authority with regard to any action taken, suffered or omitted to be taken by the Authority under such instrument; namely:

- (i) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.
- (ii) The fact of the ownership by any person of any Second Lien Bond and the date of the ownership of same may be proved by a certificate executed by an appropriate officer of the Second Lien Registrar and Second Lien Paying Agent, stating that at the date thereof such Second Lien Bond was registered in the name of such party in the Register.

In lieu of the foregoing, the Authority may accept such other proofs of the foregoing as it shall deem appropriate.

Consents required pursuant to Section 8.03 shall be valid only if given following the giving of notice by or on behalf of the Authority requesting such consent and setting forth the substance of the amendment of this Second Lien Master Indenture in respect of which such consent is sought and stating that copies thereof are available at the office of the Secretary for inspection. Such notice shall be given by certified mail to each registered Owner of the Second Lien Bonds affected at the address shown on the Register or such other manner as the Authority shall deem appropriate under the circumstances under which consent is being sought.

- (b) In the alternative, the Authority may condition the purchase of a Second Lien Bond upon the consent to an amendment of this Second Lien Master Indenture. In such case, by its purchase of such Second Lien Bond, each purchaser, including subsequent purchasers, shall be deemed to have consented to such amendment. In the event the payment of any Second Lien Bond is insured by a bond insurer, the bond insurer shall have the right on behalf of the Owner of the Second Lien Bonds so insured and in the event payment of any Second Lien Bond is supported by a Second Lien Credit Facility, the Second Lien Credit Provider shall have the right to exercise consent or waiver rights in any instance or circumstance wherein the Owners of the Second Lien Bonds have such rights, unless the Supplemental Indenture under which such Second Lien Bonds were issued provides to the contrary.
- (c) As may be provided in a Supplemental Indenture, a Second Lien Credit Provider may be given the right to execute a document granting consent on behalf of the

holders of the Second Lien Bonds to which the Second Lien Credit Facility it provides shall relate.

SECTION 8.05. REVOCATION OF CONSENT. Any consent by any Owner of a Second Lien Bond pursuant to the provisions of this Article shall be irrevocable, and shall be conclusive and binding upon all future Owners of the same Second Lien Bond delivered on transfer thereof or in exchange for or replacement thereof.

ARTICLE IX.

MISCELLANEOUS

SECTION 9.01. FURTHER PROCEDURES. Any Authorized Officer of the Authority is hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Second Lien Master Indenture.

SECTION 9.02. LIMITATION OF LIABILITY OF THE CWA BOARD. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future member of the governing body, officer, employee or agent of the Authority in his respective individual capacity, and neither the CWA Board, the Authority, nor any officer thereof executing the Second Lien Bonds shall be liable personally on the Second Lien Bonds or the sale thereof or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the CWA Board, officer, employee or agent of the Authority, or the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Second Lien Master Indenture or the Authorizing Acts, *provided* such member, officer, employee or agent acts in good faith and with due diligence.


SECTION 9.03. NOTICES. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, addressed as follows: If to the Authority at 2020 North Meridian Street, Indianapolis, Indiana 46202, Attention: General Counsel. The Authority may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 9.04. CONSTRUCTION AND SEVERABILITY. If any section, paragraph, clause or provision of this Second Lien Master Indenture shall for any reason be held to be inconsistent with the Second Lien Bonds, invalid or unenforceable, the inconsistency, invalidity or unenforceability of such section, paragraph, clause or provision shall not affect the terms of the Second Lien Bonds, or any of the remaining provisions of this Second Lien Master Indenture,

SECTION 9.05. REPEALER. All resolutions of the Authority, or parts thereof, inconsistent herewith, are hereby repealed to the extent of such inconsistency.

IN WITNESS WHEREOF, the Authority has caused this Second Lien Master Indenture to be executed by its President and Chief Executive Officer and attested by its Chief Financial Officer and Assistant Treasurer, and the Second Lien Trustee has caused this Second Lien Master Indenture to be executed on its behalf by its duly authorized officer and its corporate seal to be impressed hereon and attested by its duly authorized officer, all as of the day and year first above written.

CWA AUTHORITY, INC.

By: AeA, 
Carey B. Lykis, President and Chief Executive Officer

Attest: 

John R. [redacted], Senior Vice President and Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION,
as Second Lien Trustee

By Pamela V. Cole, Vice President

SERIES 2016A
FIRST LIEN SUPPLEMENTAL TRUST INDENTURE

DATED AS OF SEPTEMBER 1, 2016

BETWEEN

CWA AUTHORITY, INC.

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

SECURING

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA,
FIRST LIEN WASTEWATER
REVENUE BONDS, SERIES 2016A (GREEN BONDS)
(THE "SERIES 2016A BONDS")

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SERIES 2016A FIRST LIEN SUPPLEMENTAL TRUST INDENTURE

This SERIES 2016A FIRST LIEN SUPPLEMENTAL TRUST INDENTURE dated as of September 1, 2016 (the "Series 2016A Supplemental Indenture"), supplements the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture"), as previously supplemented and amended, between CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Corporation Act of 1991, as amended (the "Nonprofit Act"), Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") among the City of Indianapolis (the "City"), the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District") and the Board of Directors for Utilities of the Department of Public Utilities of the City d/b/a Citizens Energy Group ("Citizens"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America,

WITNES SETH:

WHEREAS, the Authority owns and operates a revenue producing wastewater system (the "Wastewater System"), serving the inhabitants of Marion County and other nearby communities; and

WHEREAS, the Authority is authorized to issue bonds and certificates of indebtedness pursuant to the Authorizing Acts (as defined in the First Lien Master Indenture), payable out of the Net Revenues (as defined in the First Lien Master Indenture) derived from the Wastewater System, and the Pledged Funds (as defined in the First Lien Master Indenture and herein) to finance the acquisition and the construction of necessary betterments, improvements, extensions or additions to the Wastewater System and/or refund any First Lien Bonds, Second Lien Bonds or Subordinated Securities (each as defined in the First Lien Master Indenture); and

WHEREAS, the First Lien Bonds are secured by a pledge of the Net Revenues and the Pledged Funds; and

WHEREAS, the Board of Directors of the Authority (the "Authority Board") duly and legally authorized the execution, acknowledgement and delivery of the Series 2016A Supplemental Trust Indenture in this form for the purposes, among others, of (a) funding of necessary betterments, improvements, extensions or additions to the Wastewater System, (b) repaying draws made under a line of credit the Authority holds with JPMorgan Chase Bank, N.A., (c) funding a debt service reserve for the Series 2016A Bonds, as applicable, if necessary, and (d) funding costs of issuance in connection with the issuance of the 2016A Bonds and the IFA 2016A Bonds (as defined below).

NOW, THEREFORE, the Authority and the Trustee hereby covenant and agree as follows:

THIS SERIES 2016A SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants contained in the First Lien Master Indenture and this Series 2016A Supplemental Indenture, and of the purchase and acceptance of the Series 2016A Bonds by the holders thereof, and for other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2016A Bonds are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, to secure the payment of the principal of and redemption premium, if any, and interest on the Series 2016A Bonds at any time issued and outstanding under this Series 2016A Supplemental Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the Series 2016A Bonds and in the First Lien Master Indenture and this Series 2016A Supplemental Indenture, has executed and delivered the First Lien Master Indenture and this Series 2016A Supplemental Indenture, and has pledged and assigned, and by these presents does hereby pledge and assign and grant a security interest in, unto the Trustee, and to its successors in trust, the Net Revenues and the Pledged Funds securing the Series 2016A Bonds, subject to the provisions of the First Lien Master Indenture and this Series 2016A Supplemental Indenture permitting the application thereof for the purposes and on the terms set forth in the First Lien Master Indenture and this Series 2016A Supplemental Indenture.

The pledge made by the First Lien Master Indenture and this Series 2016A Supplemental Indenture is, and shall be, also subject to the First Lien Master Indenture and the provisions thereof, including specifically Section 3.01 thereof and Section 5(b) hereof, for the equal and proportionate benefit, security and protection of all First Lien Bonds issued or to be issued under and secured by the First Lien Master Indenture, the Parity Portion (as defined in the First Lien Master Indenture) of the Repayment Obligations and all Regular Payments on Qualified Derivative Agreements (each as defined in the First Lien Master Indenture and collectively, the "Parity Obligations") (without duplication of obligation), each without preference, priority or distinction of any such Parity Obligations over any other such Parity Obligations or of any series of Parity Obligations over any other series of Parity Obligations by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Parity Obligation shall have the same rights and privilege under and by virtue of the First Lien Master Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of the First Lien Master Indenture in the manner described in Section 3.01 of the First Lien Master Indenture; *provided, however*, that if the Authority shall pay or cause to be paid to the holders of the Series 2016A Bonds the principal and interest and redemption premium, if any, to become due in respect thereof at the times and in the manner stipulated therein and herein (or shall provide, as permitted by the First Lien Master Indenture, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall pay or cause to be paid to the Trustee all sums of money due and to become due to it in accordance with the First Lien Master Indenture, then this Series 2016A Supplemental Indenture and the rights hereby granted shall cease, terminate and be void, at the option of the Authority (evidenced by a certified resolution of the Authority Board delivered to the Trustee), but otherwise this Series 2016A Supplemental Indenture shall remain in full force and effect.

It is further covenanted and agreed that the Series 2016A Bonds are to be issued, authenticated and delivered, and that the fees, income and funds herein pledged and provided to be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject to the following covenants, conditions and trusts; and the Authority, for itself and its successors, does hereby covenant and agree to and with the Trustee and its successors in trust under this Series 2016A Supplemental Indenture, for the benefit of whomsoever shall hold, or contract with the Authority with respect to, the Series 2016A Bonds, as follows:

WITNES SETH:

Section 1. Definitions All terms defined in the First Lien Master Indenture shall have the meaning prescribed therein unless the context otherwise indicates. Any words or terms used in the First Lien Master Indenture for which a different definition is provided herein shall have the meaning herein prescribed unless the context otherwise indicates.

"Authorized Denominations" means \$5,000 and any integral multiple thereof.

"Beneficial Owner" means the owner of a Series 2016A Bond or portion thereof for federal income tax purposes.

"Bond Register" means the register kept by the Trustee.

"Book Entry Bond" means a Series 2016A Bond authorized to be issued to and restricted to being registered in the name of a Securities Depository.

"Dated Date" means the date of issuance and delivery of the Series 2016A Bonds to the initial purchasers thereof.

"Defeasance Obligations" means those investments described in subclauses (a) through (e) of the defined term "Permitted Investments" in the First Lien Master Indenture.

"Designated Office" means the office of the Trustee, Registrar and Paying Agent or an affiliate or another agent or fiduciary designated from time to time as the appropriate office for a given purpose herein, and in the absence of a contrary designation, means the Principal Office of the Trustee, Registrar and Paying Agent.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Electronic Means" means the following communication methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

"IFA 2016A Bonds" means the Indiana Finance Authority First Lien Wastewater Utility Revenue Bonds, Series 2016A (CWA Authority Project) issued to purchase the Series 2016A Bonds.

"Interest Payment Date" means April 1 and October 1 of each year, commencing October 1, 2016.

"Opinion of Counsel" means an opinion of recognized municipal utilities counsel selected by the Authority in the case of an Opinion of Authority Board Counsel, and the opinion of nationally recognized bond counsel selected by the Authority in the case of an Opinion of Bond Counsel.

"Pledged Funds" for purposes of this Series 2016A Supplemental Indenture has the meaning given to such term in the First Lien Master Indenture, as further described in Section 5(b) hereof, and includes the Series 2016 Account of the Bond Interest and Principal Fund, the Series 2016A Account of the Bond Reserve Fund and with respect to the Series 2016A Bonds, Pledged Funds also includes the Series 2016A Account of the Construction Fund.

"Principal Office" means, with respect to the Trustee, the designated corporate trust office of the Trustee, which office at the date of acceptance of the Trustee of the duties and obligations imposed upon it hereunder is located at the address specified in Section 18.

"Record Date" means the 15th day of the calendar month preceding the month during which such Interest Payment Date occurs.

"Reserve Requirement" means the amount required to be maintained in the Series 2016A Account of the Bond Reserve Fund, as further described in Section 10 hereof

"Responsible Officer" means when used with respect to the Trustee, Registrar and Paying Agent, any officer of the Trustee, Registrar and Paying Agent, including any Vice President, Assistant Vice President, corporate trust officer or other officer of the Trustee, Registrar and Paying Agent customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Secured Bonds" has the meaning defined in Section 10 hereof and means any Series 2016A Bonds, outstanding First Lien Bonds and any other First Lien Bonds that the Authority shall determine to secure with a specific Reserve Account for the Series 2016A Bonds and such First Lien Bonds and any other accounts of the Bond Reserve Fund, as provided in Section 10 hereof

"Securities Depository" means, with respect to a Book Entry Bond, DTC or any person, firm, association or corporation constituting a "clearing agency" (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended, which may at any time be substituted in its place to act as Securities Depository for the Series 2016A Bonds or any sub-series thereof, or its successors, or any nominee therefor.

"Series 2016A Bonds" means the CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2016A (Green Bonds).

"Supplemental Indenture" means any indenture between the Authority and the Trustee entered into pursuant to and in compliance with Article VIII of the First Lien Master Indenture, including this Series 2016A Supplemental Indenture.

"2016A Project" means the necessary betterments, improvements, extensions or additions to the Wastewater System to be undertaken by the Authority paid from the proceeds of the Series 2016A Bonds.

"2016A Project Costs" means (a) obligations of the Authority and all contractors incurred for labor and materials in connection with the 2016A Project, (b) the cost of bonds and insurance of all kinds that may be required or necessary during construction of the 2016A Project, (c) all costs of architectural and engineering services, including the costs of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigation therefore, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the 2016A Project, (d) all sums required to reimburse the Authority for advances made by it for any of the above items or for any costs incurred and for work done (including repayments for interim financing), which are properly chargeable to the 2016A Project and (e) all other components of cost of labor, materials, machinery and equipment and financing charges attributable to the 2016A Project to the extent permitted by the Authorizing Acts.

Section 2. Miscellaneous Definitions. As used herein, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and unless the context shall otherwise indicate, the words "bond," "owner," "holder" and "person" shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

Section 3. Certain Other Terms. As used in the First Lien Master Indenture, the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Series 2016A Supplemental Indenture.

Section 4. Findings.

(a) The relevant recitals set forth in the resolution adopted by the Authority Board at its meeting on February 17, 2016, are incorporated into this Series 2016A Supplemental Indenture by this reference.

(b) The First Lien Master Indenture, the Series 2016A Bonds and this Series 2016A Supplemental Indenture are among the Bond Documents approved by resolution of the Authority Board at its meeting on February 17, 2016.

(c) The Series 2016A Bonds and related obligations are entitled to the benefits of being and shall be revenue obligations within the meaning of Indiana Code 8-1-11.1 to the extent applicable by law.

Section 5. Authorization of Issuance of Series 2016A Bonds; General Terms; Book-Entry. (a) In order to (i) fund the 2016A Project Costs, (ii) repay draws made under a line

of credit the Authority holds with JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, which draws were used to provide interim funding of necessary betterments, improvements, extensions and additions to the Wastewater System; (iii) fund a debt service reserve for the Series 2016A Bonds, as applicable; and (iv) fund costs of issuance in connection with the issuance of the 2016A Bonds and the IFA 2016A Bonds, the Authority will issue and sell, pursuant to the provisions hereof, the Series 2016A Bonds. The principal of and interest on the Series 2016A Bonds are payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the Wastewater System and the Pledged Funds of the Authority, on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and Section 5(b) herein, which First Lien Bonds shall be issued by the Authority, and as necessary under the Authorizing Acts on behalf of and in the name of the City. Such First Lien Bonds shall be designated as "CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2016A".

(b) The Series 2016A Bonds shall be payable from and shall be equally and ratably secured by a senior and first lien on the Net Revenues and the Pledged Funds under the First Lien Master Indenture on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and herein. The Series 2016A Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2016A Account of the Bond Interest and Principal Fund in the manner provided in Section 3.01 of the First Lien Master Indenture. The Series 2016A Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2016A Account of the Bond Reserve Fund in the manner provided in Section 3.01 of the First Lien Master Indenture. The owners of the Series 2016A Bonds shall never have the right to demand payment of either the principal of, interest on or any redemption premium on the Series 2016A Bonds out of any funds raised or to be raised by taxation.

(c) Each Series 2016A Bond shall be, in all respects, on parity with each other.

(d) The Series 2016A Bonds shall be issued in an aggregate principal amount not to exceed \$193,270,000. The Series 2016A Bonds shall bear interest at the rates of interest shown below from the dates of payment on the Series 2016A Bonds and mature on October 1 in the years and in the amounts as follows:

Principal Amount	Maturity (October 1)	Interest Rate
\$ 2,950,000	2017	2.00 %
3,010,000	2018	4.00
3,130,000	2019	4.00
3,255,000	2020	4.00
3,385,000	2021	4.00
3,520,000	2022	5.00
3,695,000	2023	5.00
3,880,000	2024	5.00
4,070,000	2025	5.00
4,275,000	2026	5.00
4,495,000	2027	5.00
4,715,000	2028	5.00
4,950,000	2029	5.00
5,200,000	2030	5.00
5,455,000	2031	5.00
5,735,000	2032	5.00
6,015,000	2033	5.00
6,315,000	2034	5.00
6,635,000	2035	5.00
6,965,000	2036	5.00
44,640,000	2041	5.00
56,980,000	2046	5.00

(e) The Series 2016A Bonds shall be issued in fully registered form in Authorized Denominations, or integral multiples thereof, not exceeding the aggregate principal amount of such Series 2016A Bonds maturing in any year. The Series 2016A Bonds shall be numbered consecutively from 16-AR-1 upwards and shall mature and be payable as set forth herein.

(f) The interest on the Series 2016A Bonds shall be payable on each Interest Payment Date commencing on October 1, 2016. Interest on the Series 2016A Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

(g) The Series 2016A Bonds shall bear an original date which shall be the date of delivery thereof, and each Series 2016A Bond shall also bear the date of its authentication. Series 2016A Bonds authenticated on or before the Record Date preceding the first Interest Payment Date thereon shall pay interest from the Dated Date. Series 2016A Bonds authenticated thereafter shall pay interest from the Interest Payment Date immediately preceding the date of authentication of the Series 2016A Bonds unless the Series 2016A Bonds are authenticated between the Record Date preceding an Interest Payment Date and the Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

(h) The Bank of New York Mellon Trust Company, N.A. is hereby selected in accordance with the First Lien Master Indenture to serve as Registrar and Paying Agent for the Series 2016A Bonds and hereby charged with the responsibility to authenticate the Series 2016A Bonds.

(i) The Trustee and the Authority may from time to time enter into, or discontinue, an agreement with a Securities Depository to establish procedures with respect to the Series 2016A Bonds not inconsistent with the provisions of the First Lien Master Indenture; *provided, however,* that, notwithstanding anything in the First Lien Master Indenture to the contrary, any such agreement may provide:

(1) that such Securities Depository is not required to present a Series 2016A Bond to the Trustee to receive a partial payment of principal;

(2) that such Securities Depository is not required to present a Series 2016A Bond or any portion thereof to receive payment of a purchase price;

(3) that different provisions for notice to or by such Securities Depository may be set forth therein; and

(4) that a legend may appear on each Series 2016A Bond so long as such Series 2016A Bonds are subject to such agreement.

(i) With respect to Series 2016A Bonds registered in the name of a Securities Depository (or its nominee), neither the Trustee, nor the Authority shall have any obligation under the First Lien Master Indenture to any of its members or participants or to any person on behalf of whom an interest is held in such Series 2016A Bonds. While an agreement with a Securities Depository is in effect, the procedures established therein shall apply to such Series 2016A Bonds, notwithstanding any other provisions of the First Lien Master Indenture to the contrary.

(k) The Series 2016A Bonds are authorized but not required to be issued initially, subject to the provisions of the First Lien Master Indenture, as Book Entry Bonds.

(l) If DTC is the Securities Depository for any Series 2016A Bonds constituting Book Entry Bonds, the Trustee for such Series 2016A Bonds must be a Direct Participant in DTC.

Section 6. Payment of Principal And Interest. Any principal of the Series 2016A Bonds shall be payable at the Designated Office of the Trustee, Registrar and Paying Agent for the Series 2016A Bonds. Any interest on the Series 2016A Bonds shall be paid by:

(a) check or draft delivered one Business Day prior to such payment date to the registered owner thereof at the address as it appears on the registration books kept by the Registrar and Paying Agent as of the Record Date or at such other address as is provided to the Registrar and Paying Agent in writing by such registered owner.

(b) transmitted by wire transfer to the accounts with members of the Federal Reserve System situated within the continental United States of America of those Owners which own at least \$1,000,000 in aggregate principal amount of the Series 2016A Bonds and which shall have provided written wire transfer instructions to the Trustee prior to the close of business on such Record Date, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid

to the Owners in whose names any such Series 2016A Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

(c) All payments on the Series 2016A Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

Section 7. Transfer and Exchange. Each Series 2016A Bond shall be transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent, by the Owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such Series 2016A Bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered Series 2016A Bond or Series 2016A Bonds, in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. A Registrar and Paying Agent shall not be obligated to make any exchange or transfer of Series 2016A Bonds (i) if such Series 2016A Bonds have been called for redemption, or (ii) following the Record Date on such Series 2016A Bonds until such Interest Payment Date. Each Series 2016A Bond may be transferred or exchanged without cost to the Owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Authority and a Registrar and Paying Agent may treat and consider the person in whose name such Series 2016A Bonds are registered as the Owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

In the event any Series 2016A Bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new Series 2016A Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Series 2016A Bond shall be marked in a manner to distinguish it from the Series 2016A Bond for which it was issued; provided that, in the case of any mutilated Series 2016A Bond, such mutilated Series 2016A Bond shall first be surrendered to the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed Series 2016A Bond there shall be first furnished to the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such lost, stolen or destroyed Series 2016A Bond shall have matured, instead of issuing a duplicate Series 2016A Bond, as appropriate, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The Authority and the Registrar and Paying Agent may charge the owner of such Series 2016A Bond with their reasonable fees and expenses in connection with the above. Every substitute Series 2016A Bond issued by reason of any Series 2016A Bond being lost, stolen or destroyed shall, with respect to such Series 2016A Bond, constitute a substitute contractual obligation of the Authority, whether or not the lost, stolen or destroyed Series 2016A Bond shall be found at any time, and shall be entitled to all the benefits of this Series 2016A Supplemental Indenture, equally and proportionately with any and all other Series 2016A Bonds duly issued hereunder.

Section 8. Prepayment and Redemption.

(a) The Series 2016A Bonds maturing on or after October 1, 2027, are subject to optional redemption prior to their maturity on October 1, 2026, or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

(b) The Series 2016A Bonds maturing on October 1, 2041 and October 1, 2046 (the "Series 2016A Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

2016A Tenn Bonds Maturing October 1, 2041

<u>Year</u>	<u>Principal Amount</u>
2037	\$8,080,000
2038	8,485,000
2039	8,905,000
2040	9,350,000
2041*	9,820,000

*Final Maturity

2016A Term Bonds Maturing October 1, 2046

<u>Year</u>	<u>Principal Amount</u>
2042	\$10,310,000
2043	10,830,000
2044	11,370,000
2045	11,935,000
2046*	12,535,000

*Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Series 2016A Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any Series 2016A Term Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2016A Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2016A Term Bonds of such maturity to be

redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Trustee shall credit such Series 2016A Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

(c) If fewer than all of the Series 2016A Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2016A Bonds to be redeemed shall be selected by lot by the Trustee and redeemed only in Authorized Denominations. The aggregate principal amount of each Series 2016A Bond remaining outstanding shall be in an Authorized Denomination. The Trustee shall have no liability to any person as a result of making such selection. The Trustee shall promptly notify the Authority in writing of the Series 2016A Bonds or portions thereof selected for redemption; *provided, however*, that in connection with any redemption of a Series 2016A Bond, the Trustee shall first select for redemption any Series 2016A Bonds held by the Trustee for the account of the Authority or held of record by the Authority and that if, as indicated in a certificate of an Authorized Officer delivered to the Trustee, the Authority shall have offered to purchase all of the Series 2016A Bonds then outstanding and less than all of the Series 2016A Bonds shall have been tendered to the Authority for such purchase, the Trustee, at the direction of the Authority, shall select for redemption all such of the Series 2016A Bonds which have not been so tendered. If it is determined that one or more, but not all, of the units of principal amount represented by any Series 2016A Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Owner of such Series 2016A Bond shall, except as provided in the First Lien Master Indenture with respect to Book-Entry Bonds, forthwith surrender such Series 2016A Bond to the Trustee for (a) payment to such Owner of the redemption price of the unit or units of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2016A Bond or new Series 2016A Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2016A Bonds. New Series 2016A Bonds representing the unredeemed balance of the principal amount of such Series 2016A Bonds shall be issued to the Owner thereof, without charge therefor. If the surrender of such Series 2016A Bonds is required and the Owner of any such Series 2016A Bond shall fail to present such Series 2016A Bond to the Trustee for payment and exchange as aforesaid, such Series 2016A Bond shall, nevertheless, become due and payable, and interest thereon shall cease to accrue, on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

(d) In the case of any redemption of the Series 2016A Bonds, the Authority shall give written notice to the Trustee of its election or direction to so redeem, the redemption date of the Series 2016A Bonds to be redeemed, the principal amounts of the Series 2016A Bonds of each maturity to be redeemed and the moneys to be applied to such redemption. Official notice of redemption of Series 2016A Bonds shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days and no more than sixty (60) days prior to the scheduled redemption date to each of the Owners of the Series 2016A Bonds called for redemption (unless waived by any such Owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such Owner to the Registrar and Paying Agent; *provided, however*, that failure to give such notice by mailing, or any defect therein, with respect to any Series 2016A Bond shall not affect the validity of the proceedings for the redemption of any other Series 2016A Bonds. The notice shall specify

the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts and CUSIP numbers) of such Series 2016A Bonds called for redemption. The place of redemption may be at the Designated Office of the Registrar and Paying Agent or as otherwise determined by the Authority. Such notice may specify any conditions necessary for redemption and may provide that if such conditions are not satisfied, such redemption will be cancelled without further notice. Interest on such Series 2016A Bonds (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Series 2016A Bonds (or portions thereof) are presented for payment. Any Series 2016A Bond redeemed in part may be exchanged for a Series 2016A Bond of the same series and maturity in Authorized Denominations equal to the remaining principal amount thereof.

(e) For all purposes of this Series 2016A Supplemental Indenture, unless the context otherwise requires, all provisions relating to the redemption or prepayment of Series 2016A Bonds, shall relate, in the case of any Series 2016A Bond redeemed or prepaid or to be redeemed or prepaid only in part, to the portion of the principal of such Series 2016A Bond which has been or is to be redeemed or prepaid.

Section 9. Form of Bonds. The form and tenor of the Series 2016A Bonds shall be substantially as set forth in Exhibit A hereto.

Section 10. Bond Reserve Fund. (a) Pursuant to Section 3.07 of the First Lien Master Indenture, the Authority is authorized at the time of the sale of a series of First Lien Bonds to determine if an account of the Bond Reserve Fund is to be maintained and the provisions with respect thereto, if any. The Authority hereby establishes the "Series 2016A Account of the Bond Reserve Fund." The moneys in the Series 2016A Account of the Bond Reserve Fund will be used solely to pay current principal and interest due on the Series 2016A Bonds to the extent that moneys in the Series 2016A Bond Account of the Bond Interest and Principal Fund are insufficient for that purpose, except as provided below. No other obligations of the Authority shall be paid or payable from the Series 2016A Account of the Bond Reserve Fund, except as provided below and in the First Lien Master Indenture.

The Authority is hereby authorized, either upon the issuance of the Series 2016A Bonds, or upon the issuance of any First Lien Bonds, or from time to time, in the future: (i) to secure the Series 2016A Bonds and other First Lien Bonds by a separate reserve account for the Series 2016A Bonds and such series or sub-series of First Lien Bonds; or (ii) to secure the Series 2016A Bonds and other First Lien Bonds (collectively, the "Secured Bonds"), on a pro rata basis by the respective reserve account for such series or sub-series of First Lien Bonds and any other account of the Bond Reserve Fund (collectively, the "Combined Secured Accounts"), all of which will then secure the Secured Bonds on a pro rata basis. The Authority shall certify to the Trustee whenever the Authority has elected to have a reserve account in the manner described in (i) or (ii) above and the amount of the respective Reserve Requirement in the manner set forth in this Section 10.

The Reserve Requirement for the Series 2016A Account shall, with respect to a period of time for which calculated, be the least of (1) the maximum annual principal and interest due on

the Series 2016A Bonds or Secured Bonds (as the case may be); (2) 125% of the average annual principal and interest payments due on such outstanding Series 2016A Bonds or Secured Bonds (as the case may be); and (3) 10% of the outstanding principal amount of the Series 2016A Bonds or Secured Bonds (as the case may be). Initially, the Reserve Requirement for the Series 2016A Account is \$13,163,500.

The Authority may satisfy the Reserve Requirement by delivery to the Trustee of a surety bond, an insurance policy or a letter of credit (each, a "Reserve Policy") meeting the requirements set forth below. The issuer of each Reserve Policy must be rated at the time the Reserve Policy is delivered by each Rating Agency then rating the Authority's First Lien Bonds or such Rating Agency must consent to the delivery of each such Reserve Policy. The obligation of the Authority to fund the Reserve Requirement shall be deemed satisfied as of any date to the extent of the then available balance of any Reserve Policy; *provided, however*, that the Reserve Requirement shall not be satisfied if, on the date of delivery of a Reserve Policy, the rating on any First Lien Bond issued by any Rating Agency would be reduced or withdrawn as a result of the delivery of such Reserve Policy. If a disbursement is made pursuant to a Reserve Policy, the Authority must be obligated (i) to reinstate the maximum limits of such Reserve Policy or (ii) to deposit into the Series 2016A Account of the Bond Reserve Fund moneys in an amount equal to the disbursement made under such Reserve Policy, or a combination of such alternatives, as would provide that such Series 2016A Account of the Bond Reserve Fund has all of the moneys or full value of Reserve Policy on deposit as it shall be required to have at such time.

(b) Any deficiency in the balance maintained in the Series 2016A Account of the Bond Reserve Fund, including in the event that money in the Series 2016A Account of the Bond Reserve Fund is transferred to the Series 2016A Bond Account of the Bond Interest and Principal Fund to pay principal and interest on the Series 2016A Bonds, shall be made up from the next available Net Revenues remaining after credits into the Bond Interest and Principal Fund on a parity with all other accounts of the Bond Reserve Fund related to any First Lien Bonds and prior to any use thereof pursuant to Section 3.08 of the First Lien Master Indenture. Any monies in the Series 2016A Account of the Bond Reserve Fund in excess of the Reserve Requirement with respect thereto, may be transferred to any other Fund or Account of the Authority as specified by an Authorized Officer.

(c) All obligations purchased as an investment of moneys held in the Series 2016A Account of the Bond Reserve Fund shall be valued at the fair market value thereof and marked-to-market annually. When market prices for obligations held in the Series 2016A Account of the Bond Reserve Fund are not readily available, the market price for such obligations may be determined in such manner as the Trustee deems reasonable.

Section 11. Deposit of Proceeds.

The Trustee shall make deposits as follows:

(a) \$345,822.23 of the proceeds of the Series 2016A Bonds shall be deposited in the General Fund and used by the Authority for costs of issuance in connection with the Series 2016A Bonds and the IFA Series 2016A Bonds.

(b) \$232,700,000.00 of the proceeds of the Series 2016A Bonds shall be deposited in the 2016A Account of the Construction Fund, which is hereby established, and such funds shall be expended as directed by the Authority for the 2016A Project Costs incurred on or after _____ and used to repay draws made under a line of credit the Authority holds with JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association. Upon the direction of the Authority, any balance remaining unexpended in such account after completion of the 2016A Project shall be paid into the 2016A Bond Account of the Bond Interest and Principal Fund.

(c) \$131,635.00 of the proceeds of the Series 2016A Bonds shall be wired to National Public Finance Guarantee Corporation to acquire the surety bond, which shall constitute a Reserve Policy for the Series 2016A Bonds (the "2016A Debt Service Reserve Surety Bond") and be deposited in the Series 2016A Account of the Bond Reserve Fund, established in Section 10 hereof. The available balance of the 2016A Debt Service Reserve Surety Bond equals the Reserve Requirement for the Series 2016A Bonds on and as of the issuance of the Series 2016A Bonds.

Section 12. Bond Interest and Principal Fund. Pursuant to Section 3.06(e) of the First Lien Master Indenture, there is hereby created the following separate account of the Bond Interest and Principal Fund: the "Series 2016A Bond Account."

Such accounts shall be further funded, maintained and used in accordance with Section 3.06 of the First Lien Master Indenture.

Section 13. Execution of Series 2016A Bonds. The Series 2016A Bonds, in the form provided in Exhibit A hereto, shall be executed, attested and delivered by the Mayor of the City, the Controller of the City and the Clerk of the City and by the President and Chief Financial Officer of the Authority, as authorized by the resolution of the Authority Board adopted on February 17, 2016. In case any officer whose signature appears on the Series 2016A Bonds shall cease to hold that office before the delivery of such series of Series 2016A Bonds, the signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the delivery of such Series 2016A Bonds. After the Series 2016A Bonds have been properly executed, the Authority shall deliver such Series 2016A Bonds to the purchaser or purchasers in the manner provided by law.

Series 2016A Bonds issued hereunder shall be authenticated with the manual signature of a Responsible Officer of the Registrar and Paying Agent, and no Series 2016A Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Series 2016A Supplemental Indenture until the Certificate of Authentication on such Series 2016A Bond shall have been so executed.

Section 14. Tax Covenants. In order to preserve the excludability from gross income of interest on the Series 2016A Bonds under federal law, the Authority represents, covenants and agrees that, to the extent necessary to preserve such excludability:

(a) No person or entity or any combination thereof, other than the Authority or another "governmental unit" within the meaning of Section 141(b)(6) and Section 150(a)(2) of

the Code ("Governmental Unit"), will use proceeds of the Series 2016A Bonds or property financed by said proceeds other than as a member of the general public. Except as set forth below, no person or entity or any combination thereof, other than the Authority, or another Governmental Unit, will own property financed by proceeds of Series 2016A Bonds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or other type of output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large of such property unless such use in the aggregate relates to no more than the lesser of \$15,000,000 or 10% of the proceeds of the Series 2016A Bonds or property financed by such bond proceeds. The Authority has assumed a management contract for the Wastewater System. The terms of the contract comply with IRS Revenue Procedure 97-13, and the contract does not constitute private business use under the Code and the Regulations.

(b) Not more than five percent (5%) of proceeds of the Series 2016A Bonds will be loaned to any entity or person. No proceeds of the Series 2016A Bonds will be transferred directly or indirectly transferred or deemed transferred to a person other than a Governmental Unit in a fashion that would in substance constitute a loan of the proceeds of such Series 2016A Bonds.

(c) The Authority will not take any action or fail to take any action with respect to any of the Series 2016A Bonds that would result in the loss of the excludability from gross income for federal tax purposes of interest on the Series 2016A Bonds pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended and as in effect on the date of delivery of such Series 2016A Bonds (the "Code"), nor will the Authority act in any manner or permit any actions by officers or officials of the Authority that would in any manner adversely affect such excludability. The Authority further covenants that it will not make any investment or do any other act or thing during the period that any Series 2016A Bond is outstanding hereunder which would cause any Series 2016A Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of any Series 2016A Bonds. The Authority shall comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable.

(d) Notwithstanding any other provisions of this Series 2016A Supplemental Indenture, the covenants and authorizations contained in this Series 2016A Supplemental Indenture which are designed to preserve the excludability of interest (the "Tax Exemption") on Series 2016A Bonds from gross income under federal law (the "Tax Sections") need not be complied with if the Authority receives an Opinion of Counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 15. Defeasance. If, when the Series 2016A Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call one or more Series 2016A Bonds or a portion thereof shall have been given and the whole amount of the principal of and interest so due and payable upon all of such Series 2016A Bonds or a portion thereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with Section 5.07 of the First Lien Master Indenture, then and in that case such Series 2016A Bonds

or such portion thereof issued hereunder shall no longer be deemed outstanding or an indebtedness of the Authority.

Section 16. Additional First Lien Bonds. The Authority reserves the right to issue additional First Lien Bonds ranking on parity with the Series 2016A Bonds on the terms and conditions set forth in the First Lien Master Indenture.

Section 17. Amendment of Supplemental Indenture. This Supplemental Indenture may be amended or modified in the same manner as provided in Article VIII of the First Lien Master Indenture.

Section 18. Notices. Notwithstanding anything in the First Lien Master Indenture to the contrary, except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given if in writing and shall be deemed given when mailed by registered, certified or first class mail, postage prepaid, or by qualified overnight courier service mutually acceptable to the delivering and recipient parties, courier charges prepaid, addressed as follows:

If to the Authority: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: Chief Financial Officer
Telephone: (317) 927-4583
Facsimile• (317) 927-4395

with a copy to: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: General Counsel
Telephone: (317) 927-4751
Facsimile: (317) 927-4549

If to the Trustee or the Registrar and Paying Agent: The Bank of New York Mellon Trust Company, N.A.
300 North Meridian Street, Suite 910
Indianapolis, Indiana 46204
Attention: Corporate Trust Services
Telephone: (317) 637-3579
Facsimile• (317) 637-9821

Notwithstanding anything in the First Lien Master Indenture to the contrary, unless specifically required by the terms of the First Lien Master Indenture, any notice required to be given pursuant to any provision of the First Lien Master Indenture may be given by any form of electronic transmission that is capable of producing a written record, including, without limitation, telecopy transmissions; *provided* that the deliverer of any such notice given by electronic transmission shall verify receipt of such notice promptly upon the transmission thereof and such notice shall not be deemed duly given unless full and legible receipt thereof has been verified by the recipient of such notice. The Authority and the Trustee, Registrar and Paying

Agent may, by notice pursuant to this Section 18, designate any different addresses to which subsequent notices, certificates or other communications shall be sent. A duplicate copy of each notice, approval, consent, request, complaint, demand or other communication given hereunder by the Authority or the Trustee to any one of the others shall also be given to each one of the others.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officer with the authority to provide such Instructions ("Authorized Officers") and containing specimen signature of such Authorized Officer, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that direction that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such instructions to the Trustee and that the Authority and all Authorized Officer are solely responsible to safeguard that use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written Instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions that the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 19. Miscellaneous.

(a) If any section, paragraph or provision of this Series 2016A Supplemental Indenture shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Series 2016A Supplemental Indenture.

(b) In case where the date of maturity of interest on or principal of any of the Series 2016A Bonds, or the date fixed for redemption of any of the Series 2016A Bonds, shall not be a Business Day, then payment of interest or principal need not be made on such date but shall be

made on the Business Day immediately preceding such payment date with the same force and effect as if made on the date of maturity or the date fixed for redemption.

(c) With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Series 2016A Supplemental Indenture or the Series 2016A Bonds or coupons is intended or should be construed to confer upon or give to any person other than the Authority, the Trustee, and the Owners of the Series 2016A Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Series 2016A Supplemental Indenture or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Series 2016A Supplemental Indenture and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Authority, the Trustee, and the Owners from time to time of the Series 2016A Bonds as herein and therein provided.

(d) All the terms, provisions, conditions, covenants, warranties and agreements contained in this Series 2016A Supplemental Indenture shall be binding upon the successors and assigns of the Authority, and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns and the Owners of the Series 2016A Bonds.

(e) Any bank or trust company with or into which a Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purpose of this Series 2016A Supplemental Indenture. If the position of Paying Agent shall become vacant for any reason, the Authority shall, within 30 days thereafter, appoint a bank or trust company located in the same city as Paying Agent to fill such vacancy; *provided, however*, that if the Authority shall fail to appoint such Paying Agent within such period, the Trustee shall make such appointment.

(f) No member, officer or employee of the Authority or the Authority Board shall be individually or personally liable for the payment of the principal of or interest or redemption premium on any Series 2016A Bond. Nothing herein contained shall, however, relieve any such member, officer or employee from the performance of any duty provided or required by law.

(g) This Series 2016A Supplemental Indenture shall be construed and enforced in accordance with the laws of the State of Indiana.

(h) The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Series 2016A Supplemental Indenture.

(i) This Series 2016A Supplemental Indenture and the First Lien Master Indenture shall constitute a contract between the Authority and Owners of the Series 2016A Bonds.

(j) This Series 2016A Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(k) The Trustee, any Paying Agent or any Registrar, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series 2016A Bonds, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, any Paying Agent or any Registrar, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority, and may act as depository, trustee or agent for any committee or body of Owners secured by this Series 2016A Supplemental Indenture or other obligations of the Authority as freely as if it did not act in any capacity under this Series 2016A Supplemental Indenture.

(l) Whenever in this Series 2016A Supplemental Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 20. Representations, Warranties and Covenants for Revised Article 9 Collateral.

(a) The First Lien Master Indenture and this Series 2016A Supplemental Indenture creates a valid and binding pledge, assignment, lien on and security interest in the Net Revenues and Pledged Funds in favor of the Trustee as security for payment of the Series 2016A Bonds, as described in Section 3.01 of the First Lien Master Indenture and Section 5(b) hereof, enforceable by the Trustee in accordance with the terms hereof

(b) Under the laws of the State of Indiana, (i) such lien and/or security interest, (ii) and each pledge, assignment, lien, or other security interest made to secure any obligations of the Authority which, by the terms hereof, ranks on a parity with the lien and security interest granted by this Series 2016A Supplemental Indenture, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract. By the date of issue of the Series 2016A Bonds, the Authority will have filed all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any Series 2016A Bonds are outstanding the Authority will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the Authority is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9-301-9-306 of such jurisdiction. The pledge made by this Series 2016A Supplemental Indenture shall be effective pursuant to IC 5-1-14-4, IC 26-1-9.1-109(d)(15) and IC 26-1-9.1-515(b) notwithstanding any failure to file a financing statement as described above.

(c) Except as permitted by the First Lien Master Trust Indenture, the Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Net Revenues or the Pledged Funds that ranks on a parity with or prior to the lien and/or security interest granted by this Series 2016A Supplemental Indenture. The Authority shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest on such collateral that ranks prior to or on a parity with the lien and/or security interest granted by this Series 2016A Supplemental Indenture, or file any financing statement describing

any such pledge, assignment, lien or security interest, except as expressly permitted hereby and by the First Lien Master Indenture.

IN WITNESS WHEREOF, the Authority has caused this Series 2016A Supplemental Indenture to be executed by its President and Chief Executive Officer and attested by its Senior Vice President and Chief Financial Officer, and the Trustee has caused this Series 2016A Supplemental Indenture to be executed on its behalf by its duly authorized officer and its corporate seal to be impressed hereon and attested by its duly authorized officer, all as of the day and year first above written.

CWA AUTHORITY, INC.

By: _____
Jef arrison
President and Chief Executive Officer

Attest:


John R. Bream
Senior Vice President and Chief Financial Officer

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: 
Name: **Karen Franklin**
Title: AUTHORIZED OFFICER

Attest:


By: 
Name: **Nancy Storms**
Title: AUTHORIZED OFFICER

EXHIBIT A

BOND FORM

[Form of Series 2016A Bond]

UNITED STATES OF AMERICA

STATE OF INDIANA
No. 16-AR-1

COUNTY OF MARION
\$193,270,000

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA
FIRST LIEN WASTEWATER REVENUE BOND, SERIES 2016A (GREEN BONDS)

Interest Rate	Original Date	Maturity Date	Authentication Date
<u>See Schedule A</u>	September 21, 2016	<u>See Schedule A</u>	September 21, 2016

Registered Owner: INDIANA FINANCE AUTHORITY

Principal Sum: See Schedule A

CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Act of 1991, as amended, Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") (as defined in the hereinafter defined First Lien Master Indenture) and as necessary under the Authorizing Acts to act on behalf of the City of Indianapolis, Indiana, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner stated above, or registered assigns, but solely out of the Net Revenues of the Wastewater System and the Pledged Funds (all as defined in the hereinafter defined Indentures), the principal sum stated above on October 1 in the years and amounts as set forth on Schedule A hereto, on the maturity dates stated on Schedule A hereto, and to pay interest on said principal sum to the registered owner of this bond until the Authority's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above from the Interest Payment Date immediately preceding the date of the authentication of this bond, unless this bond is authenticated between the Record Date (as defined in the Series 2016A Supplemental Indenture) preceding an Interest Payment Date and the Interest Payment Date, in which case interest shall be paid from such Interest Payment Date. Interest shall be payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2016. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

All payments of principal of and interest on this bond shall be paid by wire transfer for deposit to the principal corporate trust operations office of The Bank of New York Mellon Trust Company, N.A. ("Trustee," "Registrar" or "Paying Agent") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or Paying Agent, or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on this bond shall be made in coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

This bond, together with interest hereon, shall be payable solely out of the Net Revenues and the Pledged Funds, after the payment only of the Operation and Maintenance Expenses (as defined in the First Lien Master Indenture). The Series 2016A Bonds are issued on a parity with all other Parity Obligations (as defined in the First Lien Master Indenture) to be issued as described in the First Lien Master Indenture and in the 2016A Supplemental Indenture (as defined below). The First Lien Bonds (as defined in the First Lien Master Indenture) constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by a lien on and pledge of the Net Revenues and Pledged Funds. For the benefit of the owners of First Lien Bonds, the Authority, pursuant to the First Lien Master Indenture and the Series 2016A Supplemental Indenture, has granted a lien on and pledge of the Net Revenues and Pledged Funds to secure the payment of principal of, premium, if any, and interest on the First Lien Bonds and all expenses of providing for their full and timely payment in accordance with their terms, as provided in the First Lien Master Indenture and the Series 2016A Supplemental Indenture and pursuant to the Authorizing Acts. Subject to the provisions of the First Lien Master Indenture and the Series 2016A Supplemental Trust Indenture dated as of September 1, 2016 (the "Series 2016A Supplemental Indenture"), between the Authority and the Trustee for registration, this bond is negotiable under the laws of the State of Indiana.

This bond is one of an authorized issue of bonds of the Authority in the aggregate principal amount of One Hundred Ninety-three Million Two Hundred Seventy Thousand Dollars (\$193,270,000) (the "Series 2016A Bonds"), numbered consecutively from 16-AR-1 upwards, issued pursuant to the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture", and with the Series 2012A First Lien Supplemental Trust Indenture dated as of September 1, 2012, the Series 2014A Supplemental Indenture dated as of July 1, 2014, the Series 2015A First Lien Supplemental Trust Indenture dated as of February 1, 2015, and the Series 2016A Supplemental Indenture, the "Indentures") between the Authority and the Trustee as well as the Series 2016A Supplemental Indenture.

The Authority irrevocably pledges the entire Net Revenues of such Wastewater System and the Pledged Funds to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the First Lien Master Indenture and the Parity Obligations issued in connection therewith, including this bond, in the manner described in Section 3.01 of the First Lien Master Indenture and Section 5(b) of the Series 2016A Supplemental Indenture, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by such Wastewater System as are sufficient in each year for the payment of the

Operation and Maintenance Expenses of the Wastewater System, and for the payment of the sums required to be paid into such Bond Interest and Principal Fund and the Bond Reserve Fund under the provisions of the Authorizing Acts and the First Lien Master Indenture. In the event the Authority, or the Authorized Officers thereof, shall fail or refuse to fix, maintain and collect such rates or charges, or if there be a default in the payment of the principal of or interest on this bond, the owner of this bond shall have all of the rights and remedies provided for in such Indentures and the Authorizing Acts.

The bonds maturing in any one year are issuable only in fully registered form in Authorized Denominations or integral multiples thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Series 2016A Bonds maturing on or after October 1, 2027, are subject to optional redemption prior to their maturity on October 1, 2026 or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

The Series 2016A Bonds maturing on October 1, 2041 and October 1, 2046 (the "Series 2016A Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

2016A Term Bonds Maturing October 1, 2041

<u>Year</u>	<u>Principal Amount</u>
2037	\$8,080,000
2038	8,485,000
2039	8,905,000
2040	9,350,000
2041*	9,820,000

*Final Maturity

2016A Term Bonds Maturing October 1, 2046

<u>Year</u>	<u>Principal Amount</u>
2042	\$10,310,000
2043	10,830,000
2044	11,370,000
2045	11,935,000
2046*	12,535,000

*Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Series 2016A Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any Series 2016A Term Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2016A Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2016A Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Trustee shall credit such Series 2016A Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

Official notice of any such redemption shall be sent by registered or certified mail to the registered owner of this bond not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption at the address shown on the registration books of the Registrar and Paying Agent or at such other address as is furnished in writing to the Registrar and Paying Agent, unless such notice is waived by the registered owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Authority. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption, to pay the redemption price on the redemption date or when presented for payment.

If fewer than all of the bonds of the Series 2016A Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2016A Bonds to be redeemed shall be selected by lot by the Trustee in Authorized Denominations. The aggregate principal amount of each Series 2016A Bond remaining outstanding shall be in an Authorized Denomination.

If this bond or a portion hereof shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal of and interest so due and payable upon all of this bond or a portion hereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with the First Lien Master Indenture, then and in that case this bond or such portion hereof shall no longer be deemed outstanding or an indebtedness of the Authority.

This bond is transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be

executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be required to make any transfer or exchange of this bond if it has been called for redemption or following the Record Date immediately preceding an Interest Payment Date on this bond until such Interest Payment Date. The Authority and the Registrar and Paying Agent may treat and consider the person in whose name this bond is registered as the absolute Owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided that, in the case of this bond being mutilated, this bond shall first be surrendered to the Authority and the Registrar and Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Authority and the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Authority and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured, instead of issuing a duplicate bond, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay this bond without surrender hereof. The Authority and the Registrar and Paying Agent may charge the registered owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Authority, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Indentures, equally and proportionately with any and all other First Lien Bonds duly issued thereunder.

In the manner provided in the Indentures, the Indentures and the rights and obligations of the Authority and of the registered owners of the bonds may (with certain exceptions as stated in the Indenture) be modified or amended without the consent of the owners of the bonds.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving sixty (60) days' written notice to the Authority and to the registered owners of bonds then outstanding and such resignation will take effect upon the appointment of a successor Registrar and Paying Agent by the Authority. Such notice to the Authority may be served personally or be sent by registered mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the Authority, in which event the Authority may appoint a successor Registrar and Paying Agent. The Authority shall cause the registered owner of this bond, if then outstanding, to be notified by certified or registered mail of the removal of the Registrar and Paying Agent. Notices to registered owners of bonds shall be deemed to be given when mailed by certified or registered mail to the addresses of such registered owners as they appear in the registration books kept by the Registrar and Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law and the Constitution of the State of Indiana to be done precedent to and in the execution, issuance, sale and

delivery of this bond have been properly done, happened and performed in regular and due form as prescribed by law.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indentures authorizing this bond until the certificate of authentication hereon shall have been duly executed by an authorized representative of the Registrar and Paying Agent.

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City of Indianapolis, Indiana, and attested by the manual or facsimile signature of the Controller of the City of Indianapolis, Indiana, who has caused the official seal of the City of Indianapolis, Indiana, to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon and by the manual or facsimile signature of the President and Chief Executive Officer of CWA Authority, Inc. and attested by the manual or facsimile signature of the Senior Vice President and Chief Financial Officer of CWA Authority, Inc.

CITY OF INDIANAPOLIS, INDIANA

By: _____
Mayor, City of Indianapolis, Indiana

(SEAL)

ATTEST:

Clerk, City of Indianapolis, Indiana

ATTEST:

Controller, City of Indianapolis, Indiana

CWA AUTHORITY, INC.

By: _____
President and Chief Executive Officer

ATTEST:

Senior Vice President
and Chief Financial Officer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Registrar and Paying Agent

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Insert name and address of transferee)

this bond and all rights hereunder and hereby irrevocably constitutes and appoints _____, attorney, to transfer this bond on the books kept for the registration hereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the front of this bond without alternation or enlargement or any change whatsoever.

[SCHEDULE A]

Principal Amount	Maturity (October 1)	Interest Rate
\$ 2,950,000	2017	2.00 %
3,010,000	2018	4.00
3,130,000	2019	4.00
3,255,000	2020	4.00
3,385,000	2021	4.00
3,520,000	2022	5.00
3,695,000	2023	5.00
3,880,000	2024	5.00
4,070,000	2025	5.00
4,275,000	2026	5.00
4,495,000	2027	5.00
4,715,000	2028	5.00
4,950,000	2029	5.00
5,200,000	2030	5.00
5,455,000	2031	5.00
5,735,000	2032	5.00
6,015,000	2033	5.00
6,315,000	2034	5.00
6,635,000	2035	5.00
6,965,000	2036	5.00
44,640,000	2041	5.00
56,980,000	2046	5.00

SERIES 2016B
SECOND LIEN SUPPLEMENTAL TRUST INDENTURE

DATED AS OF SEPTEMBER 1, 2016

BETWEEN

CWA AUTHORITY, INC.

AND

U.S. BANK NATIONAL ASSOCIATION

SECURING

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA,
SECOND LIEN WASTEWATER
REFUNDING REVENUE BONDS, SERIES 2016B
(THE "SERIES 2016B BONDS")

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SERIES 2016B SECOND LIEN SUPPLEMENTAL TRUST INDENTURE

This SERIES 2016B SECOND LIEN SUPPLEMENTAL TRUST INDENTURE dated as of September 1, 2016 (the "Series 2016B Supplemental Indenture"), supplements the Second Lien Master Trust Indenture dated as of July 1, 2011 (the "Second Lien Master Indenture"), as previously supplemented and amended, between CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Corporation Act of 1991, as amended (the "Nonprofit Act"), Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") among the City of Indianapolis (the "City"), the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District") and the Board of Directors for Utilities of the Department of Public Utilities of the City d/b/a Citizens Energy Group ("Citizens"), and U.S. Bank National Association, as trustee (the "Trustee"), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America,

WITNESSETH:

WHEREAS, the Authority owns and operates a revenue producing wastewater system (the "Wastewater System"), serving the inhabitants of Marion County and other nearby communities; and

WHEREAS, the Authority is authorized to issue bonds and certificates of indebtedness pursuant to the Authorizing Acts (as defined in the Second Lien Master Indenture), payable out of the Net Revenues (as defined in the Second Lien Master Indenture) derived from the Wastewater System, and the Second Lien Pledged Funds (as defined in the Second Lien Master Indenture and herein) to finance the acquisition and the construction of necessary betterments, improvements, extensions or additions to the Wastewater System and/or refund any Second Lien Bonds, Second Lien Bonds or Subordinated Securities (each as defined in the Second Lien Master Indenture); and

WHEREAS, the Second Lien Bonds are secured by a pledge of the Net Revenues and the Second Lien Pledged Funds; and

WHEREAS, the Board of Directors of the Authority (the "Authority Board") duly and legally authorized the execution, acknowledgement and delivery of the Series 2016B Supplemental Trust Indenture in this foul' for the purposes, among others, of (a) currently refunding the CWA Authority, Inc. City of Indianapolis, Indiana Second Lien Wastewater Utility Revenue Bonds, Series 2011C (the "Second Lien Citizens Authority 2011C Bonds"); and (b) paying the costs of issuance of the IFA 2016B Bonds and the Second Lien Citizens Authority 2016B Bonds.

NOW, THEREFORE, the Authority and the Trustee hereby covenant and agree as follows:

THIS SERIES 2016B SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants contained in the Second Lien Master Indenture and this Series 2016B Supplemental Indenture,

and of the purchase and acceptance of the Series 2016B Bonds by the holders thereof, and for other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2016B Bonds are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, to secure the payment of the principal of and redemption premium, if any, and interest on the Series 2016B Bonds at any time issued and outstanding under this Series 2016B Supplemental Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the Series 2016B Bonds and in the Second Lien Master Indenture and this Series 2016B Supplemental Indenture, has executed and delivered the Second Lien Master Indenture and this Series 2016B Supplemental Indenture, and has pledged and assigned, and by these presents does hereby pledge and assign and grant a security interest in, unto the Trustee, and to its successors in trust, the Net Revenues and the Second Lien Pledged Funds securing the Series 2016B Bonds, subject to the provisions of the Second Lien Master Indenture and this Series 2016B Supplemental Indenture permitting the application thereof for the purposes and on the terms set forth in the Second Lien Master Indenture and this Series 2016B Supplemental Indenture.

The pledge made by the Second Lien Master Indenture and this Series 2016B Supplemental Indenture is, and shall be, also subject to the Second Lien Master Indenture and the provisions thereof, including specifically Section 3.01 thereof and Section 5(b) hereof, for the equal and proportionate benefit, security and protection of all Second Lien Bonds issued or to be issued under and secured by the Second Lien Master Indenture, the Parity Portion (as defined in the Second Lien Master Indenture) of the Repayment Obligations and all Regular Payments on Qualified Derivative Agreements (each as defined in the Second Lien Master Indenture and collectively, the "Parity Obligations") (without duplication of obligation), each without preference, priority or distinction of any such Parity Obligations over any other such Parity Obligations or of any series of Parity Obligations over any other series of Parity Obligations by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Parity Obligation shall have the same rights and privilege under and by virtue of the Second Lien Master Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of the Second Lien Master Indenture in the manner described in Section 3.01 of the Second Lien Master Indenture; *provided, however*, that if the Authority shall pay or cause to be paid to the holders of the Series 2016B Bonds the principal and interest and redemption premium, if any, to become due in respect thereof at the times and in the manner stipulated therein and herein (or shall provide, as permitted by the Second Lien Master Indenture, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall pay or cause to be paid to the Trustee all sums of money due and to become due to it in accordance with the Second Lien Master Indenture, then this Series 2016B Supplemental Indenture and the rights hereby granted shall cease, terminate and be void, at the option of the Authority (evidenced by a certified resolution of the Authority Board delivered to the Trustee), but otherwise this Series 2016B Supplemental Indenture shall remain in full force and effect.

It is further covenanted and agreed that the Series 2016B Bonds are to be issued, authenticated and delivered, and that the fees, income and funds herein pledged and provided to be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject

to the following covenants, conditions and trusts; and the Authority, for itself and its successors, does hereby covenant and agree to and with the Trustee and its successors in trust under this Series 2016B Supplemental Indenture, for the benefit of whomsoever shall hold, or contract with the Authority with respect to, the Series 2016B Bonds, as follows:

WITNES SETH:

Section 1. Definitions All terms defined in the Second Lien Master Indenture shall have the meaning prescribed therein unless the context otherwise indicates. Any words or terms used in the Second Lien Master Indenture for which a different definition is provided herein shall have the meaning herein prescribed unless the context otherwise indicates.

"Authorized Denominations" means \$5,000 and any integral multiple thereof.

"Beneficial Owner" means the owner of a Series 2016B Bond or portion thereof for federal income tax purposes.

"Bond Register" means the register kept by the Trustee.

"Book Entry Bond" means a Series 2016B Bond authorized to be issued to and restricted to being registered in the name of a Securities Depository.

"Dated Date" means the date of issuance and delivery of the Series 2016B Bonds to the initial purchasers thereof.

"Defeasance Obligations" means those investments described in subclauses (a) through (e) of the defined term "Permitted Investments" in the Second Lien Master Indenture.

"Designated Office" means the office of the Trustee, Registrar and Paying Agent or an affiliate or another agent or fiduciary designated from time to time as the appropriate office for a given purpose herein, and in the absence of a contrary designation, means the Principal Office of the Trustee, Registrar and Paying Agent.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Electronic Means" means the following communication methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

"IFA 2011C Bonds" means the Indiana Finance Authority Second Lien Wastewater Utility Revenue Bonds, Series 2011C (CWA Authority Project) dated August 26, 2011.

"IFA 2016B Bonds" means the Indiana Finance Authority Second Lien Wastewater Utility Refunding Revenue Bonds, Series 2016B (CWA Authority Project) issued to refund the IFA 2011C Bonds.

"Interest Payment Date" means April 1 and October 1 of each year, commencing October 1, 2016.

"Opinion of Counsel" means an opinion of recognized municipal utilities counsel selected by the Authority in the case of an Opinion of Authority Board Counsel, and the opinion of nationally recognized bond counsel selected by the Authority in the case of an Opinion of Bond Counsel.

"Principal Office" means, with respect to the Trustee, the designated corporate trust office of the Trustee, which office at the date of acceptance of the Trustee of the duties and obligations imposed upon it hereunder is located at the address specified in Section 18.

"Prior Bonds" means the IFA 2011C Bonds.

"Record Date" means the 15th day of the calendar month preceding the month during which such Interest Payment Date occurs.

"Reserve Requirement" means the amount required to be maintained in the Series 2016 Account of the Bond Reserve Fund, as further described in Section 10 hereof.

"Responsible Officer" means when used with respect to the Trustee, Registrar and Paying Agent, any officer in the Corporate Trust Services division of the Trustee, Registrar and Paying Agent, including any Vice President, Assistant Vice President, corporate trust officer or other officer of the Trustee, Registrar and Paying Agent customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Second Lien Pledged Funds" for purposes of this Series 2016B Supplemental Indenture has the meaning given to such term in the Second Lien Master Indenture, as further described in Section 5(b) hereof, and includes the Series 2016 Account of the Bond Interest and Principal Fund.

"Securities Depository" means, with respect to a Book Entry Bond, DTC or any person, firm, association or corporation constituting a "clearing agency" (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended, which may at any time be substituted in its place to act as Securities Depository for the Series 2016B Bonds or any sub-series thereof, or its successors, or any nominee therefor.

"Series 2016B Bonds" means the CWA Authority, Inc. City of Indianapolis, Indiana, Second Lien Wastewater Refunding Revenue Bonds, Series 2016B.

"Supplemental Indenture" means any indenture between the Authority and the Trustee entered into pursuant to and in compliance with Article VIII of the Second Lien Master Indenture, including this Series 2016B Supplemental Indenture.

Section 2. Miscellaneous Definitions. As used herein, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders,

and unless the context shall otherwise indicate, the words "bond," "owner," "holder" and "person" shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

Section 3. Certain Other Terms. As used in the Second Lien Master Indenture, the Wins "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Series 2016B Supplemental Indenture.

Section 4. Findings.

(a) The relevant recitals set forth in the resolution adopted by the Authority Board at its meeting on February 17, 2016, are incorporated into this Series 2016B Supplemental Indenture by this reference.

(b) The Second Lien Master Indenture, the Series 2016B Bonds and this Series 2016B Supplemental Indenture are among the Bond Documents approved by resolution of the Authority Board at its meeting on February 17, 2016.

(c) The Series 2016B Bonds and related obligations are entitled to the benefits of being and shall be revenue obligations within the meaning of Indiana Code 8-1-11.1 to the extent applicable by law.

Section 5. Authorization of Issuance of Series 2016B Bonds; General Terms; Book-Entry. (a) In order to (i) currently refund the CWA Authority, Inc. City of Indianapolis, Indiana Second Lien Wastewater Utility Revenue Bonds, Series 2011C (the "Second Lien Citizens Authority 2011C Bonds"), which were issued to fund necessary betterments, improvements, extensions or additions to and working capital and start-up needs for the Wastewater System, and (ii) pay the costs of issuance of the IFA 2016B Bonds and the Series 2016B Bonds. The principal of and interest on the Series 2016B Bonds are payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the Wastewater System and the Second Lien Pledged Funds of the Authority, on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the Second Lien Master Indenture and Section 5(b) herein, which Second Lien Bonds shall be issued by the Authority, and as necessary under the Authorizing Acts on behalf of and in the name of the City. Such Second Lien Bonds shall be designated as "CWA Authority, Inc. City of Indianapolis, Indiana, Second Lien Wastewater Refunding Revenue Bonds, Series 2016B".

(b) The Series 2016B Bonds shall be payable from and shall be equally and ratably secured by a second lien on the Net Revenues and the Second Lien Pledged Funds under the Second Lien Master Indenture, subordinate to the lien of the First Lien Bonds thereon, on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the Second Lien Master Indenture and herein. The Series 2016B Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2016B Account of the Bond Interest and Principal Fund in the manner provided in Section 3.01 of the Second Lien Master Indenture. The Series 2016B Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2016B Account of the Bond Reserve Fund in the manner provided in Section 3.01 of the Second Lien Master Indenture. The owners of the Series

2016B Bonds shall never have the right to demand payment of either the principal of, interest on or any redemption premium on the Series 2016B Bonds out of any funds raised or to be raised by taxation.

(c) Each Series 2016B Bond shall be, in all respects, on parity with each other.

(d) The Series 2016B Bonds shall be issued in an aggregate principal amount not to exceed \$43,545,000. The Series 2016B Bonds shall bear interest at the rates of interest shown below from the dates of payment on the Series 2016B Bonds and mature on October 1 in the years and in the amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2017	\$ 790,000	3.00 %
2018	815,000	3.00
2019	840,000	4.00
2020	875,000	3.00
2021	900,000	4.00
2022	935,000	3.00
2023	965,000	4.00
2024	1,005,000	5.00
2025	1,055,000	5.00
2026	1,105,000	5.00
2027	1,160,000	5.00
2028	1,220,000	5.00
2029	1,280,000	4.00
2030	1,330,000	4.00
2031	1,385,000	4.00
2032	1,440,000	4.00
2033	1,500,000	4.00
2034	1,560,000	4.00
2035	1,620,000	4.00
2036	1,685,000	4.00
2041	9,300,000	3.00
2046	10,780,000	3.00

(e) The Series 2016B Bonds shall be issued in fully registered form in Authorized Denominations, or integral multiples thereof, not exceeding the aggregate principal amount of such Series 2016B Bonds maturing in any year. The Series 2016B Bonds shall be numbered consecutively from 16-AR-1 upwards and shall mature and be payable as set forth herein.

(f) The interest on the Series 2016B Bonds shall be payable on each Interest Payment Date commencing on October 1, 2016. Interest on the Series 2016B Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

(g) The Series 2016B Bonds shall bear an original date which shall be the date of delivery thereof, and each Series 2016B Bond shall also bear the date of its authentication.

Series 2016B Bonds authenticated on or before the Record Date preceding the first Interest Payment Date thereon shall pay interest from the Dated Date. Series 2016B Bonds authenticated thereafter shall pay interest from the Interest Payment Date immediately preceding the date of authentication of the Series 2016B Bonds unless the Series 2016B Bonds are authenticated between the Record Date preceding an Interest Payment Date and the Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

(h) U.S. Bank National Association is hereby selected in accordance with the Second Lien Master Indenture to serve as Registrar and Paying Agent for the Series 2016B Bonds and hereby charged with the responsibility to authenticate the Series 2016B Bonds.

(i) The Trustee and the Authority may from time to time enter into, or discontinue, an agreement with a Securities Depository to establish procedures with respect to the Series 2016B Bonds not inconsistent with the provisions of the Second Lien Master Indenture; *provided, however*, that, notwithstanding anything in the Second Lien Master Indenture to the contrary, any such agreement may provide:

(1) that such Securities Depository is not required to present a Series 2016B Bond to the Trustee to receive a partial payment of principal;

(2) that such Securities Depository is not required to present a Series 2016B Bond or any portion thereof to receive payment of a purchase price;

(3) that different provisions for notice to or by such Securities Depository may be set forth therein; and

(4) that a legend may appear on each Series 2016B Bond so long as such Series 2016B Bonds are subject to such agreement.

(j) With respect to Series 2016B Bonds registered in the name of a Securities Depository (or its nominee), neither the Trustee, nor the Authority shall have any obligation under the Second Lien Master Indenture to any of its members or participants or to any person on behalf of whom an interest is held in such Series 2016B Bonds. While an agreement with a Securities Depository is in effect, the procedures established therein shall apply to such Series 2016B Bonds, notwithstanding any other provisions of the Second Lien Master Indenture to the contrary.

(k) The Series 2016B Bonds are authorized but not required to be issued initially, subject to the provisions of the Second Lien Master Indenture, as Book Entry Bonds.

Section 6. Payment of Principal And Interest. Any principal of the Series 2016B Bonds shall be payable at the Designated Office of the Trustee, Registrar and Paying Agent for the Series 2016B Bonds. Any interest on the Series 2016B Bonds shall be paid by:

(a) check or draft delivered one Business Day prior to such payment date to the registered owner thereof at the address as it appears on the registration books kept by the Registrar and Paying Agent as of the Record Date or at such other address as is provided to the Registrar and Paying Agent in writing by such registered owner.

(b) transmitted by wire transfer to the accounts with members of the Federal Reserve System situated within the continental United States of America of those Owners which own at least \$1,000,000 in aggregate principal amount of the Series 2016B Bonds and which shall have provided written wire transfer instructions to the Trustee prior to the close of business on such Record Date, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose names any such Series 2016B Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

(c) All payments on the Series 2016B Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

Section 7. Transfer and Exchange. Each Series 2016B Bond shall be transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent, by the Owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such Series 2016B Bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered Series 2016B Bond or Series 2016B Bonds, in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. A Registrar and Paying Agent shall not be obligated to make any exchange or transfer of Series 2016B Bonds (i) if such Series 2016B Bonds have been called for redemption, or (ii) following the Record Date on such Series 2016B Bonds until such Interest Payment Date. Each Series 2016B Bond may be transferred or exchanged without cost to the Owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Authority, the Trustee and a Registrar and Paying Agent may treat and consider the person in whose name such Series 2016B Bonds are registered as the Owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

In the event any Series 2016B Bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new Series 2016B Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Series 2016B Bond shall be marked in a manner to distinguish it from the Series 2016B Bond for which it was issued; provided that, in the case of any mutilated Series 2016B Bond, such mutilated Series 2016B Bond shall first be surrendered to the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed Series 2016B Bond there shall be first furnished to the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such lost, stolen or destroyed Series 2016B Bond shall have matured, instead of issuing a duplicate Series 2016B Bond, as appropriate, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The Authority and the Registrar and Paying Agent may charge the owner of such Series 2016B Bond with their reasonable fees and expenses in connection with the above. Every substitute Series 2016B Bond issued by reason of any Series 2016B Bond being lost, stolen or destroyed shall, with respect to such Series 2016B Bond, constitute a substitute

contractual obligation of the Authority, whether or not the lost, stolen or destroyed Series 2016B Bond shall be found at any time, and shall be entitled to all the benefits of this Series 2016B Supplemental Indenture, equally and proportionately with any and all other Series 2016B Bonds duly issued hereunder.

Section 8. Prepayment and Redemption.

(a) The Series 2016B Bonds maturing on or after October 1, 2027, are subject to optional redemption prior to their maturity on October 1, 2026, or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

(b) The Series 2016B Bonds maturing on October 1, 2041 and October 1, 2046 (the "Series 2016B Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

2016B Term Bonds Maturing October 1, 2041

<u>Year</u>	<u>Principal Amount</u>
2037	\$1,750,000
2038	1,805,000
2039	1,860,000
2040	1,915,000
2041*	1,970,000

*Final Maturity

2016B Term Bonds Maturing October 1, 2046

<u>Year</u>	<u>Principal Amount</u>
2042	\$2,030,000
2043	2,090,000
2044	2,155,000
2045	2,220,000
2046*	2,285,000

*Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Series 2016B Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any Series 2016B Term Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and cancelled by the Trustee and not theretofore applied as a credit against any

redemption obligation. Each Series 2016B Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2016B Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Trustee shall credit such Series 2016B Teini Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

(c) If fewer than all of the Series 2016B Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2016B Bonds to be redeemed shall be selected by the Authority by notice to the Trustee and if less than all of a maturity of the Series 2016B Bonds is to be redeemed, the particular Series 2016B Bonds within such maturity will be selected by lot by the Trustee and redeemed only in Authorized Denominations. The aggregate principal amount of each Series 2016B Bond remaining outstanding shall be in an Authorized Denomination. The Trustee shall have no liability to any person as a result of making such selection. The Trustee shall promptly notify the Authority in writing of the Series 2016B Bonds or portions thereof selected for redemption; *provided, however,* that in connection with any redemption of a Series 2016B Bond, the Trustee shall first select for redemption any Series 2016B Bonds held by the Trustee for the account of the Authority or held of record by the Authority and that if, as indicated in a certificate of an Authorized Officer delivered to the Trustee, the Authority shall have offered to purchase all of the Series 2016B Bonds then outstanding and less than all of the Series 2016B Bonds shall have been tendered to the Authority for such purchase, the Trustee, at the direction of the Authority, shall select for redemption all such of the Series 2016B Bonds which have not been so tendered. If it is determined that one or more, but not all, of the units of principal amount represented by any Series 2016B Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Owner of such Series 2016B Bond shall, except as provided in the Second Lien Master Indenture with respect to Book-Entry Bonds, forthwith surrender such Series 2016B Bond to the Trustee for (a) payment to such Owner of the redemption price of the unit or units of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2016B Bond or new Series 2016B Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2016B Bonds. New Series 2016B Bonds representing the unredeemed balance of the principal amount of such Series 2016B Bonds shall be issued to the Owner thereof, without charge therefor. If the surrender of such Series 2016B Bonds is required and the Owner of any such Series 2016B Bond shall fail to present such Series 2016B Bond to the Trustee for payment and exchange as aforesaid, such Series 2016B Bond shall, nevertheless, become due and payable, and interest thereon shall cease to accrue, on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

(d) In the case of any redemption of the Series 2016B Bonds, the Authority shall give written notice to the Trustee of its election or direction to so redeem, the redemption date of the Series 2016B Bonds to be redeemed, the principal amounts of the Series 2016B Bonds of each maturity to be redeemed and the moneys to be applied to such redemption. Official notice of redemption of Series 2016B Bonds shall be mailed by the Registrar and Paying Agent by

certified or registered mail at least thirty (30) days and no more than sixty (60) days prior to the scheduled redemption date to each of the Owners of the Series 2016B Bonds called for redemption (unless waived by any such Owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such Owner to the Registrar and Paying Agent; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Series 2016B Bond shall not affect the validity of the proceedings for the redemption of any other Series 2016B Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts and CUSIP numbers) of such Series 2016B Bonds called for redemption. The place of redemption may be at the Designated Office of the Registrar and Paying Agent or as otherwise determined by the Authority. Such notice may specify any conditions necessary for redemption and may provide that if such conditions are not satisfied, such redemption will be cancelled without further notice. Interest on such Series 2016B Bonds (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Series 2016B Bonds (or portions thereof) are presented for payment. Any Series 2016B Bond redeemed in part may be exchanged for a Series 2016B Bond of the same series and maturity in Authorized Denominations equal to the remaining principal amount thereof

(e) For all purposes of this Series 2016B Supplemental Indenture, unless the context otherwise requires, all provisions relating to the redemption or prepayment of Series 2016B Bonds, shall relate, in the case of any Series 2016B Bond redeemed or prepaid or to be redeemed or prepaid only in part, to the portion of the principal of such Series 2016B Bond which has been or is to be redeemed or prepaid.

Section 9. Form of Bonds. The form and tenor of the Series 2016B Bonds shall be substantially as set forth in Exhibit A hereto.

Section 10. Reserved.

Section 11. Deposit of Proceeds.

The Trustee shall make deposits as follows:

(a) \$80,239.64 of the proceeds of the Series 2016B Bonds shall be deemed to be deposited in the General Fund and used for costs of issuance in connection with the Series 2016B Bonds and the IFA Series 2016B Bonds. Such amounts shall be disbursed by the Trustee pursuant to the closing memorandum dated September 21, 2016, related to the Series 2016B Bonds. Upon the direction of the Authority, any balance remaining in the General Fund after the payment of the costs of issuance of the Series 2016B Bonds and the IFA Series 2016B Bonds, shall be deposited in the 2016B Bond Account of the Bond Interest and Principal Fund established pursuant to Section 12 hereof

(b) \$46,028,325.00 of the proceeds of the Series 2016B Bonds shall be deposited in the 2016 Escrow Account, which is hereby established, and such funds shall be used for payment of principal and interest through and including October 1, 2016, of the Prior Bonds.

Section 12. Bond Interest and Principal Fund. Pursuant to Section 3.06(e) of the Second Lien Master Indenture, there is hereby created the following separate account of the Bond Interest and Principal Fund: the "Series 2016B Bond Account."

Such accounts shall be further funded, maintained and used in accordance with Section 3.06 of the Second Lien Master Indenture.

Section 13. Execution of Series 2016B Bonds. The Series 2016B Bonds, in the form provided in Exhibit A hereto, shall be executed, attested and delivered by the Mayor of the City, the Controller of the City and the Clerk of the City and by the President and Chief Financial Officer of the Authority, as authorized by the resolution of the Authority Board adopted on February 17, 2016. In case any officer whose signature appears on the Series 2016B Bonds shall cease to hold that office before the delivery of such series of Series 2016B Bonds, the signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the delivery of such Series 2016B Bonds. After the Series 2016B Bonds have been properly executed, the Authority shall deliver such Series 2016B Bonds to the purchaser or purchasers in the manner provided by law.

Series 2016B Bonds issued hereunder shall be authenticated with the manual signature of a Responsible Officer of the Registrar and Paying Agent, and no Series 2016B Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Series 2016B Supplemental Indenture until the Certificate of Authentication on such Series 2016B Bond shall have been so executed.

Section 14. Tax Covenants. In order to preserve the excludability from gross income of interest on the Series 2016B Bonds under federal law, the Authority represents, covenants and agrees that, to the extent necessary to preserve such excludability:

(a) No person or entity or any combination thereof, other than the Authority or another "governmental unit" within the meaning of Section 141(b)(6) and Section 150(a)(2) of the Code ("Governmental Unit"), will use proceeds of the Series 2016B Bonds or property financed or refinanced by said proceeds other than as a member of the general public. Except as set forth below, no person or entity or any combination thereof, other than the Authority, or another Governmental Unit, will own property financed or refinanced by proceeds of Series 2016B Bonds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or other type of output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large of such property unless such use in the aggregate relates to no more than the lesser of \$15,000,000 or 10% of the proceeds of the Series 2016B Bonds or property financed by such bond proceeds. The Authority has assumed a management contract for the Wastewater System. The terms of the contract comply with IRS Revenue Procedure 97-13, and the contract does not constitute private business use under the Code and the Regulations.

(b) Not more than five percent (5%) of proceeds of the Series 2016B Bonds will be loaned to any entity or person. No proceeds of the Series 2016B Bonds will be transferred directly or indirectly transferred or deemed transferred to a person other than a Governmental

Unit in a fashion that would in substance constitute a loan of the proceeds of such Series 2016B Bonds.

(c) The Authority will not take any action or fail to take any action with respect to any of the Series 2016B Bonds that would result in the loss of the excludability from gross income for federal tax purposes of interest on the Series 2016B Bonds pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended and as in effect on the date of delivery of such Series 2016B Bonds (the "Code"), nor will the Authority act in any manner or peunit any actions by officers or officials of the Authority that would in any manner adversely affect such excludability. The Authority further covenants that it will not make any investment or do any other act or thing during the period that any Series 2016B Bond is outstanding hereunder which would cause any Series 2016B Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of any Series 2016B Bonds. The Authority shall comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable.

(d) Notwithstanding any other provisions of this Series 2016B Supplemental Indenture, the covenants and authorizations contained in this Series 2016B Supplemental Indenture which are designed to preserve the excludability of interest (the "Tax Exemption") on Series 2016B Bonds from gross income under federal law (the "Tax Sections") need not be complied with if the Authority receives an Opinion of Counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 15. Defeasance. If, when the Series 2016B Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call one or more Series 2016B Bonds or a portion thereof shall have been given and the whole amount of the principal of and interest so due and payable upon all of such Series 2016B Bonds or a portion thereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with Section 5.07 of the Second Lien Master Indenture, then and in that case such Series 2016B Bonds or such portion thereof issued hereunder shall no longer be deemed outstanding or an indebtedness of the Authority.

Section 16. Additional Second Lien Bonds. The Authority reserves the right to issue additional Second Lien Bonds ranking on parity with the Series 2016B Bonds on the terms and conditions set forth in the Second Lien Master Indenture.

Section 17. Amendment of Supplemental Indenture. This Supplemental Indenture may be amended or modified in the same manner as provided in Article VIII of the Second Lien Master Indenture.

Section 18. Notices. Notwithstanding anything in the Second Lien Master Indenture to the contrary, except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given if in writing and shall be deemed given when mailed by registered, certified or first class mail, postage prepaid, or by qualified overnight courier service mutually acceptable to the delivering and recipient parties, courier charges prepaid, addressed as follows:

If to the Authority: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: Chief Financial Officer
Telephone: (317) 927-4583
Facsimile: (317) 927-4395

with a copy to: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: General Counsel
Telephone: (317) 927-4751
Facsimile: (317) 927-4549

If to the Trustee or the Registrar and Paying Agent: U.S. Bank National Association
10 West Market Street, Suite 1150
Indianapolis, Indiana 46204
Attention: Corporate Trust Services
Telephone: (317) 264-2504
Facsimile: (317) 636-1951

Notwithstanding anything in the Second Lien Master Indenture to the contrary, unless specifically required by the terms of the Second Lien Master Indenture, any notice required to be given pursuant to any provision of the Second Lien Master Indenture may be given by any form of electronic transmission that is capable of producing a written record, including, without limitation, telecopy transmissions; *provided* that the deliverer of any such notice given by electronic transmission shall verify receipt of such notice promptly upon the transmission thereof and such notice shall not be deemed duly given unless full and legible receipt thereof has been verified by the recipient of such notice. The Authority and the Trustee, Registrar and Paying Agent may, by notice pursuant to this Section 18, designate any different addresses to which subsequent notices, certificates or other communications shall be sent. A duplicate copy of each notice, approval, consent, request, complaint, demand or other communication given hereunder by the Authority or the Trustee to any one of the others shall also be given to each one of the others.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officer with the authority to provide such Instructions ("Authorized Officers") and containing specimen signature of such Authorized Officer, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that direction that purport to have been sent by an

Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such instructions to the Trustee and that the Authority and all Authorized Officer are solely responsible to safeguard that use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written Instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions that the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 19. Miscellaneous.

(a) If any section, paragraph or provision of this Series 2016B Supplemental Indenture shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Series 2016B Supplemental Indenture.

(b) In case where the date of maturity of interest on or principal of any of the Series 2016B Bonds, or the date fixed for redemption of any of the Series 2016B Bonds, shall not be a Business Day, then payment of interest or principal need not be made on such date but shall be made on the Business Day immediately preceding such payment date with the same force and effect as if made on the date of maturity or the date fixed for redemption.

(c) With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Series 2016B Supplemental Indenture or the Series 2016B Bonds or coupons is intended or should be construed to confer upon or give to any person other than the Authority, the Trustee, and the Owners of the Series 2016B Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Series 2016B Supplemental Indenture or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Series 2016B Supplemental Indenture and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Authority, the Trustee, and the Owners from time to time of the Series 2016B Bonds as herein and therein provided.

(d) All the terms, provisions, conditions, covenants, warranties and agreements contained in this Series 2016B Supplemental Indenture shall be binding upon the successors and assigns of the Authority, and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns and the Owners of the Series 2016B Bonds.

(e) Any bank or trust company with or into which a Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purpose of this Series 2016B Supplemental Indenture. If the position of Paying Agent shall become vacant for any reason, the Authority shall, within 30 days thereafter, appoint a bank or trust company located in the same city as Paying Agent to fill such vacancy; *provided, however*, that if the Authority shall fail to appoint such Paying Agent within such period, the Trustee shall make such appointment.

No member, officer or employee of the Authority or the Authority Board shall be individually or personally liable for the payment of the principal of or interest or redemption premium on any Series 2016B Bond. Nothing herein contained shall, however, relieve any such member, officer or employee from the performance of any duty provided or required by law.

(g) This Series 2016B Supplemental Indenture shall be construed and enforced in accordance with the laws of the State of Indiana.

(h) The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Series 2016B Supplemental Indenture.

(i) This Series 2016B Supplemental Indenture and the Second Lien Master Indenture shall constitute a contract between the Authority and Owners of the Series 2016B Bonds.

(j) This Series 2016B Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(k) The Trustee, any Paying Agent or any Registrar, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series 2016B Bonds, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, any Paying Agent or any Registrar, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority, and may act as depository, trustee or agent for any committee or body of Owners secured by this Series 2016B Supplemental Indenture or other obligations of the Authority as freely as if it did not act in any capacity under this Series 2016B Supplemental Indenture.

(l) Whenever in this Series 2016B Supplemental Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 20. Representations, Warranties and Covenants for Revised Article 9 Collateral.

(a) The Second Lien Master Indenture and this Series 2016B Supplemental Indenture creates a valid and binding pledge, assignment, lien on and security interest in the Net Revenues

and Second Lien Pledged Funds in favor of the Trustee as security for payment of the Series 2016B Bonds, as described in Section 3.01 of the Second Lien Master Indenture and Section 5(b) hereof, enforceable by the Trustee in accordance with the terms hereof.

(b) Under the laws of the State of Indiana, (i) such lien and/or security interest, (ii) and each pledge, assignment, lien, or other security interest made to secure any obligations of the Authority which, by the terms hereof, ranks on a parity with the lien and security interest granted by this Series 2016B Supplemental Indenture, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract. By the date of issue of the Series 2016B Bonds, the Authority will have filed all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any Series 2016B Bonds are outstanding the Authority will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the Authority is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9-301-9-306 of such jurisdiction. The pledge made by this Series 2016B Supplemental Indenture shall be effective pursuant to IC 5-1-14-4, IC 26-1-9.1-109(d)(15) and IC 26-1-9.1-515(b) notwithstanding any failure to file a financing statement as described above.

(c) Except as permitted by the Second Lien Master Trust Indenture, the Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Net Revenues or the Second Lien Pledged Funds that ranks on a parity with or prior to the lien and/or security interest granted by this Series 2016B Supplemental Indenture. The Authority shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest on such collateral that ranks prior to or on a parity with the lien and/or security interest granted by this Series 2016B Supplemental Indenture, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby and by the Second Lien Master Indenture.

IN WITNESS WHEREOF, the Authority has caused this Series 2016B Supplemental Indenture to be executed by its President and Chief Executive Officer and attested by its Senior Vice President and Chief Financial Officer, and the Trustee has caused this Series 2016B Supplemental Indenture to be executed on its behalf by its duly authorized officer and its corporate seal to be impressed hereon and attested by its duly authorized officer, all as of the day and year first above written.

CWA AUTHORITY, INC.

By: _____
Jef = Harrison
President and Chief Executive Officer

Attest: _____

John J. Dehm
Senior Vice President and Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____

Name: PATRICIA M. TRLAK
VICE PRESIDENT

Title: _____

Attest:

By: _____

Name: Linda E. Garcia

Title: Vice President

EXHIBIT A

BOND FORM

[Form of Series 2016B Bond]

UNITED STATES OF AMERICA

STATE OF INDIANA
No. 16-BR-1

COUNTY OF MARION
\$43,545,000

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA
SECOND LIEN WASTEWATER REFUNDING REVENUE BOND, SERIES 2016B

<u>Interest Rate</u>	<u>Original Date</u>	<u>Maturity Date</u>	<u>Authentication Date</u>
See <u>Schedule A</u>	September 21, 2016	See <u>Schedule A</u>	September 21, 2016

Registered Owner: INDIANA FINANCE AUTHORITY

Principal Sum: See Schedule A

CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Act of 1991, as amended, Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") (as defined in the hereinafter defined Second Lien Master Indenture) and as necessary under the Authorizing Acts to act on behalf of the City of Indianapolis, Indiana, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner stated above, or registered assigns, but solely out of the Net Revenues of the Wastewater System and the Second Lien Pledged Funds (all as defined in the hereinafter defined Indentures), the principal sum stated above on October 1 in the years and amounts as set forth on Schedule A hereto, on the maturity dates stated on Schedule A hereto, and to pay interest on said principal sum to the registered owner of this bond until the Authority's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above from the Interest Payment Date immediately preceding the date of the authentication of this bond, unless this bond is authenticated between the Record Date (as defined in the Series 2016B Supplemental Indenture) preceding an Interest Payment Date and the Interest Payment Date, in which case interest shall be paid from such Interest Payment Date. Interest shall be payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2016. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

All payments of principal of and interest on this bond shall be paid by wire transfer for deposit to the principal corporate trust operations office of U.S. Bank National Association ("Trustee," "Registrar" or "Paying Agent") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or Paying Agent, or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on this bond shall be made in coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

This bond, together with interest hereon, shall be payable solely out of a second lien on Net Revenues and the Second Lien Pledged Funds, after the payment only of the Operation and Maintenance Expenses (as defined in the Second Lien Master Indenture) and First Lien Bonds (as defined in the Second Lien Master Indenture). The Series 2016B Bonds are issued on a parity with all other Second Lien Parity Obligations (as defined in the Second Lien Master Indenture) to be issued as described in the Second Lien Master Indenture and in the 2016B Supplemental Indenture (as defined below). The Second Lien Bonds (as defined in the Second Lien Master Indenture) constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by a lien on and pledge of the Net Revenues and Second Lien Pledged Funds. For the benefit of the owners of Second Lien Bonds, the Authority, pursuant to the Second Lien Master Indenture and the Series 2016B Supplemental Indenture, has granted a lien on and pledge of the Net Revenues and Second Lien Pledged Funds to secure the payment of principal of, premium, if any, and interest on the Second Lien Bonds and all expenses of providing for their full and timely payment in accordance with their terms, as provided in the Second Lien Master Indenture and the Series 2016B Supplemental Indenture and pursuant to the Authorizing Acts. Subject to the provisions of the Second Lien Master Indenture and the Series 2016B Supplemental Trust Indenture dated as of September 1, 2016 (the "Series 2016B Supplemental Indenture"), between the Authority and the Trustee for registration, this bond is negotiable under the laws of the State of Indiana.

This bond is one of an authorized issue of bonds of the Authority in the aggregate principal amount of Forty-three Million Five Hundred Forty-five Thousand Dollars (\$43,545,000) (the "Series 2016B Bonds"), numbered consecutively from 16-AR-1 upwards, issued pursuant to the Second Lien Master Trust Indenture dated as of July 1, 2011 (the "Second Lien Master Indenture", and with the Series 2012A Second Lien Supplemental Trust Indenture dated as of September 1, 2012, the Series 2014A Supplemental Indenture dated as of July 1, 2014, the Series 2015A Second Lien Supplemental Trust Indenture dated as of February 1, 2015, and the Series 2016B Supplemental Indenture, the "Indentures") between the Authority and the Trustee as well as the Series 2016B Supplemental Indenture.

The Authority irrevocably pledges the entire Net Revenues of such Wastewater System and the Second Lien Pledged Funds to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the Second Lien Master Indenture and the Second Lien Parity Obligations issued in connection therewith, including this bond, in the manner described in Section 3.01 of the Second Lien Master Indenture and Section 5(b) of the Series 2016B Supplemental Indenture, and covenants that it will cause to be fixed, maintained and collected such

rates and charges for services rendered by such Wastewater System as are sufficient in each year for the payment of the Operation and Maintenance Expenses of the Wastewater System, and for the payment of the sums required to be paid into such Bond Interest and Principal Fund and the Bond Reserve Fund under the provisions of the Authorizing Acts and the Second Lien Master Indenture. In the event the Authority, or the Authorized Officers thereof, shall fail or refuse to fix, maintain and collect such rates or charges, or if there be a default in the payment of the principal of or interest on this bond, the owner of this bond shall have all of the rights and remedies provided for in such Indentures and the Authorizing Acts.

The bonds maturing in any one year are issuable only in fully registered form in Authorized Denominations or integral multiples thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Series 2016B Bonds maturing on or after October 1, 2027, are subject to optional redemption prior to their maturity on October 1, 2026 or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

The Series 2016B Bonds maturing on October 1, 2041 and October 1, 2046 (the "Series 2016B Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

2016B Term Bonds Maturing October 1, 2041

<u>Year</u>	<u>Principal Amount</u>
2037	\$1,750,000
2038	1,805,000
2039	1,860,000
2040	1,915,000
2041*	1,970,000

*Final Maturity

2016B Term Bonds Maturing October 1, 2046

<u>Year</u>	<u>Principal Amount</u>
2042	\$2,030,000

2043	2,090,000
2044	2,155,000
2045	2,220,000
2046*	2,285,000

*Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Series 2016B Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any Series 2016B Term Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2016B Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2016B Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Trustee shall credit such Series 2016B Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

Official notice of any such redemption shall be sent by registered or certified mail to the registered owner of this bond not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption at the address shown on the registration books of the Registrar and Paying Agent or at such other address as is furnished in writing to the Registrar and Paying Agent, unless such notice is waived by the registered owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Authority. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption, to pay the redemption price on the redemption date or when presented for payment.

If fewer than all of the bonds of the Series 2016B Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2016B Bonds to be redeemed shall be selected by the Authority by notice to the Trustee and if less than all of a maturity of the Series 2016B Bonds is to be redeemed, the particular Series 2016B Bonds within such maturity shall be selected by lot by the Trustee in Authorized Denominations. The aggregate principal amount of each Series 2016B Bond remaining outstanding shall be in an Authorized Denomination.

If this bond or a portion hereof shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal of and interest so due and payable upon all of this bond or a portion hereof

then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with the Second Lien Master Indenture, then and in that case this bond or such portion hereof shall no longer be deemed outstanding or an indebtedness of the Authority.

This bond is transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be required to make any transfer or exchange of this bond if it has been called for redemption or following the Record Date immediately preceding an Interest Payment Date on this bond until such Interest Payment Date. The Authority, the Trustee and the Registrar and Paying Agent may treat and consider the person in whose name this bond is registered as the absolute Owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided that, in the case of this bond being mutilated, this bond shall first be surrendered to the Authority and the Registrar and Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Authority and the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Authority and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured, instead of issuing a duplicate bond, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay this bond without surrender hereof. The Authority and the Registrar and Paying Agent may charge the registered owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Authority, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Indentures, equally and proportionately with any and all other Second Lien Bonds duly issued thereunder.

In the manner provided in the Indentures, the Indentures and the rights and obligations of the Authority and of the registered owners of the bonds may (with certain exceptions as stated in the Indenture) be modified or amended without the consent of the owners of the bonds.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving sixty (60) days' written notice to the Authority and to the registered owners of bonds then outstanding and such resignation will take effect upon the appointment of a successor Registrar and Paying Agent by the Authority. Such notice to the Authority may be served personally or be sent

by registered mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the Authority, in which event the Authority may appoint a successor Registrar and Paying Agent. The Authority shall cause the registered owner of this bond, if then outstanding, to be notified by certified or registered mail of the removal of the Registrar and Paying Agent. Notices to registered owners of bonds shall be deemed to be given when mailed by certified or registered mail to the addresses of such registered owners as they appear in the registration books kept by the Registrar and Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law and the Constitution of the State of Indiana to be done precedent to and in the execution, issuance, sale and delivery of this bond have been properly done, happened and performed in regular and due form as prescribed by law.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indentures authorizing this bond until the certificate of authentication hereon shall have been duly executed by an authorized representative of the Registrar and Paying Agent.

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City of Indianapolis, Indiana, and attested by the manual or facsimile signature of the Controller of the City of Indianapolis, Indiana, who has caused the official seal of the City of Indianapolis, Indiana, to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon and by the manual or facsimile signature of the President and Chief Executive Officer of CWA Authority, Inc. and attested by the manual or facsimile signature of the Senior Vice President and Chief Financial Officer of CWA Authority, Inc.

CITY OF INDIANAPOLIS, INDIANA

By: _____
Mayor, City of Indianapolis, Indiana

(SEAL)

ATTEST:

Clerk, City of Indianapolis, Indiana

ATTEST:

Controller, City of Indianapolis, Indiana

CWA AUTHORITY, INC.

By: _____
President and Chief Executive Officer

ATTEST:

Senior Vice President
and Chief Financial Officer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Registrar and Paying Agent

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Insert name and address of transferee)

this bond and all rights hereunder and hereby irrevocably constitutes and appoints _____, attorney, to transfer this bond on the books kept for the registration hereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the front of this bond without alternation or enlargement or any change whatsoever.

[SCHEDULE A]

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2017	\$ 790,000	3.00 %
2018	815,000	3.00
2019	840,000	4.00
2020	875,000	3.00
2021	900,000	4.00
2022	935,000	3.00
2023	965,000	4.00
2024	1,005,000	5.00
2025	1,055,000	5.00
2026	1,105,000	5.00
2027	1,160,000	5.00
2028	1,220,000	5.00
2029	1,280,000	4.00
2030	1,330,000	4.00
2031	1,385,000	4.00
2032	1,440,000	4.00
2033	1,500,000	4.00
2034	1,560,000	4.00
2035	1,620,000	4.00
2036	1,685,000	4.00
2041	9,300,000	3.00
2046	10,780,000	3.00

SERIES 2011A
FIRST LIEN SUPPLEMENTAL TRUST INDENTURE

Dated as of July 1, 2011

between

CWA AUTHORITY, INC.

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Securing

CWA Authority, Inc.
City of Indianapolis, Indiana,
First Lien Wastewater
Revenue Bonds, Series 2011A
(the "Series 2011A Bonds")

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FIRST LIEN SUPPLEMENTAL TRUST INDENTURE

This SERIES 2011A FIRST LIEN SUPPLEMENTAL TRUST INDENTURE dated as of July 1, 2011 (the "Series 2011A Supplemental Indenture" and the "Series 2011A Supplemental Trust Indenture"), supplements and amends the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture"), between CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Corporation Act of 1991, as amended (the "Nonprofit Act"), Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") among the City of Indianapolis (the "City"), the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District") and the Board of Directors for Utilities of the Department of Public Utilities of the City d/b/a Citizens Energy Group ("Citizens"), and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America,

WITNESSETH:

WHEREAS, the Authority owns and operates a revenue producing wastewater system (the "Wastewater System"), serving the inhabitants of Marion County and other nearby communities; and

WHEREAS, the Authority is authorized to issue bonds and certificates of indebtedness pursuant to the Authorizing Acts (as defined in the First Lien Master Indenture), payable out of the Net Revenues (as defined in the First Lien Master Indenture) derived from the Wastewater System, and the Pledged Funds (as defined in the First Lien Master Indenture and herein) to finance the acquisition and the construction of necessary betterments, improvements, extensions or additions to the Wastewater System; and

WHEREAS, the First Lien Bonds are secured by a pledge of the Net Revenues and the Pledged Funds; and

WHEREAS, the Board of Directors of the Authority (the "Authority Board") duly and legally authorized the execution, acknowledgement and delivery of the Series 2011A Supplemental Trust Indenture in this form for the purposes, among others, (a) to fund a portion of the costs of the acquisition of the Wastewater System, (b) to fund necessary betterments, improvements, extensions or additions to the Wastewater System, (c) to fund a debt service reserve for the Series 2011A Bonds and (d) to fund costs of issuance in connection with the issuance of the 2011A Bonds and the IFA 2011A Bonds (as defined below).

NOW, THEREFORE, the Authority and the Trustee hereby covenant and agree as follows:

THIS SERIES 2011A SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants contained in the First Lien Master Indenture and this Series 2011A Supplemental Indenture, and of the purchase and acceptance of the Series 2011A Bonds by the holders thereof, and for other

valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2011A Bonds are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, to secure the payment of the principal of and redemption premium, if any, and interest on the Series 2011A Bonds at any time issued and outstanding under this Series 2011A Supplemental Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the Series 2011A Bonds and in the First Lien Master Indenture and this Series 2011A Supplemental Indenture, has executed and delivered the First Lien Master Indenture and this Series 2011A Supplemental Indenture, and has pledged and assigned, and by these presents does hereby pledge and assign and grant a security interest in, unto the Trustee, and to its successors in trust, the Net Revenues and the Pledged Funds securing the Series 2011A Bonds, subject to the provisions of the First Lien Master Indenture and this Series 2011A Supplemental Indenture permitting the application thereof for the purposes and on the terms set forth in the First Lien Master Indenture and this Series 2011A Supplemental Indenture.

The pledge made by the First Lien Master Indenture and this Series 2011A Supplemental Indenture is, and shall be, also subject to the First Lien Master Indenture and the provisions thereof, including specifically Section 3.01 thereof and Section 5(b) hereof, for the equal and proportionate benefit, security and protection of all First Lien Bonds issued or to be issued under and secured by the First Lien Master Indenture, the Parity Portion (as defined in the First Lien Master Indenture) of the Repayment Obligations and all Regular Payments on Qualified Derivative Agreements (each as defined in the First Lien Master Indenture and collectively, the "Parity Obligations") (without duplication of obligation), each without preference, priority or distinction of any such Parity Obligations over any other such Parity Obligations or of any series of Parity Obligations over any other series of Parity Obligations by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Parity Obligation shall have the same rights and privilege under and by virtue of the First Lien Master Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of the First Lien Master Indenture in the manner described in Section 3.01 of the First Lien Master Indenture; *provided, however*, that if the Authority shall pay or cause to be paid to the holders of the Series 2011A Bonds the principal and interest and redemption premium, if any, to become due in respect thereof at the times and in the manner stipulated therein and herein (or shall provide, as permitted by the First Lien Master Indenture, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall pay or cause to be paid to the Trustee all sums of money due and to become due to it in accordance with the First Lien Master Indenture, then this Series 2011A Supplemental Indenture and the rights hereby granted shall cease, terminate and be void, at the option of the Authority (evidenced by a certified resolution of the Authority Board delivered to the Trustee), but otherwise this Series 2011A Supplemental Indenture shall remain in full force and effect.

It is further covenanted and agreed that the Series 2011A Bonds are to be issued, authenticated and delivered, and that the fees, income and funds herein pledged and provided to be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject to the following covenants, conditions and trusts; and the Authority, for itself and its successors, does hereby covenant and agree to and with the Trustee and its successors in trust under this

Series 2011A Supplemental Indenture, for the benefit of whomsoever shall hold, or contract with the Authority with respect to, the Series 2011A Bonds, as follows:

WITNESSETH:

Section 1. Definitions. All terms defined in the First Lien Master Indenture shall have the meaning prescribed therein unless the context otherwise indicates. Any words or terms used in the First Lien Master Indenture for which a different definition is provided herein shall have the meaning herein prescribed unless the context otherwise indicates.

"Authorized Denominations" means \$5,000 and any integral multiple thereof.

"Beneficial Owner" means the owner of a Series 2011A Bond or portion thereof for federal income tax purposes.

"Bond Register" means the register kept by the Trustee.

"Book Entry Bond" means a Series 2011A Bond authorized to be issued to and restricted to being registered in the name of a Securities Depository.

"Dated Date" means the date of issuance and delivery of the Series 2011A Bonds to the initial purchasers thereof

"Defeasance Obligations" means those investments described in subclauses (a) through (e) of the defined term "Permitted Investments" in the First Lien Master Indenture.

"Designated Office" means the office of the Trustee, Registrar and Paying Agent or an affiliate or another agent or fiduciary designated from time to time as the appropriate office for a given purpose herein, and in the absence of a contrary designation, means the Principal Office of the Trustee, Registrar and Paying Agent.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"IFA 2011A Bonds" means the Indiana Finance Authority First Lien Wastewater Utility Revenue Bonds, Series 2011A (CWA Authority Project) issued to purchase the Series 2011A Bonds.

"Interest Payment Date" means April 1 and October 1 of each year, commencing April 1, 2012.

"Opinion of Counsel" means an opinion of recognized municipal utilities counsel selected by the Authority in the case of an Opinion of Authority Board Counsel, and the opinion of nationally recognized bond counsel selected by the Authority in the case of an Opinion of Bond Counsel.

"Pledged Funds" for purposes of this Series 2011A Supplemental Indenture has the meaning given to such term in the First Lien Master Indenture, as further described in Section

5(b) hereof, and includes the Series 2011A Account of the Bond Interest and Principal Fund, the Series 2011A Account of the Bond Reserve Fund and the Series 2011A/B Account of the Construction Fund.

"Principal Office" means, with respect to the Trustee, the designated corporate trust office of the Trustee, which office at the date of acceptance of the Trustee of the duties and obligations imposed upon it hereunder is located at the address specified in Section 18.

"Record Date" means the 15th day of the calendar month preceding the month during which such Interest Payment Date occurs.

"Reserve Requirement" means the amount required to be maintained in the Series 2011A Account of the Bond Reserve Fund, as further described in Section 10 hereof.

"Responsible Officer" means when used with respect to the Trustee, Registrar and Paying Agent, any officer of the Trustee, Registrar and Paying Agent, including any Vice President, Assistant Vice President, corporate trust officer or other officer of the Trustee, Registrar and Paying Agent customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Securities Depository" means, with respect to a Book Entry Bond, DTC or any person, firm, association or corporation constituting a "clearing agency" (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended, which may at any time be substituted in its place to act as Securities Depository for the Series 2011A Bonds or any sub-series thereof, or its successors, or any nominee therefor.

"Series 2011 Bonds" means the Series 2011A Bonds, the Series 2011B Bonds and the Series 2011C Bonds.

"Series 2011A Bonds" means the CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2011A.

"Series 2011B Bonds" means the CWA Authority, Inc. City of Indianapolis, Indiana, Second Lien Wastewater Revenue Bonds, Series 2011B.

"Series 2011C Bonds" means the CWA Authority, Inc. City of Indianapolis, Indiana, Second Lien Wastewater Revenue Bonds, Series 2011C.

"Supplemental Indenture" means any indenture between the Authority and the Trustee entered into pursuant to and in compliance with Article VIII of the First Lien Master Indenture, including this Series 2011A Supplemental Indenture.

"2011A Project" means the necessary betterments, improvements, extensions or additions to the Wastewater System to be undertaken by the Authority.

"2011A Project Costs" means (a) obligations of the Authority and all contractors incurred for labor and materials in connection with the 2011A Project, (b) the cost of bonds and insurance of all kinds that may be required or necessary during construction of the 2011A Project, (c) all costs of architectural and engineering services, including the costs of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigation therefore, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the 2011A Project, (d) all sums required to reimburse the Authority for advances made by it for any of the above items or for any costs incurred and for work done, which are properly chargeable to the 2011A Project and (e) all other components of cost of labor, materials, machinery and equipment and financing charges attributable to the 2011A Project to the extent permitted by the Authorizing Acts.

Section 2. Miscellaneous Definitions. As used herein, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and unless the context shall otherwise indicate, the words "bond," "owner," "holder" and "person" shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

Section 3. Certain Other Terms. As used in the First Lien Master Indenture, the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Series 2011A Supplemental Indenture.

Section 4. Findings.

(a) The relevant recitals set forth in the resolutions adopted by the Authority Board at meetings on April 13, 2011, and August 10, 2011, are incorporated into this Series 2011A Supplemental Indenture by this reference.

(b) The First Lien Master Indenture, the Series 2011A Bonds and this Series 2011A Supplemental Indenture are among the Bond Documents approved by resolution of the Authority Board at meetings on April 13, 2011 and August 10, 2011.

(c) The Series 2011A Bonds and related obligations are entitled to the benefits of being and shall be revenue obligations within the meaning of Indiana Code 8-1-11.1 to the extent applicable by law.

Section 5. Authorization of Issuance of Series 2011A Bonds; General Terms; Book-Entry. (a) In order to (i) fund a portion of the costs of the acquisition of the Wastewater System, (ii) fund the 2011A Project Costs, (iii) fund a debt service reserve for the Series 2011A Bonds and (iv) fund costs of issuance in connection with the issuance of the 2011A Bonds and the IFA 2011A Bonds, the Authority will issue and sell, pursuant to the provisions hereof, the Series 2011A Bonds. The principal of and interest on the Series 2011A Bonds are payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the Wastewater System and the Pledged Funds of the Authority, on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and Section 5(b) herein, which First Lien Bonds shall be issued by the Authority, and as necessary under the Authorizing Acts on behalf of and in the name of the City. Such First Lien Bonds shall

be designated as "CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2011A."

(b) The Series 2011A Bonds shall be payable from and shall be equally and ratably secured by a senior and first lien on the Net Revenues and the Pledged Funds under the First Lien Master Indenture on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and herein. The Series 2011A Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2011A Account of the Bond Interest and Principal Fund in the manner provided in Section 3.01 of the First Lien Master Indenture. The Series 2011A Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2011A Account of the Bond Reserve Fund in the manner provided in Section 3.01 of the First Lien Master Indenture. The owners of the Series 2011A Bonds shall never have the right to demand payment of either the principal of, interest on or any redemption premium on the Series 2011A Bonds out of any funds raised or to be raised by taxation.

(c) Each Series 2011A Bond shall be, in all respects, on a parity with each other.

(d) The Series 2011A Bonds shall be issued in an aggregate principal amount not to exceed \$678,480,000. The Series 2011A Bonds shall bear interest at the rates of interest shown below from the dates of payment on the Series 2011A Bonds and mature on October 1 in the years and in the amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2012	\$ 5,940,000	2.00%
2013	8,470,000	2.00
2014	11,805,000	4.00
2015	12,280,000	3.00
2016	12,650,000	2.50
2017	12,965,000	5.00
2018	13,610,000	4.00
2019	14,160,000	5.00
2020	14,865,000	5.00
2021	15,605,000	5.00
2022	16,390,000	5.25
2023	17,245,000	5.25
2024	18,155,000	5.25
2025	19,105,000	5.25
2026	20,110,000	5.25
2031	117,545,000	5.25
2038	224,275,000	5.25
2041	123,305,000	5.00

(e) The Series 2011A Bonds shall be issued in fully registered form in Authorized Denominations, or integral multiples thereof, not exceeding the aggregate principal amount of such Series 2011A Bonds maturing in any year. The Series 2011A Bonds shall be numbered consecutively from 11-AR-1 upwards and shall mature and be payable as set forth herein.

(f) The interest on the Series 2011A Bonds shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2012. Interest on the Series 2011A Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

(g) The Series 2011A Bonds shall bear an original date which shall be the date of delivery thereof, and each Series 2011A Bond shall also bear the date of its authentication. Series 2011A Bonds authenticated on or before the Record Date preceding the first Interest Payment Date thereon shall pay interest from the Dated. Date. Series 2011A Bonds authenticated thereafter shall pay interest from the Interest Payment Date immediately preceding the date of authentication of the Series 2011A Bonds unless the Series 2011A Bonds are authenticated between the Record Date preceding an Interest Payment Date and the Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

(h) The Bank of New York Mellon Trust Company, N.A. is hereby selected in accordance with the First Lien Master Indenture to serve as Registrar and Paying Agent for the Series 2011A Bonds and hereby charged with the responsibility to authenticate the Series 2011A Bonds.

(i) The Trustee and the Authority, may from time to time enter into, or discontinue, an agreement with a Securities Depository to establish procedures with respect to the Series 2011A Bonds not inconsistent with the provisions of the First Lien Master Indenture; *provided, however,* that, notwithstanding anything in the First Lien Master Indenture to the contrary, any such agreement may provide:

(1) that such Securities Depository is not required to present a Series 2011A Bond to the Trustee to receive a partial payment of principal;

(2) that such Securities Depository is not required to present a Series 2011A Bond or any portion thereof to receive payment of a purchase price;

(3) that different provisions for notice to or by such Securities Depository may be set forth therein; and

(4) that a legend may appear on each Series 2011A Bond so long as such Series 2011A Bonds are subject to such agreement.

(i) With respect to Series 2011A Bonds registered in the name of a Securities Depository (or its nominee), neither the Trustee, nor the Authority shall have any obligation under the First Lien Master Indenture to any of its members or participants or to any person on behalf of whom an interest is held in such Series 2011A Bonds, While an agreement with a Securities Depository is in effect, the procedures established therein shall apply to such Series 2011A Bonds, notwithstanding any other provisions of the First Lien Master Indenture to the contrary.

(k) The Series 2011A Bonds are authorized but not required to be issued initially, subject to the provisions of the First Lien Master Indenture, as Book Entry Bonds.

(1) If DTC is the Securities Depository for any Series 2011A Bonds constituting Book Entry Bonds, the Trustee for such Series 2011A Bonds must be a Direct Participant in DTC.

Section 6. Payment of Principal And Interest. Any principal of the Series 2011A Bonds shall be payable at the Designated Office of the Trustee, Registrar and Paying Agent for the Series 2011A Bonds. Any interest on the Series 2011A Bonds shall be paid by:

(a) check or draft delivered one Business Day prior to such payment date to the registered owner thereof at the address as it appears on the registration books kept by the Registrar and Paying Agent as of the Record Date or at such other address as is provided to the Registrar and Paying Agent in writing by such registered owner.

(b) transmitted by wire transfer to the accounts with members of the Federal Reserve System situated within the continental United States of America of those Owners which own at least \$1,000,000 in aggregate principal amount of the Series 2011A Bonds and which shall have provided written wire transfer instructions to the Trustee prior to the close of business on such Record Date, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose names any such Series 2011A Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

(c) All payments on the Series 2011A Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

Section 7. Transfer and Exchange. Each Series 2011A Bond shall be transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent, by the Owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such Series 2011A Bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered Series 2011A Bond or Series 2011A Bonds, in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. A Registrar and Paying Agent shall not be obligated to make any exchange or transfer of Series 2011A Bonds (i) if such Series 2011A Bonds have been called for redemption, or (ii) following the Record Date on such Series 2011A Bonds until such Interest Payment Date. Each Series 2011A Bond may be transferred or exchanged without cost to the Owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Authority and a Registrar and Paying Agent may treat and consider the person in whose name such Series 2011A Bonds are registered as the Owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

In the event any Series 2011A Bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new Series 2011A Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed,

which new Series 2011A Bond shall be marked in a manner to distinguish it from the Series 2011A Bond for which it was issued; provided that, in the case of any mutilated Series 2011A Bond, such mutilated Series 2011A Bond shall first be surrendered to the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed Series 2011A Bond there shall be first furnished to the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such lost, stolen or destroyed Series 2011A Bond shall have matured, instead of issuing a duplicate Series 2011A Bond, as appropriate, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The Authority and the Registrar and Paying Agent may charge the owner of such Series 2011A Bond with their reasonable fees and expenses in connection with the above. Every substitute Series 2011A Bond issued by reason of any Series 2011A Bond being lost, stolen or destroyed shall, with respect to such Series 2011A Bond, constitute a substitute contractual obligation of the Authority, whether or not the lost, stolen or destroyed Series 2011A Bond shall be found at any time, and shall be entitled to all the benefits of this Series 2011A Supplemental Indenture, equally and proportionately with any and all other Series 2011A Bonds duly issued hereunder.

Section 8. Prepayment and Redemption.

(a) The Series 2011A Bonds maturing on or after October 1, 2022, are subject to optional redemption prior to their maturity on October 1, 2021, or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

(b) The Series 2011A Bonds maturing on October 1, 2031, October 1, 2038 and October 1, 2041 (the "Series 2011A Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

2031 Term Bonds

	<u>Year</u>	<u>Principal Amount</u>
* Final Maturity	2027	\$21,170,000
	2028	22,280,000
	2029	23,445,000
	2030	24,675,000
	2031*	25,975,000

2038 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
2032	\$27,335,000
2033	28,770,000
2034	30,280,000
2035	31,875,000
2036	33,550,000
2037	35,305,000
2038*	37,160,000

*Final Maturity

2041 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
2039	\$39,115,000
2040	41,070,000
2041*	43,120,000

* Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Series 2011A Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any 2011A Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2011A Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2011A Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Trustee shall credit such Series 2011A Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

(c) If fewer than all of the Series 2011A Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2011A Bonds to be redeemed shall be selected by lot by the Trustee and redeemed only in Authorized Denominations. The aggregate principal amount of each Series 2011A Bond remaining outstanding shall be in an Authorized Denomination. The Trustee shall have no liability to any person as a result of making such

selection. The Trustee shall promptly notify the Authority in writing of the Series 2011A Bonds or portions thereof selected for redemption; *provided, however*, that in connection with any redemption of a Series 2011A Bond the Trustee shall first select for redemption any Series 2011A Bonds held by the Trustee for the account of the Authority or held of record by the Authority and that if; as indicated in a certificate of an Authorized Officer delivered to the Trustee, the Authority shall have offered to purchase all of the Series 2011A Bonds then outstanding and less than all of the Series 2011A Bonds shall have been tendered to the Authority for such purchase, the Trustee, at the direction of the Authority, shall select for redemption all such of the Series 2011A Bonds which have not been so tendered. If it is determined that one or more, but not all, of the units of principal amount represented by any Series 2011A Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Owner of such Series 2011A Bond shall, except as provided in the First Lien Master Indenture with respect to Book-Entry Bonds, forthwith surrender such Series 2011A Bond to the Trustee for (a) payment to such Owner of the redemption price of the unit or units of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2011A Bond or new Series 2011A Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2011A Bonds. New Series 2011A Bonds representing the unredeemed balance of the principal amount of such Series 2011A Bonds shall be issued to the Owner thereof; without charge therefor. If the surrender of such Series 2011A Bonds is required and the Owner of any such Series 2011A Bond shall fail to present such Series 2011A Bond to the Trustee for payment and exchange as aforesaid, such Series 2011A Bond shall, nevertheless, become due and payable, and interest thereon shall cease to accrue, on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

(d) In the case of any redemption of the Series 2011A Bonds, the Authority shall give written notice to the Trustee of its election or direction to so redeem, the redemption date of the Series 2011A Bonds to be redeemed, the principal amounts of the Series 2011A Bonds of each maturity to be redeemed and the moneys to be applied to such redemption. Official notice of redemption of Series 2011A Bonds shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days and no more than sixty (60) days prior to the scheduled redemption date to each of the Owners of the Series 2011A Bonds called for redemption (unless waived by any such Owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such Owner to the Registrar and Paying Agent; *provided, however*, that failure to give such notice by mailing, or any defect therein, with respect to any Series 2011A Bond shall not affect the validity of the proceedings for the redemption of any other Series 2011A Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts and CUSIP numbers) of such Series 2011A Bonds called for redemption. The place of redemption may be at the Designated Office of the Registrar and Paying Agent or as otherwise determined by the Authority. Such notice may specify any conditions necessary for redemption and may provide that if such conditions are not satisfied, such redemption will be cancelled without further notice. Interest on such Series 2011A Bonds (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Series 2011A Bonds (or portions thereof) are presented for payment. Any Series 2011A Bond redeemed in part may be

exchanged for a Series 2011A Bond of the same series and maturity in Authorized Denominations equal to the remaining principal amount thereof.

(e) For all purposes of this Series 2011A Supplemental Indenture, unless the context otherwise requires, all provisions relating to the redemption or prepayment of Series 2011A Bonds, shall relate, in the case of any Series 2011A Bond redeemed or prepaid or to be redeemed or prepaid only in part, to the portion of the principal of such Series 2011A Bond which has been or is to be redeemed or prepaid.

Section 9. Form of Bonds. The form and tenor of the Series 2011A Bonds shall be substantially as set forth in Exhibit A hereto.

Section 10. Bond Reserve Fund. (a) Pursuant to Section 3.07 of the First Lien Master Indenture, the Authority is authorized at the time of the sale of a series of First Lien Bonds to determine if an account of the Bond Reserve Fund is to be maintained and the provisions with respect thereto, if any. The Authority hereby establishes the "Series 2011A Account of the Bond Reserve Fund." The moneys in the Series 2011A Account of the Bond Reserve Fund will be used solely to pay current principal and interest due on the Series 2011A Bonds to the extent that moneys in the Series 2011A Bond Account of the Bond Interest and Principal Fund are insufficient for that purpose. No other obligations of the Authority shall be paid or payable from the Series 2011A Account of the Bond Reserve Fund, except as provided in the First Lien Master Indenture. The Reserve Requirement for the Series 2011A Account shall be an amount equal to the least of (i) the maximum annual required deposits to the Bond Principal and Interest Fund for the Series 2011A Bonds, (ii) 125% of average annual required deposits to the Bond Principal and Interest Fund for the Series 2011A Bonds, or (iii) 10% of the proceeds of the Series 2011A Bonds. The Reserve Requirement for the Series 2011A Account is initially \$45,281,037.50.

\$45,281,037.50 of the proceeds of the Series 2011A Bonds shall be deposited to the Series 2011A Account of the Bond Reserve Fund which will equal such Reserve Requirement on and as of the issuance of the Series 2011A Bonds.

(b) Any deficiency in the balance maintained in the Series 2011A Account of the Bond Reserve Fund, including in the event that money in the Series 2011A Account of the Bond Reserve Fund is transferred to the Series 2011A Bond Account of the Bond Interest and Principal Fund to pay principal and interest on the Series 2011A Bonds, shall be made up from the next available Net Revenues remaining after credits into the Bond Interest and Principal Fund on a parity with all other accounts of the Bond Reserve Fund related to any First Lien Bonds and prior to any use thereof pursuant to Section 3.08 of the First Lien Master Indenture. Any monies in the Series 2011A Account of the Bond Reserve Fund in excess of the Reserve Requirement with respect thereto, may be transferred to any other Fund or Account of the Authority as specified by an Authorized Officer.

(c) All obligations purchased as an investment of moneys held in the Series 2011A Account of the Bond Reserve Fund shall be valued at the fair market value thereof and marked-to-market annually. When market prices for obligations held in the Series 2011A Account of the Bond Reserve Fund are not readily available, the market price for such obligations may be determined in such manner as the Trustee deems reasonable.

Section 11. Deposit of Proceeds.

(a) \$1,098,561.75 of the proceeds of the Series 2011A Bonds shall be deposited in the General Fund and used for costs of issuance in connection with the Series 2011A Bonds and the IFA Series 2011A Bonds.

(b) \$492,260,762.12 (comprised of \$490,816,677.90 of the proceeds of the Series 2011A Bonds and \$1,444,084.22 of moneys previously held by the Sanitary District) shall be deposited in the General Fund and transferred to the Sanitary District and the Bond Bank so that the Sanitary District and the Bond Bank can pay or defease their outstanding bonds.

(c) \$45,281,037.50 of the proceeds of the Series 2011A Bonds shall be deposited in the Series 2011A Account of the Bond Reserve Fund established in Section 10 hereof.

(d) \$51,100,000 of the proceeds of the Series 2011A Bonds shall be deposited in the General Fund and transferred to the City in order to pay the City's outstanding line of credit with Wells Fargo National Association.

(e) \$123,900,000 of the proceeds of the Series 2011A Bonds shall be deposited in the 2011A/B Account of the Construction Fund, which is hereby established, and such funds shall be expended for the 2011A Project Costs, including prepaying any interim funding for the Series 2011A Project Costs. Any balance remaining unexpended in such account after completion of the 2011A Project shall be paid into the 2011A Bond Account of the Bond Interest and Principal Fund.

Section 12. Bond Interest and Principal Fund. Pursuant to Section 3.06(e) of the First Lien Master Indenture, there is hereby created the following separate account of the Bond Interest and Principal Fund: the "Series 2011A Bond Account."

Such account shall be further funded, maintained and used in accordance with Section 3.06 of the First Lien Master Indenture.

Section 13. Execution of Series 2011A Bonds. The Series 2011A Bonds, in the form provided in Exhibit A hereto, shall be executed, attested and delivered by the Mayor of the City, the Controller of the City and the Clerk of the City and by the President and Chief Financial Officer of the Authority, as authorized by the resolutions of the Authority Board adopted on April 13, 2011 and August 10, 2011. In case any officer whose signature appears on the Series 2011A Bonds shall cease to hold that office before the delivery of such series of Series 2011A Bonds, the signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the delivery of such Series 2011A Bonds. After Series 2011A Bonds have been properly executed, the Authority shall deliver such Series 2011A Bonds to the purchaser or purchasers in the manner provided by law.

Series 2011A Bonds issued hereunder shall be authenticated with the manual signature of a Responsible Officer of the Registrar and Paying Agent, and no Series 2011A Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Series 2011A Supplemental Indenture until the Certificate of Authentication on such Series 2011A Bond shall have been so executed.

Section 14. Tax Covenants. In order to preserve the excludability from gross income of interest on the Series 2011A Bonds under federal law, the Authority represents, covenants and agrees that, to the extent necessary to preserve such excludability:

(a) No person or entity or any combination thereof, other than the Authority or another "governmental unit" within the meaning of Section 141(b)(6) and Section 150(a)(2) of the Code ("Governmental Unit"), will use proceeds of the Series 2011 Bonds or property financed by said proceeds other than as a member of the general public. Except as set forth below, no person or entity or any combination thereof, other than the Authority, or another Governmental Unit, will own property financed by proceeds of Series 2011 Bonds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or other type of output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large of such property unless such use in the aggregate relates to no more than the lesser of \$15,000,000 or 10% of the proceeds of the Series 2011 Bonds or property financed by such bond proceeds. The Authority has assumed a management contract for the Wastewater System. The terms of the contract comply with IRS Revenue Procedure 97-13, and the contract does not constitute private business use under the Code and the Regulations.

(b) Not more than five percent (5%) of proceeds of the Series 2011 Bonds will be loaned to any entity or person. No proceeds of the Series 2011 Bonds will be transferred directly or indirectly transferred or deemed transferred to a person other than a Governmental Unit in a fashion that would in substance constitute a loan of the proceeds of such Series 2011 Bonds.

(c) The Authority will not take any action or fail to take any action with respect to any of Series 2011 Bonds that would result in the loss of the excludability from gross income for federal tax purposes of interest on the Series 2011 Bonds pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended and as in effect on the date of delivery of such Series 2011 Bonds (the "Code"), nor will the Authority act in any manner or permit any actions by officers or officials of the Authority that would in any manner adversely affect such excludability. The Authority further covenants that it will not make any investment or do any other act or thing during the period that any Series 2011 Bond is outstanding hereunder which would cause any Series 2011 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of any Series 2011 Bonds. The Authority shall comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable.

(d) Notwithstanding any other provisions of this Series 2011A Supplemental Indenture, the covenants and authorizations contained in this Series 2011A Supplemental Indenture which are designed to preserve the excludability of interest (the "Tax Exemption") on Series 2011A Bonds from gross income under federal law (the "Tax Sections") need not be complied with if the Authority receives an Opinion of Counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 15. Defeasance. If, when the Series 2011A Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call one or more Series 2011A Bonds or a portion

thereof shall have been given and the whole amount of the principal of and interest so due and payable upon all of such Series 2011A Bonds or a portion thereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with Section 5.07 of the First Lien Master Indenture, then and in that case such Series 2011A Bonds or such portion thereof issued hereunder shall no longer be deemed outstanding or an indebtedness of the Authority.

Section 16. Additional First Lien Bonds. The Authority reserves the right to issue additional First Lien Bonds ranking on a parity with the Series 2011A Bonds on the terms and conditions set forth in the First Lien Master Indenture.

Section 17. Amendment of Supplemental Indenture. This Supplemental Indenture may be amended or modified in the same manner as provided in Article VIII of the First Lien Master Indenture.

Section 18. Notices. Notwithstanding anything in the First Lien Master Indenture to the contrary, except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given if in writing and shall be deemed given when mailed by registered, certified or first class mail, postage prepaid, or by qualified overnight courier service mutually acceptable to the delivering and recipient parties, courier charges prepaid, addressed as follows:

If to the Authority: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: Chief Financial Officer
Telephone: (317) 927-4583
Facsimile: (317) 927-4395

with a copy to: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: General Counsel
Telephone: (317) 927-4751
Facsimile: (317) 927-4549

If to the Trustee or the Registrar and Paying Agent: The Bank of New York Mellon Trust Company, N.A.
300 North Meridian Street, Suite 910
Indianapolis, Indiana 46204
Attention: Corporate Trust Services
Telephone: (317) 637-3647
Facsimile: (317) 637-9821

Notwithstanding anything in the First Lien Master Indenture to the contrary, unless specifically required by the terms of the First Lien Master Indenture, any notice required to be given pursuant to any provision of the First Lien Master Indenture may be given by any form of electronic transmission that is capable of producing a written record, including, without

limitation, teletype transmissions; *provided* that the deliverer of any such notice given by electronic transmission shall verify receipt of such notice promptly upon the transmission thereof and such notice shall not be deemed duly given unless full and legible receipt thereof has been verified by the recipient of such notice. The Authority and the Trustee, Registrar and Paying Agent may, by notice pursuant to this Section 18, designate any different addresses to which subsequent notices, certificates or other communications shall be sent. A duplicate copy of each notice, approval, consent, request, complaint, demand or other communication given hereunder by the Authority or the Trustee to any one of the others shall also be given to each one of the others.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Series 2011A Supplemental Indenture sent by unsecured email, facsimile transmission or other similar unsecured electronic methods by persons believed by the Trustee to be authorized to give instructions and direction. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding any such instruction that conflicts or are inconsistent with a subsequent written instruction. The Issuer and Citizens Authority agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee's acting on unauthorized instructions and the risk of interception and misuse by third parties.

Section 19. Miscellaneous.

(a) If any section, paragraph or provision of this Series 2011A Supplemental Indenture shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Series 2011A Supplemental Indenture.

(b) In case where the date of maturity of interest on or principal of any of the Series 2011A Bonds, or the date fixed for redemption of any of the Series 2011A Bonds, shall not be a Business Day, then payment of interest or principal need not be made on such date but shall be made on the Business Day immediately preceding such payment date with the same force and effect as if made on the date of maturity or the date fixed for redemption.

(c) With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Series 2011A Supplemental Indenture or the Series 2011A Bonds or coupons is intended or should be construed to confer upon or give to any person other than the Authority, the Trustee, and the Owners of the Series 2011A Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Series 2011A Supplemental Indenture or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Series 2011A Supplemental Indenture and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Authority, the Trustee, and the Owners from time to time of the Series 2011A Bonds as herein and therein provided.

(d) All the terms, provisions, conditions, covenants, warranties and agreements contained in this Series 2011A Supplemental Indenture shall be binding upon the successors and

assigns of the Authority, and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns and the Owners of the Series 2011A Bonds.

(e) Any bank or trust company with or into which a Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purpose of this Series 2011A Supplemental Indenture. If the position of Paying Agent shall become vacant for any reason, the Authority shall, within 30 days thereafter, appoint a bank or trust company located in the same city as Paying Agent to fill such vacancy; *provided, however*, that if the Authority shall fail to appoint such Paying Agent within such period, the Trustee shall make such appointment.

(f) No member, officer or employee of the Authority or the Authority Board shall be individually or personally liable for the payment of the principal of or interest or redemption premium on any Series 2011A Bond. Nothing herein contained shall, however, relieve any such member, officer or employee from the performance of any duty provided or required by law.

(g) This Series 2011A Supplemental Indenture shall be construed and enforced in accordance with the laws of the State of Indiana.

(h) The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Series 2011A Supplemental Indenture.

(i) This Series 2011A Supplemental Indenture and the First Lien Master Indenture shall constitute a contract between the Authority and Owners of the Series 2011A Bonds.

(j) This Series 2011A Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(k) The Trustee, any Paying Agent or any Registrar, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series 2011A Bonds, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, any Paying Agent or any Registrar, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority, and may act as depository, trustee or agent for any committee or body of Owners secured by this Series 2011A Supplemental Indenture or other obligations of the Authority as freely as if it did not act in any capacity under this Series 2011A Supplemental Indenture.

(l) Whenever in this Series 2011A Supplemental Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 20. Representations, Warranties and Covenants for Revised Article 9 Collateral.

(a) The First Lien Master Indenture and this Series 2011A Supplemental Indenture creates a valid and binding pledge, assignment, lien on and security interest in the Net Revenues and Pledged Funds in favor of the Trustee as security for payment of the Series 2011A Bonds, as described in Section 3.01 of the First Lien Master Indenture and Section 5(b) hereof, enforceable by the Trustee in accordance with the terms hereof.


(b) Under the laws of the State of Indiana, (i) such lien and/or security interest, (ii) and each pledge, assignment, lien, or other security interest made to secure any obligations of the Authority which, by the terms hereof, ranks on a parity with the lien and security interest granted by this Series 2011A Supplemental Indenture, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract. By the date of issue of the Series 2011A Bonds, the Authority will have filed all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any Series 2011A Bonds are outstanding the Authority will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the Authority is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9-301--9-306 of such jurisdiction. The pledge made by this Series 2011SRF Supplemental Indenture shall be effective pursuant to IC 5-1-14-4, IC 26-1-9.1-109(d)(15) and IC 26-1-9.1-515(b) notwithstanding any failure to file a financing statement as described above.

(c) Except as permitted by the First Lien Master Trust Indenture, the Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Net Revenues or the Pledged Funds that ranks on a parity with or prior to the lien and/or security interest granted by this Series 2011A Supplemental Indenture. The Authority shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest on such collateral that ranks prior to or on a parity with the lien and/or security interest granted by this Series 2011A Supplemental Indenture, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby and by the First Lien Master Indenture.

IN WITNESS WHEREOF, the Authority has caused this Series 2011A Supplemental Indenture to be executed by its President and Chief Executive Officer and attested by its Senior Vice President and Chief Financial Officer, and the Trustee has caused this Series 2011A Supplemental Indenture to be executed on its behalf by its duly authorized officer and its corporate seal to be impressed hereon and attested by its duly authorized officer, all as of the day and year first above written.

CWA AUTHORITY, INC.

By: _____
Carey B. Lyki s, Presided and
Chief Executive Officer

Attest: 

ohn R. Brehm, Senior Vice President
a hief Financial Officer

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: 

Derick Rush

AUTHORIZED OFFICER

EXHIBIT A

[Form of Bond]

UNITED STATES OF AMERICA

STATE OF INDIANA
No. 11-AR-1

COUNTY OF MARION
[\$ 1

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA
FIRST LIEN WASTEWATER REVENUE BOND, SERIES 2011A

Interest Rate	Original Date	Maturity Date	Authentication Date	CUSIP
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See Schedule A

See Schedule A

See Schedule A

Registered Owner:

Principal Sum: See Schedule A

CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Act of 1991, as amended, Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") as defined in the hereinafter defined First Lien Master Indenture) and as necessary under the Authorizing Acts to act on behalf of the City of Indianapolis, Indiana, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner stated above, or registered assigns, but solely out of the Net Revenues of the Wastewater System and the Pledged Funds (all as defined in the Indentures), the principal sum stated above on January 1 in the years and amounts as set forth on Schedule A hereto, on the maturity dates stated on Schedule A hereto, and to pay interest on said principal sum to the registered owner of this bond until the Authority's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above from the Interest Payment Date immediately preceding the date of the authentication of this bond, unless this bond is authenticated on or before March 15, 2012, in which case the interest shall be paid from the original date stated above or unless this bond is authenticated between the Record Date (as defined in the Series 2011A Supplemental Indenture) preceding an Interest Payment Date and the Interest Payment Date, in which case interest shall be paid from such Interest Payment Date. Interest shall be payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2012. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

All payments of principal of and interest on this bond shall be paid by wire transfer for deposit to the principal corporate trust operations office of The Bank of New York Mellon Trust Company, N.A. ("Trustee," "Registrar" or "Paying Agent") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after

such due date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or Paying Agent, or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on this bond shall be made in coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

This bond, together with interest hereon, shall be payable solely out of the Net Revenues and the Pledged Funds, after the payment only of the Operation and Maintenance Expenses (as defined in the First Lien Master Indenture). The Series 2011A Bonds are issued on a parity with all other Parity Obligations (as defined in the First Lien Master Indenture) to be issued as described in the First Lien Master Indenture and in the 2011A Supplemental Indenture (as defined below). The First Lien Bonds (as defined in the First Lien Master Indenture) constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by a lien on and pledge of the Net Revenues and Pledged Funds. For the benefit of the owners of First Lien Bonds, the Authority, pursuant to the First Lien Master Indenture and the Series 2011A Supplemental Indenture (as defined below), has granted a lien on and pledge of the Net Revenues and Pledged Funds to secure the payment of principal of, premium, if any, and interest on the First Lien Bonds and all expenses of providing for their full and timely payment in accordance with their terms, as provided in the First Lien Master Indenture, the Series 2011A Supplemental Indenture and pursuant to the Authorizing Acts. Subject to the provisions of the First Lien Master Indenture and the Series 2011A Supplemental Trust Indenture dated as of July 1, 2011 (the "Series 2011A Supplemental Indenture"), between the Authority and the Trustee for registration, this bond is negotiable under the laws of the State of Indiana.

This bond is one of an authorized issue of bonds of the Authority in the aggregate principal amount of _____ (\$_____) (the "Series 2011A Bonds"), numbered consecutively from 11-AR-1 upwards, issued pursuant to the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture" and with the Series 2011A Supplemental Indenture, the "Indentures") between the Authority and the Trustee as well as the Series 2011A Supplemental Indenture.

The Authority irrevocably pledges the entire Net Revenues of such Wastewater System and the Pledged Funds to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the First Lien Master Indenture and the Parity Obligations issued in connection therewith, including this bond, in the manner described in Section 3.01 of the First Lien Master Indenture and Section 5(b) of the Series 2011A Supplemental Indenture, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by such Wastewater System as are sufficient in each year for the payment of the Operation and Maintenance Expenses of the Wastewater System, and for the payment of the sums required to be paid into such Bond Interest and Principal Fund and the Bond Reserve Fund under the provisions of the Authorizing Acts and the First Lien Master Indenture. In the event the Authority, or the Authorized Officers thereof, shall fail or refuse to fix, maintain and collect such rates or charges, or if there be a default in the payment of the principal of or interest on this bond, the owner of this bond shall have all of the rights and remedies provided for in such Indentures and the Authorizing Acts.

The bonds maturing in any one year are issuable only in fully registered form in Authorized Denominations or integral multiples thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Series 2011A Bonds are subject to optional redemption prior to their maturity on _____, or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

If fewer than all of the bonds of the Series 2011A Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2011A Bonds to be redeemed shall be selected by lot by the Trustee in Authorized Denominations. The aggregate principal amount of each Series 2011A Bond remaining outstanding shall be in an Authorized Denomination.

The Series 2011A Bonds maturing on October 1,_____, and October 1,_____(the "Series 2011A Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

20 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

20 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

*Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Series 2011A Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any 2011A Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2011A Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2011A Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Trustee shall credit such Series 2011A Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

Official notice of any such redemption shall be sent by registered or certified mail to the registered owner of this bond not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption at the address shown on the registration books of the Registrar and Paying Agent or at such other address as is furnished in writing to the Registrar and Paying Agent, unless such notice is waived by the registered owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Authority. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption, to pay the redemption price on the redemption date or when presented for payment.

If this bond or a portion hereof shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal of and interest so due and payable upon all of this bond or a portion hereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with the First Lien Master Indenture, then and in that case this bond or such portion hereof shall no longer be deemed outstanding or an indebtedness of the Authority.

This bond is transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be required to make any transfer or exchange of this bond if it has been called for redemption or following the Record Date immediately preceding an Interest Payment Date on this bond until such interest payment date. The Authority and the Registrar and Paying Agent may treat and consider the person in whose name this bond is registered as the absolute Owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided that, in the case of this bond being mutilated, this bond shall first be surrendered to the Authority and the Registrar and Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Authority and the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Authority and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured, instead of issuing a duplicate bond, the Authority and the Registrar and Paying Agent may, upon receiving

indemnity satisfactory to them, pay this bond without surrender hereof. The Authority and the Registrar and Paying Agent may charge the Owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Authority, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Indentures, equally and proportionately with any and all other First Lien Bonds duly issued thereunder.

In the manner provided in the Indentures, the Indentures and the rights and obligations of the Authority and of the owners of the bonds may (with certain exceptions as stated in the Indenture) be modified or amended without the consent of the owners of the bonds.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving sixty (60) days' written notice to the Authority and to the registered owners of bonds then outstanding, and such resignation will take effect upon the appointment of a successor Registrar and Paying Agent by the Authority. Such notice to the Authority may be served personally or be sent by registered mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the Authority, in which event the Authority may appoint a successor Registrar and Paying Agent. The Authority shall cause the registered owner of this bond, if then outstanding, to be notified by certified or registered mail of the removal of the Registrar and Paying Agent. Notices to registered owners of bonds shall be deemed to be given when mailed by certified or registered mail to the addresses of such registered owners as they appear in the registration books kept by the Registrar and Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law and the Constitution of the State of Indiana to be done precedent to and in the execution, issuance, sale and delivery of this bond have been properly done, happened and performed in regular and due form as prescribed by law.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indentures authorizing this bond until the certificate of authentication hereon shall have been duly executed by an authorized representative of the Registrar and Paying Agent.

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City of Indianapolis, Indiana, and attested by the manual or facsimile signature of the Controller of the City of Indianapolis, Indiana, who has caused the official seal of the City of Indianapolis, Indiana, to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon and by the manual or facsimile signature of the President and Chief Executive Officer of CWA Authority, Inc. and attested by the manual or facsimile signature of the Senior Vice President and Chief Financial Officer of CWA Authority, Inc.

CITY OF INDIANAPOLIS, INDIANA

By: _____
Mayor, City of Indianapolis, Indiana

(SEAL)

ATTEST:

Clerk, City of Indianapolis, Indiana

ATTEST:

Controller, City of Indianapolis, Indiana

CWA AUTHORITY, INC.

By: _____
President and Chief Executive Officer

ATTEST:

Senior Vice President
and Chief Financial Officer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Registrar and Paying Agent

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Insert name and address of transferee)

this bond and all rights hereunder and hereby irrevocably constitutes and appoints _____, attorney, to transfer this bond on the books kept for the registration hereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the front of this bond without alternation or enlargement or any change whatsoever.

[SCHEDULE A]

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[End of Bond Form]

SERIES 2011B/C
SECOND LIEN SUPPLEMENTAL TRUST INDENTURE

Dated as of July 1, 2011

between

CWA AUTHORITY, INC.

and

U.S. BANK NATIONAL ASSOCIATION

Securing

CWA Authority, Inc.
City of Indianapolis, Indiana,
Second Lien Wastewater
Revenue Bonds, Series 2011B
(the "Series 2011B Bonds")

and

CWA Authority, Inc.
City of Indianapolis, Indiana,
Second Lien Wastewater
Revenue Bonds, Series 2011C
(the "Series 2011C Bonds")

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SERIES 2011B/C SECOND LIEN SUPPLEMENTAL TRUST INDENTURE

This SERIES 2011B/C SECOND LIEN SUPPLEMENTAL TRUST INDENTURE dated as of July 1, 2011 (the "Series 2011B/C Supplemental Indenture"), supplements and amends the Second Lien Master Trust Indenture dated as of July 1, 2011 (the "Second Lien Master Indenture"), between CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Corporation Act of 1991, as amended (the "Nonprofit Act"), Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") among the City of Indianapolis (the "City"), the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District") and the Board of Directors for Utilities of the Department of Public Utilities of the City d/b/a Citizens Energy Group ("Citizens"), and U.S. Bank National Association (the "Second Lien Trustee"), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America,

WITNESSETH:

WHEREAS, the Authority owns and operates a revenue producing wastewater system (the "Wastewater System"), serving the inhabitants of Marion County and other nearby communities; and

WHEREAS, the Authority is authorized to issue bonds and certificates of indebtedness pursuant to the Authorizing Acts (as defined in the Second Lien Master Indenture), payable out of the Net Revenues (as defined in the Second Lien Master Indenture) derived from the Wastewater System, and the Second Lien Pledged Funds (as defined in the Second Lien Master Indenture and herein) to finance the acquisition, operation and the construction of necessary betterments, improvements, extensions or additions to the Wastewater System; and

WHEREAS, the Second Lien Bonds are secured by a pledge of the Net Revenues and the Second Lien Pledged Funds; and

WHEREAS, the Board of Directors of the Authority (the "Authority Board") duly and legally authorized the execution, acknowledgement and delivery of the Series 2011B/C Supplemental Trust Indenture in this form for the purposes, among others, (a) to fund a portion of the costs of the acquisition of the Wastewater System, (b) to fund necessary betterments, improvements, extensions or additions to and working capital and start-up needs for the Wastewater System, (c) to fund a debt service reserve for the Series 2011B Bonds, and (d) to fund costs of issuance in connection with the issuance of the 2011B/C Bonds and the IFA 2011B/C Bonds (as defined below).

NOW, THEREFORE, the Authority and the Second Lien Trustee hereby covenant and agree as follows:

THIS SERIES 2011B/C SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants contained in the Second Lien Master Indenture and this Series 2011B/C Supplemental Indenture, and of the purchase and acceptance of the Series 2011B/C Bonds by the holders thereof, and for

other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2011B/C Bonds are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, to secure the payment of the principal of and redemption premium, if any, and interest on the Series 2011B/C Bonds at any time issued and outstanding under this Series 2011B/C Supplemental Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the Second Lien Master Indenture and the Series 2011B/C Bonds and in this Series 2011B/C Supplemental Indenture, has executed and delivered the Second Lien Master Indenture and this Series 2011B/C Supplemental Indenture, and has pledged and assigned, and by these presents does hereby pledge and assign and grant a security interest, unto the Second Lien Trustee, and to its successors in trust, the Net Revenues and the Second Lien Pledged Funds securing the Series 2011B/C Bonds within the meaning of Section 5(b) hereof, subject to the provisions of the Second Lien Master Indenture and this Series 2011B/C Supplemental Indenture permitting the application thereof for the purposes and on the terms set forth in the Second Lien Master Indenture and this Series 2011B/C Supplemental Indenture.

The pledge made by the Second Lien Master Indenture, this Series 2011B/C Supplemental Indenture is, and shall be, also subject to the Second Lien Master Indenture and the provisions thereof, including specifically Section 3.01 thereof and Section 5(b) hereof, for the equal and proportionate benefit, security and protection of all Second Lien Bonds issued or to be issued under and secured by the Second Lien Master Indenture, the Parity Portion (as defined in the Second Lien Master Indenture) of the Second Lien Repayment Obligations and all Regular Payments on Second Lien Qualified Derivative Agreements (each as defined in the Second Lien Master Indenture and collectively, the "Second Lien Parity Obligations") (without duplication of obligation), each without preference, priority or distinction of any such Second Lien Parity Obligations over any other such Second Lien Parity Obligations or of any series of Second Lien Parity Obligations over any other series of Second Lien Parity Obligations by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Second Lien Parity Obligation shall have the same rights and privilege under and by virtue of the Second Lien Master Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of the Second Lien Master Indenture in the manner described in Section 3.01 of the Second Lien Master Indenture; *provided, however*, that if the Authority shall pay or cause to be paid to the holders of the Series 2011B/C Bonds the principal and interest and redemption premium, if any to become due in respect thereof at the times and in the manner stipulated therein and herein (or shall provide, as permitted by the Second Lien Master Indenture, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall pay or cause to be paid to the Second Lien Trustee all sums of money due and to become due to it in accordance with the Second Lien Master Indenture, then this Series 2011B/C Supplemental Indenture and the rights hereby granted shall cease, terminate and be void, at the option of the Authority (evidenced by a certified resolution of the Authority Board delivered to the Second Lien Trustee), but otherwise this Series 2011B/C Supplemental Indenture shall remain in full force and effect.

It is further covenanted and agreed that the Series 2011B/C Bonds are to be issued, authenticated and delivered, and that the fees, income and funds herein pledged and provided to

be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject to the following covenants, conditions and trusts; and the Authority, for itself and its successors, does hereby covenant and agree to and with the Second Lien Trustee and its successors in trust under this Series 2011B/C Supplemental Indenture, for the benefit of whomsoever shall hold, or contract with the Authority with respect to, the Series 2011B/C Bonds, as follows:

WITNESSETH:

Section 1. Definitions. All terms defined in the Second Lien Master Indenture shall have the meaning prescribed therein unless the context otherwise indicates. Any words or terms used in the Second Lien Master Indenture for which a different definition is provided herein shall have the meaning herein prescribed unless the context otherwise indicates.

"Authorized Denominations" means \$5,000 and any integral multiple thereof.

"Beneficial Owner" means the owner of a Series 2011B/C Bond or portion thereof for federal income tax purposes.

"Bond Register" means the register kept by the Second Lien Trustee.

"Book Entry Bond" means a Series 2011B/C Bond authorized to be issued to and restricted to being registered in the name of a Securities Depository.

"Dated Date" means the date of issuance and delivery of the Series 2011B/C Bonds to the initial purchasers thereof

"Defeasance Obligations" means those investments described in subclauses (a) through (e) of the defined term "Permitted Investments" in the Second Lien Master Indenture.

"Designated Office" means the office of the Second Lien Trustee, Registrar and Paying Agent or an affiliate or another agent or fiduciary designated from time to time as the appropriate office for a given purpose herein, and in the absence of a contrary designation, means the Principal Office of the Second Lien Trustee, Registrar and Paying Agent.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"IFA 2011B Bonds" means the Indiana Finance Authority Second Lien Wastewater Utility Revenue Bonds, Series 2011B (CWA Authority Project) issued to purchase the Series 2011B Bonds

"IFA 2011B/C Bonds" means the IFA 2011B Bonds and the IFA 2011C Bonds.

"IFA 2011C Bonds" means the Indiana Finance Authority Second Lien Wastewater Utility Revenue Bonds, Series 2011C (CWA Authority Project) issued to purchase the Series 2011C Bonds.

"Opinion of Counsel" means an opinion of recognized municipal utilities counsel selected by the Authority in the case of an Opinion of Authority Board Counsel, and the opinion of nationally recognized bond counsel selected by the Authority in the case of an Opinion of Bond Counsel.

"Principal Office" means, with respect to the Second Lien Trustee, the designated corporate trust office of the Second Lien Trustee, which office at the date of acceptance of the Second Lien Trustee of the duties and obligations imposed upon it hereunder is located at the address specified in Section 19.

"Record Date" means the 15th day of the calendar month preceding the month during which such Second Lien Interest Payment Date occurs.

"Responsible Officer" means when used with respect to the Second Lien Trustee, Registrar and Paying Agent, any officer of the Second Lien Trustee, Registrar and Paying Agent, including any Vice President, Assistant Vice President, corporate trust officer or other officer of the Second Lien Trustee, Registrar and Paying Agent customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Second Lien Interest Payment Date" means April 1 and October 1 of each year, commencing April 1, 2012.

"Second Lien Pledged Funds" for purposes of this Series 2011B/C Supplemental Indenture has the meaning given to such term in the Second Lien Master Indenture, as further described in Section 5(b) hereof, and includes, with respect to the Series 2011B Bonds, the Series 2011B Account of the Second Lien Bond Interest and Principal Fund, the Series 2011B Account of the Second Lien Bond Reserve Fund and the Series 2011B Account of the Second Lien Construction Fund and, with respect to the Series 2011C Bonds and the Series 2011C Account of the Second Lien Bond Interest and Principal Fund.

"Second Lien Reserve Requirement" means the amount required to be maintained in a Reserve Account of the Second Lien Bond Reserve Fund, as further described in Section 10 hereof.

"Securities Depository" means, with respect to a Book Entry Bond, DTC or any person, firm, association or corporation constituting a "clearing agency" (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended, which may at any time be substituted in its place to act as Securities Depository for the Series 2011B/C Bonds or any sub-series thereof, or its successors, or any nominee therefor.

"Series 2011B Bonds" means the CWA Authority, Inc. City of Indianapolis, Indiana, Second Lien Wastewater Revenue Bonds, Series 2011B.

"Series 2011B/C Bonds" means Series 2011B Bonds and the Series 2011C Bonds.

"Series 2011C Bonds" means the CWA Authority, Inc. City of Indianapolis, Indiana, Second Lien Wastewater Revenue Bonds, Series 2011C.

"Supplemental Indenture" means any indenture between the Authority and the Second Lien Trustee entered into pursuant to and in compliance with Article VIII of the Second Lien Master Indenture, including this Series 2011B/C Supplemental Indenture.

"2011B Project" means the payment of the purchase price for the acquisition of the Wastewater System described in the Asset Purchase Agreement and the necessary betterments, improvements, extensions or additions to the Wastewater System to be undertaken by the Authority.

"2011B Project Costs" means the cost of the purchase price for the acquisition of the Wastewater System as described in the Asset Purchase Agreement.

"2011C Project" means the acquisition of the necessary betterments, improvements, extensions or additions to the Wastewater System and the working capital and initial start-up needs of the Authority related to its operation of the Wastewater System.

"2011C Project Costs" means (a) obligations of the Authority and all contractors incurred for labor and materials in connection with the 2011C Project, (b) the cost of bonds and insurance of all kinds that may be required or necessary during construction of the 2011C Project, (c) all costs of architectural and engineering services, including the costs of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigation therefore, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the 2011C Project, (d) all sums required to reimburse the Authority for advances made by it for any of the above items or for any costs incurred and for work done, which are properly chargeable to the 2011C Project, (e) all other components of cost of labor, materials, machinery and equipment and financing charges attributable to the 2011C Project to the extent permitted by the Authorizing Acts and (f) working capital costs and initial start-up costs related to the Wastewater System.

Section 2. Miscellaneous Definitions. As used herein, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and unless the context shall otherwise indicate, the words "bond," "owner," "holder" and "person" shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

Section 3. Certain Other Terms. As used in the Second Lien Master Indenture, the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Series 2011B/C Supplemental Indenture.

Section 4. Findings.

(a) The relevant recitals set forth in the resolutions adopted by the Authority Board at meetings on April 13, 2011, and August 10, 2011, are incorporated into this Series 2011B/C Supplemental Indenture by this reference.

(b) The Second Lien Master Indenture, the Series B/C Bonds and this Series 2011B/C Supplemental Indenture are among the Bond Documents approved by resolution of the Authority Board at meetings on April 13, 2011 and August 10, 2011.

(c) The Series 2011B/C Bonds and related obligations are entitled to the benefits of being and shall be revenue obligations within the meaning of Indiana Code 8-1-11.1 to the extent applicable by law.

Section 5. Authorization of Issuance of Series 2011B/C Bonds; General Terms; Book-Entry. (a) In order to (i) fund a portion of the costs of the acquisition of the Wastewater System, (ii) fund the 2011B Project Costs and the 2011C Project Costs, (iii) fund a debt service reserve for the Series 2011B Bonds and (iv) fund costs of issuance in connection with the issuance of the 2011B/C Bonds and the IFA 2011B/C Bonds, the Authority will issue and sell, pursuant to the provisions hereof, the Series 2011B/C Bonds. The principal of and interest on the Series 2011B/C Bonds are payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the Wastewater System and the Second Lien Pledged Funds of the Authority, on a parity with all other Second Lien Parity Obligations in the manner provided in Section 3.01 of the Second Lien Master Indenture and Section 5(b) herein, which Second Lien Bonds shall be issued by the Authority, and as necessary under the Authorizing Acts on behalf of and in the name of the City. Such Series 2011B Bonds shall be designated as "CWA Authority, Inc. City of Indianapolis, Indiana, Second Lien Wastewater Revenue Bonds, Series 2011W" and the Series 2011C Bonds shall be designated as "CWA Authority, Inc. City of Indianapolis, Indiana, Second Lien Wastewater Revenue Bonds, Series 2011C"

(b) The Series 2011B Bonds shall be payable from and shall be equally and ratably secured by a lien on the Net Revenues and the Second Lien Pledged Funds under the Second Lien Master Indenture on a parity with all other Second Lien Parity Obligations in the manner provided in Section 3.01 of the Second Lien Master Indenture and herein. The Series 2011B Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2011B Account of the Second Lien Bond Interest and Principal Fund, and the Series 2011B Account of the Second Lien Bond Reserve Fund in the manner provided in Section 3.01 of the Second Lien Master Indenture. The owners of the Series 2011B Bonds shall never have the right to demand payment of either the principal of, interest on or any redemption premium on the Series 2011B Bonds out of any funds raised or to be raised by taxation.

The Series 2011C Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2011C Account of the Second Lien Bond Interest and Principal Fund in the manner provided in Section 3.01 of the Second Lien Master Indenture, The owners of the Series 2011C Bonds shall never have the right to demand payment of either the principal of, interest on or any redemption premium on the Series 2011C Bonds out of any funds raised or to be raised by taxation.

(c) Each Series 2011B Bond shall be, in all respects, on a parity with each other. Each Series 2011C Bond shall be, in all respects, on a parity with each other.

(d) The Series 2011B Bonds shall be issued in an aggregate principal amount not to exceed 268,015,000. The Series 2011B Bonds shall bear interest at the rates of interest shown below from the dates of payment on the Series 2011B Bonds and mature on October 1 in the years and in the amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2014	\$ 4,525,000	5.00%
2015	4,750,000	5.00
2016	4,985,000	5.00
2017	5,235,000	5.00
2018	5,500,000	5.00
2019	5,775,000	5.00
2020	6,060,000	5.00
2021	6,365,000	5.00
2022	6,685,000	5.25
2023	7,035,000	5.25
2024	7,405,000	5.25
2025	7,790,000	5.25
2026	8,200,000	5.25
2031	35,000,000	5.25
2041	152,705,000	5.00

(e) The Series 2011C Bonds shall be issued in an aggregate principal amount not to exceed 45,990,000. The Series 2011C Bonds shall bear interest at the rates of interest shown below from the dates of payment on the Series 2011C Bonds and mature on October 1 in the years and in the amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016	\$45,990,000	3.00%

(f) The Series 2011B/C Bonds shall be issued in fully registered form in Authorized Denominations, or integral multiples thereof, not exceeding the aggregate principal amount of such Series 2011B/C Bonds maturing in any year. The Series 2011B Bonds shall be numbered consecutively from 11-BR-1 upwards and shall mature and be payable as set forth herein. The Series 2011C Bonds shall be numbered consecutively from 11-CR-1 upwards and shall mature and be payable as set forth herein.

(g) The interest on the Series 2011B/C Bonds shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2012. Interest on the Series 2011B/C Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

(h) The Series 2011B/C Bonds shall bear an original date which shall be the date of delivery thereof, and each Series 2011B/C Bond shall also bear the date of its authentication. Series 2011B/C Bonds authenticated on or before the Record Date preceding the first Second Lien Interest Payment Date thereon shall pay interest from the Dated Date. Series 2011B/C

Bonds authenticated thereafter shall pay interest from the Second Lien Interest Payment Date immediately preceding the date of authentication of the Series 2011B/C Bonds unless the Series 2011B/C Bonds are authenticated between the Record Date preceding a Second Lien Interest Payment Date and the Second Lien Interest Payment Date, in which case interest thereon shall be paid from such Second Lien Interest Payment Date.

(i) U.S. Bank National Association is hereby selected in accordance with the Second Lien Master Indenture to serve as Second Lien Registrar and Second Lien Paying Agent for the Series 2011B/C Bonds and hereby charged with the responsibility to authenticate the Series 2011B/C Bonds.

(j) The Second Lien Trustee and the Authority, may from time to time enter into, and discontinue, an agreement with a Securities Depository to establish procedures with respect to the Series 2011B/C Bonds not inconsistent with the provisions of the Second Lien Master Indenture; *provided, however*, that, notwithstanding anything in the Second Lien Master Indenture to the contrary, any such agreement may provide:

(1) that such Securities Depository is not required to present a Series 2011B/C Bond to the Second Lien Trustee to receive a partial payment of principal;

(2) that such Securities Depository is not required to present a Series 2011B/C Bond or any portion thereof to receive payment of a purchase price;

(3) that different provisions for notice to or by such Securities Depository may be set forth therein; and

(4) that a legend may appear on each Series 2011B/C Bond so long as such Series 2011B/C Bonds are subject to such agreement.

(i) With respect to Series 2011B/C Bonds registered in the name of a Securities Depository (or its nominee), neither the Second Lien Trustee, nor the Authority shall have any obligation under the Second Lien Master Indenture to any of its members or participants or to any person on behalf of whom an interest is held in such Series 2011B/C Bonds. While an agreement with a Securities Depository is in effect, the procedures established therein shall apply to such Series 2011B/C Bonds, notwithstanding any other provisions of the Second Lien Master Indenture to the contrary.

(ii) The Series 2011B/C Bonds are authorized but not required to be issued initially, subject to the provisions of the Second Lien Master Indenture, as Book Entry Bonds.

(iii) If DTC is the Securities Depository for any Series 2011B/C Bonds constituting Book Entry Bonds, the Second Lien Trustee for such Series 2011B/C Bonds must be a Direct Participant in DTC.

Section 6. Payment of Principal And Interest. Any principal of the Series 2011B/C Bonds shall be payable at the Designated Office of the Second Lien Trustee, Registrar and

Paying Agent for the Series 2011B/C Bonds. Any interest on the Series 2011B/C Bonds shall be paid by:

(a) check or draft delivered one Business Day prior to such payment date to the registered owner thereof at the address as it appears on the registration books kept by the Registrar and Paying Agent as of the Record Date or at such other address as is provided to the Registrar and Paying Agent in writing by such registered owner.

(b) transmitted by wire transfer to the accounts with members of the Federal Reserve System situated within the continental United States of America of those Owners which own at least \$1,000,000 in aggregate principal amount of the Series 2011B/C Bonds and which shall have provided written wire transfer instructions to the Second Lien Trustee prior to the close of business on such Record Date, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Second Lien Interest Payment Date, such defaulted interest shall be paid to the Owners in whose names any such Series 2011B/C Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

(c) All payments on the Series 2011B/C Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

Section 7. Transfer and Exchange. Each Series 2011B/C Bond shall be transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent, by the Owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such Series 2011B/C Bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered Series 2011B/C Bond or Series 2011B/C Bonds, in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. A Registrar and Paying Agent shall not be obligated to make any exchange or transfer of Series 2011B/C Bonds (i) if such Series 2011B/C Bonds have been called for redemption, or (ii) following the Record Date on such Series 2011B/C Bonds until such Second Lien Interest Payment Date. Each Series 2011B/C Bond may be transferred or exchanged without cost to the Owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Authority and a Registrar and Paying Agent may treat and consider the person in whose name such Series 2011B/C Bonds are registered as the Owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

In the event any Series 2011B/C Bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new Series 2011B/C Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Series 2011B/C Bond shall be marked in a manner to distinguish it from the Series 2011B/C Bond for which it was issued; provided that, in the case of any mutilated Series 2011B/C Bond, such mutilated Series 2011B/C Bond shall first be surrendered to the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed Series 2011B/C

Bond there shall be first furnished to the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such lost, stolen or destroyed Series 2011B/C Bond shall have matured, instead of issuing a duplicate Series 2011B/C Bond, as appropriate, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The Authority and the Registrar and Paying Agent may charge the owner of such Series 2011B/C Bond with their reasonable fees and expenses in connection with the above. Every substitute Series 2011B/C Bond issued by reason of any Series 2011B/C Bond being lost, stolen or destroyed shall, with respect to such Series 2011B/C Bond, constitute a substitute contractual obligation of the Authority, whether or not the lost, stolen or destroyed Series 2011B/C Bond shall be found at any time, and shall be entitled to all the benefits of this Series 2011B/C Supplemental Indenture, equally and proportionately with any and all other Series 2011B/C Bonds duly issued hereunder.

Section 8. Prepayment and Redemption.

(a) The Series 2011B Bonds maturing on or after October 1, 2022 are subject to optional redemption prior to their maturity on October 1, 2021 or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

(b) The Series 2011B Bonds maturing on October 1, 2031 and October 1, 2041 (the "Series 2011B Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

2031 2011B Term Bonds

<u>Year</u>	<u>Principal Amount</u>
2027	\$8,630,000
2028	9,085,000
2029	9,560,000
2030	3,770,000
2031*	3,955,000

* Final Maturity

2041 2011B Term Bonds

<u>Year</u>	<u>Principal Amount</u>
2030	\$ 6,295,000
2031	6,620,000
2032	11,115,000
2033	11,670,000
2034	12,255,000
2035	12,865,000
2036	13,510,000
2037	14,185,000
2038	14,895,000
2039	15,640,000
2040	16,420,000
2041 *	17,235,000

* Final Maturity

The Second Lien Trustee shall credit against the mandatory sinking fund requirement for the Series 2011B Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any Series 2011B Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Second Lien Trustee for cancellation or purchased for cancellation by the Second Lien Trustee and cancelled by the Second Lien Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2011B Term Bond of such maturity so delivered or cancelled shall be credited by the Second Lien Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2011B Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Second Lien Trustee shall credit such Series 2011B Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

(c) If fewer than all of the Series 2011B Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2011B Bonds to be redeemed shall be selected by lot by the Second Lien Trustee and redeemed only in Authorized Denominations. The aggregate principal amount of each Series 2011B Bond remaining outstanding shall be in an Authorized Denomination. The Second Lien Trustee shall have no liability to any person as a result of making such selection. The Second Lien Trustee shall promptly notify the Authority in writing of the Series 2011B Bonds or portions thereof selected for redemption; *provided, however*, that in connection with any redemption of a Series 2011B Bond the Second Lien Trustee shall first select for redemption any Series 2011B Bonds held by the Second Lien

Trustee for the account of the Authority or held of record by the Authority and that if, as indicated in a certificate of an Authorized Officer delivered to the Second Lien Trustee, the Authority shall have offered to purchase all of the Series 2011B Bonds then outstanding and less than all of the Series 2011B Bonds shall have been tendered to the Authority for such purchase, the Second Lien Trustee, at the direction of the Authority, shall select for redemption all such of the Series 2011B Bonds which have not been so tendered. If it is determined that one or more, but not all, of the units of principal amount represented by any Series 2011B Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Owner of such Series 2011B Bond shall, except as provided in the Second Lien Master Indenture with respect to Book-Entry Bonds, forthwith surrender such Series 2011B Bond to the Second Lien Trustee for (a) payment to such Owner of the redemption price of the unit or units of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2011B Bond or new Series 2011B Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2011B Bonds. New Series 2011B Bonds representing the unredeemed balance of the principal amount of such Series 2011B Bonds shall be issued to the Owner thereof, without charge therefor. If the surrender of such Series 2011B Bonds is required and the Owner of any such Series 2011B Bond shall fail to present such Series 2011B Bond to the Second Lien Trustee for payment and exchange as aforesaid, such Series 2011B Bond shall, nevertheless, become due and payable, and interest thereon shall cease to accrue, on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

(d) In the case of any redemption of the Series 2011B Bonds, the Authority shall give written notice to the Second Lien Trustee of its election or direction to so redeem, the redemption date of the Series 2011B Bonds to be redeemed, the principal amounts of the Series 2011B Bonds of each maturity to be redeemed and the moneys to be applied to such redemption. Official notice of redemption of Series 2011B Bonds shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days and no more than sixty (60) days prior to the scheduled redemption date to each of the Owners of the Series 2011B Bonds called for redemption (unless waived by any such Owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such Owner to the Registrar and Paying Agent; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Series 2011B Bond shall not affect the validity of the proceedings for the redemption of any other Series 2011B Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts and CUSIP numbers) of such Series 2011B Bonds called for redemption. The place of redemption may be at the Designated Office of the Registrar and Paying Agent or as otherwise determined by the Authority. Such notice may specify any conditions necessary for redemption and may provide that if such conditions are not satisfied, such redemption will be cancelled without further notice. Interest on such Series 2011B Bonds (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Series 2011B Bonds (or portions thereof) are presented for payment. Any Series 2011B Bond redeemed in part may be exchanged for a Series 2011B Bond of the same series and maturity in Authorized Denominations equal to the remaining principal amount thereof.

l. (e) For all purposes of this Series 2011B Supplemental Indenture, unless the context otherwise requires, all provisions relating to the redemption or prepayment of Series 2011B Bonds, shall relate, in the case of any Series 2011B Bond redeemed or prepaid or to be redeemed or prepaid only in part, to the portion of the principal of such Series 2011B Bond which has been or is to be redeemed or prepaid.

(I) The Series 2011C Bonds are not subject to redemption prior to maturity.

Section 9. Form of Bonds. The form and tenor of the Series 2011B/C Bonds shall be substantially as set forth in Exhibit A hereto.

Section 10. Second Lien Bond Reserve Fund. Pursuant to Section 3.07 of the Second Lien Master Indenture, the Authority is authorized at the time of the sale of a series of Second Lien Bonds to determine if an account of the Second Lien Bond Reserve Fund is to be maintained and the provisions with respect thereto, if any. The Authority hereby establishes the "Series 2011B Account of the Second Lien Bond Reserve Fund." The moneys in the Series 2011B Account of the Second Lien Bond Reserve Fund will be used solely to pay current principal and interest due on the Series 2011B Bonds to the extent that moneys in the Series 2011B Bond Account of the Second Lien Bond Interest and Principal Fund are insufficient for that purpose. No other obligations of the Authority shall be paid or payable from the Series 2011B Account of the Second Lien Bond Reserve Fund, except as provided in the Second Lien Master Indenture. The Second Lien Reserve Requirement for the Series 2011B Account shall be an amount equal to the least of (i) the maximum annual required deposits to the Second Lien Bond Principal and Interest Fund for the Series 2011B Bonds, (ii) 125% of average annual required deposits to the Second Lien Bond Principal and Interest Fund for the Series 2011B Bonds, or (iii) 10% of the proceeds of the Series 2011B Bonds. The Second Lien Reserve Requirement for the Series 2011B Account is initially \$18,106,287.50.

(a) \$18,106,287.50 of the proceeds of the Series 2011B Bonds shall be deposited to the Series 2011B Account of the Second Lien Bond Reserve Fund which will equal such Second Lien Reserve Requirement on and as of the issuance of the Series 2011B Bonds.

(b) Any deficiency in the balance maintained in the Series 2011B Account of the Second Lien Bond Reserve Fund, including in the event that money in the Series 2011B Account of the Second Lien Bond Reserve Fund is transferred to the Series 2011B Bond Account of the Second Lien Bond Interest and Principal Fund to pay principal and interest on the Series 2011B Bonds, shall be made up from the next available Net Revenues remaining after credits into the Second Lien Bond Interest and Principal Fund on a parity with all other accounts of the Second Lien Bond Reserve Fund related to any Second Lien Bonds and prior to any use thereof pursuant to Section 3.08 of the Second Lien Master Indenture. Any monies in the Series 2011B Account of the Second Lien Bond Reserve Fund in excess of the Second Lien Reserve Requirement with respect thereto, may be transferred to any other Fund or Account of the Authority as specified by an Authorized Officer.

All obligations purchased as an investment of moneys held in the Series 2011B Account of the Second Lien Bond Reserve Fund shall be valued at the fair market value thereof and marked-to-market annually. When market prices for obligations held in the Series 2011B

(Account of the Second Lien Bond Reserve Fund are not readily available, the market price for such obligations may be determined in such manner as the Trustee deems reasonable.

Section 11. Deposit of Proceeds.

(a) \$433,832.26 of the proceeds of the Series 2011B Bonds shall be deposited in the General Fund and used for costs of issuance in connection with the Series 2011B Bonds and the IFA Series 2011B Bonds.

(b) \$255,699,750.00 of the proceeds of the Series 2011B Bonds shall be deposited in the 2011A/B Account of the Construction Fund created under the First Lien Master Indenture, and such funds shall be expended for the 2011B Project Costs. Any balance remaining unexpended in such account after completion of the 2011B Project shall be paid into the 2011B Bond Account of the Bond Interest and Principal Fund.

(c) \$18,106,287.50 of the proceeds of the Series 2011B Bonds shall be deposited in the Series 2011B of the Second Lien Bond Reserve Fund established in Section 10 hereof.

(d) \$48,077,300.30 of the proceeds of the Series 2011C Bonds shall be deposited in the General Fund and used for costs of issuance in connection with the Series 2011C Bonds and the IFA Series 2011C Bonds and expended for the 2011C Project Costs. Any balance remaining unexpended in such account after completion of the 2011C Project shall be paid into the 2011C Bond Account of the Bond Interest and Principal Fund.

Section 12. Bond Interest and Principal Fund. Pursuant to Section 3.06(e) of the Second Lien Master Indenture, there is hereby created the following separate account of the Bond Interest and Principal Fund for the Series 2011B Bonds: the "Series 2011B Bond Account."

Pursuant to Section 3.06(e) of the Second Lien Master Indenture, there is hereby created the following separate account of the Second Lien Bond Interest and Principal Fund for the Series 2011C Bonds: the "Series 2011C Bond Account."

Such accounts shall be further funded, maintained and used in accordance with Section 3.06 of the Second Lien Master Indenture.

Section 13. Execution of Series 2011B/C Bonds. The Series 2011B/C Bonds, in the form provided in Exhibit A hereto, shall be executed, attested and delivered by the Mayor of the City, the Controller of the City and the Clerk of the City and by the President and Senior Vice President of the Authority, as authorized by the resolutions of the Authority Board adopted on April 13, 2011 and August 10, 2011. In case any officer whose signature appears on the Series 2011B/C Bonds shall cease to hold that office before the delivery of such series of Series 2011B/C Bonds, the signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the delivery of such Series 2011B/C Bonds. After Series 2011B/C Bonds have been properly executed, the Authority shall deliver such Series 2011B/C Bonds to the purchaser or purchasers in the manner provided by law.

Series 2011B/C Bonds issued hereunder shall be authenticated with the manual signature of a Responsible Officer of the Registrar and Paying Agent, and no Series 2011B/C Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Series 2011B/C Supplemental Indenture until the Certificate of Authentication on such Series 2011B/C Bond shall have been so executed.

Section 14. Tax Covenants. In order to preserve the excludability from gross income of interest on the Series 2011B/C Bonds under federal law, the Authority represents, covenants and agrees that, to the extent necessary to preserve such excludability:

(a) No person or entity or any combination thereof, other than the Authority or another "governmental unit" within the meaning of Section 141(b)(6) and Section 150(a)(2) of the Code ("Governmental Unit"), will use proceeds of the Series 2011B/C Bonds or property financed by said proceeds other than as a member of the general public. Except as set forth below, no person or entity or any combination thereof, other than the Authority, or another Governmental Unit, will own property financed by proceeds of Series 2011B/C Bonds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or other type of output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large of such property unless such use in the aggregate relates to no more than the lesser of \$15,000,000 or 10% of the proceeds of the Series 2011B/C Bonds or property financed by such bond proceeds. The Authority has assumed a management contract for the Wastewater System. The terms of the contract comply with IRS Revenue Procedure 97-13, and the contract does not constitute private business use under the Code and the Regulations.

(b) Not more than five percent (5%) of proceeds of the Series 2011B/C Bonds will be loaned to any entity or person. No proceeds of the Series 2011B/C Bonds will be transferred directly or indirectly transferred or deemed transferred to a person other than a Governmental Unit in a fashion that would in substance constitute a loan of the proceeds of such Series 2011B/C Bonds.

(c) The Authority will not take any action or fail to take any action with respect to any of Series 2011B/C Bonds that would result in the loss of the excludability from gross income for federal tax purposes of interest on the Series 2011B/C Bonds pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended and as in effect on the date of delivery of such Series 2011B/C Bonds (the "Code"), nor will the Authority act in any manner or permit any actions by officers or officials of the Authority that would in any manner adversely affect such excludability. The Authority further covenants that it will not make any investment or do any other act or thing during the period that any Series 2011B/C Bond is outstanding hereunder which would cause any Series 2011B/C Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of any Series 2011B/C Bonds. The Authority shall comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable.

(d) Notwithstanding any other provisions of this Series 2011B/C Supplemental Indenture, the covenants and authorizations contained in this Series 2011B/C Supplemental

Indenture which are designed to preserve the excludability of interest (the "Tax Exemption") on Series 2011B/C Bonds from gross income under federal law (the "Tax Sections") need not be complied with if the Authority receives an Opinion of Counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 15. Defeasance. If, when the Series 2011B/C Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call one or more Series 2011B/C Bonds or a portion thereof shall have been given and the whole amount of the principal of and interest so due and payable upon all of such Series 2011B/C Bonds or a portion thereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with Section 5.07 of the Second Lien Master Indenture, then and in that case such Series 2011B/C Bonds or such portion thereof issued hereunder shall no longer be deemed outstanding or an indebtedness of the Authority.

Section 16. Additional Second Lien Bonds. The Authority reserves the right to issue additional Second Lien Bonds ranking on a parity with the Series 2011B/C Bonds on the terms and conditions set forth in the Second Lien Master Indenture.

Section 17. Amendment of Supplemental Indenture. This Supplemental Indenture may be amended or modified in the same manner as provided in Article VIII of the Second Lien Master Indenture.

Section 18. Notices. Notwithstanding anything in the Second Lien Master Indenture to the contrary, except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given if in writing and shall be deemed given when mailed by registered, certified or first class mail, postage prepaid, or by qualified overnight courier service mutually acceptable to the delivering and recipient parties, courier charges prepaid, addressed as follows:

If to the Authority: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: Chief Financial Officer
Telephone: (317) 927-4583
Facsimile: (317) 927-4395

with a copy to: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: General Counsel
Telephone: (317) 927-4751
Facsimile: (317) 927-4549

If to the Second Lien Trustee or the U.S. Bank National Association
Registrar and Paying Agent: 10 West Market Street, Suite 1150
Indianapolis, Indiana 46204
Attention: Corporate Trust Services
Telephone: (317) 264-2504
Facsimile: (317) 636-1951

Notwithstanding anything in the Second Lien Master Indenture to the contrary, unless specifically required by the terms of the Second Lien Master Indenture, any notice required to be given pursuant to any provision of the Second Lien Master Indenture may be given by any form of electronic transmission that is capable of producing a written record, including, without limitation, telecopy transmissions; *provided* that the deliverer of any such notice given by electronic transmission shall verify receipt of such notice promptly upon the transmission thereof and such notice shall not be deemed duly given unless full and legible receipt thereof has been verified by the recipient of such notice. The Authority and the Second Lien Trustee, Registrar and Paying Agent may, by notice pursuant to this Section 18, designate any different addresses to which subsequent notices, certificates or other communications shall be sent. A duplicate copy of each notice, approval, consent, request, complaint, demand or other communication given hereunder by the Authority or the Second Lien Trustee to any one of the others shall also be given to each one of the others.

Section 19. Miscellaneous.

(a) If any section, paragraph or provision of this Series 2011B/C Supplemental Indenture shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Series 2011B/C Supplemental Indenture.

(b) In case where the date of maturity of interest on or principal of any of the Series 2011B/C Bonds, or the date fixed for redemption of any of the Series 2011B/C Bonds, shall not be a Business Day, then payment of interest or principal need not be made on such date but shall be made on the Business Day immediately preceding such payment date with the same force and effect as if made on the date of maturity or the date fixed for redemption.

(c) With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Series 2011B/C Supplemental Indenture or the Series 2011B/C Bonds or coupons is intended or should be construed to confer upon or give to any person other than the Authority, the Second Lien Trustee, and the Owners of the Series 2011B/C Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Series 2011B/C Supplemental Indenture or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Series 2011B/C Supplemental Indenture and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Authority, the Second Lien Trustee, and the Owners from time to time of the Series 2011B/C Bonds as herein and therein provided.

(d) All the terms, provisions, conditions, covenants, warranties and agreements contained in this Series 2011B/C Supplemental Indenture shall be binding upon the successors and assigns of the Authority, and shall inure to the benefit of the Second Lien Trustee, its successors or substitutes in trust and assigns and the Owners of the Series 2011B/C Bonds.

(e) Any bank or trust company with or into which a Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purpose of this Series 2011B/C Supplemental Indenture. If the position of Paying Agent shall become vacant for any reason, the Authority shall, within 30 days thereafter, appoint a bank or trust company located in the same city as Paying Agent to fill such vacancy; *provided, however*, that if the Authority shall fail to appoint such Paying Agent within such period, the Second Lien Trustee shall make such appointment.

(f) No member, officer or employee of the Authority or the Authority Board shall be individually or personally liable for the payment of the principal of or interest or redemption premium on any Series 2011B/C Bond. Nothing herein contained shall, however, relieve any such member, officer or employee from the performance of any duty provided or required by law.

(g) This Series 2011B/C Supplemental Indenture shall be construed and enforced in accordance with the laws of the State of Indiana.

(h) The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Series 2011B/C Supplemental Indenture.

(i) This Series 2011B/C Supplemental Indenture and the Second Lien Master Indenture shall constitute a contract between the Authority and Owners of the Series 2011B/C Bonds.

(j) This Series 2011B/C Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(k) The Second Lien Trustee, any Paying Agent or any Registrar, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series 2011B/C Bonds, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Second Lien Trustee, any Paying Agent or any Registrar, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority, and may act as depository, trustee or agent for any committee or body of Owners secured by this Series 2011B/C Supplemental Indenture or other obligations of the Authority as freely as if it did not act in any capacity under this Series 2011B/C Supplemental Indenture.

(l) Whenever in this Series 2011B/C Supplemental Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person

entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 20. Representations, Warranties and Covenants for Revised Article 9 Collateral.

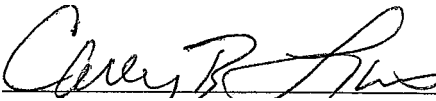
(a) The Second Lien Master Indenture and this Series 2011B/C Supplemental Indenture create a valid and binding pledge, assignment, lien on and/or security interest in the Net Revenues and Second Lien Pledged Funds in favor of the Second Lien Trustee as security for payment of the Series 2011B/C Bonds, as described in Section 3.01 of the Second Lien Master Indenture and Section 5(b) hereof, enforceable by the Second Lien Trustee in accordance with the terms hereof.

(b) Under the laws of the State of Indiana, (i) such lien and/or security interest, (ii) and each pledge, assignment, lien, or other security interest made to secure any prior obligations of the Authority which, by the terms hereof, ranks on a parity with or prior to the lien and/or security interest granted by this Series 2011B/C Supplemental Indenture, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract. By the date of issue of the Series 2011B/C Bonds, the Authority will have filed all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any Series 2011B/C Bonds are outstanding the Authority will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the Authority is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9-301--9-306 of such jurisdiction. The pledge made by this Series 2011B/C Supplemental Indenture shall be effective pursuant to IC 5-1-14-4, IC 26-1-9.1-109(d)(15) and IC 26-1-9.1-515(b) notwithstanding any failure to file a financing statement as described above.

(c) Except as permitted by the First Lien Master Indenture and the Second Lien Master Indenture, the Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Net Revenues or the Second Lien Pledged Funds that ranks on a parity with or prior to the lien and/or security interest granted by this Series 2011B/C Supplemental Indenture. The Authority shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest on such collateral that ranks prior to or on a parity with the lien and/or security interest granted by this Series 2011B/C Supplemental Indenture, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby by the First Lien Master Indenture and by the Second Lien Master Indenture.

IN WITNESS WHEREOF, the Authority has caused this Series 2011B/C Supplemental Indenture to be executed by its President and Chief Executive Officer and attested by its Senior Vice President and Chief Financial Officer and the Second Lien Trustee has caused this Series 2011B/C Supplemental Indenture to be executed on its behalf by its duly authorized officer and its corporate seal to be impressed hereon and attested by its duly authorized officer, all as of the day and year first above written.

CWA AUTHORITY, INC.

By: 
Carey B. Lyons, President and
Chief Executive Officer

Attest:



Ch: Brehm, Senior Vice President and
mancial Officer

U.S. BANK NATIONAL ASSOCIATION, as
Second Lien Trustee

By: Pamela V. Cole
Pamela V. Cole, Vice President

EXHIBIT A

[Form of Series 2011B Bond]

UNITED STATES OF AMERICA

STATE OF INDIANA
No. 11-BR-1

COUNTY OF MARION
[\$ 1

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA
SECOND LIEN WASTEWATER REVENUE BOND, SERIES 2011B

Interest <u>Rate</u>	Original <u>Date</u>	Maturity <u>Date</u>	Authentication <u>Date</u>	<u>CUSIP</u>
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See Schedule A

See Schedule A

See Schedule A

Registered Owner:

Principal Sum: See Schedule A

CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Act of 1991, as amended, Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA"), as defined in the hereinafter defined Second Lien Master Indenture) and as necessary under the Authorizing Acts to act on behalf of the City of Indianapolis, Indiana, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner stated above, or registered assigns, but solely out of the Net Revenues of the Wastewater System and the Second Lien Pledged Funds (all as defined in the hereinafter defined Second Lien Indentures), the principal sum stated above on January 1 in the years and amounts as set forth on Schedule A hereto, on the maturity dates stated on Schedule A hereto, and to pay interest on said principal sum to the registered owner of this bond until the Authority's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above from the Second Lien Interest Payment Date immediately preceding the date of the authentication of this bond, unless this bond is authenticated on or before March 15, 2012, in which case the interest shall be paid from the original date stated above or unless this bond is authenticated between the Record Date (as defined in the Series 2011B/C Supplemental Indenture) preceding a Second Lien Interest Payment Date and the Second Lien Interest Payment Date, in which case interest shall be paid from such Second Lien Interest Payment Date. Interest shall be payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2012. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

All payments of principal of and interest on this bond shall be paid by wire transfer for deposit to the principal corporate trust operations office of U.S. Bank National Association (the "Second Lien Trustee," "Second Lien Registrar" or "Second Lien Paying Agent") on the due date

or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Second Lien Registrar or Second Lien Paying Agent, or at such other address as is provided to the Second Lien Paying Agent in writing by the registered owner. All payments on this bond shall be made in coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

This bond, together with interest hereon, shall be payable solely out of the Net Revenues and the Second Lien Pledged Funds, after the payment of the Operation and Maintenance Expenses and First Lien Parity Obligations (each as defined in the Second Lien Master Indenture). The Series 2011B Bonds are issued on a parity with all other Second Lien Parity Obligations (as defined in the Second Lien Master Indenture) to be issued as described in the Second Lien Master Indenture and in the 2011B/C Supplemental Indenture (as defined below). The Second Lien Bonds (as defined in the Second Lien Master Indenture) constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by a lien on and pledge of the Net Revenues and Second Lien Pledged Funds. For the benefit of the owners of Second Lien Bonds, the Authority, pursuant to the Second Lien Master Indenture and the Series 2011B/C Supplemental Indenture (as defined below), has granted a lien on the Net Revenues and Second Lien Pledged Funds to secure the payment of principal of, premium, if any, and interest on the Second Lien Bonds and all expenses of providing for their full and timely payment in accordance with their terms, as provided in the Second Lien Master Indenture and pursuant to the Authorizing Acts. Subject to the provisions of the Second Lien Master Indenture and the Series 2011B/C Supplemental Trust Indenture dated as of July 1, 2011 (the "Series 2011B/C Supplemental Indenture"), between the Authority and the Second Lien Trustee for registration, this bond is negotiable under the laws of the State of Indiana.

This bond is one of an authorized issue of bonds of the Authority in the aggregate principal amount of _____ (\$_____) (the "Series 2011B Bonds"), numbered consecutively from 11-BR-1 upwards, issued pursuant to the Second Lien Master Trust Indenture dated as of July 1, 2011 (the "Second Lien Master Indenture" and with the Series 2011B/C Supplemental Indenture, the "Second Lien Indentures") between the Authority and the Second Lien Trustee as well as the Series 2011B/C Supplemental Indenture. On the date hereof, the Authority is also issuing its Second Lien Wastewater Revenue Bonds, Series 2011C pursuant to the Series 2011B/C Supplemental Indenture.

The Authority irrevocably pledges the entire Net Revenues of such Wastewater System and the Second Lien Pledged Funds to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the Second Lien Master Indenture and the Second Lien Parity Obligations issued in connection therewith, including this bond, and covenants that it will cause to be fixed, maintained and collected in the manner described in Section 3.01 of the Second Lien Master Indenture and Section 5(b) of the Series 2011B/C Supplemental Indenture, such rates and charges for services rendered by such Wastewater System as are sufficient in each year for the payment of the Operation and Maintenance Expenses of the Wastewater System, and for the payment of the sums required to be paid into such Second Lien Bond Interest and Principal Fund and the Second Lien Bond Reserve Fund under the provisions of the Authorizing

Acts and the Second Lien Master Indenture. In the event the Authority, or the Authorized Officers thereof, shall fail or refuse to fix, maintain and collect such rates or charges, or if there be a default in the payment of the principal of or interest on this bond, the owner of this bond shall have all of the rights and remedies provided for in such Second Lien Indentures and the Authorizing Acts.

The bonds maturing in any one year are issuable only in fully registered form in Authorized Denominations or integral multiples thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Series 2011B Bonds are subject to optional redemption prior to their maturity on _____, or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

If fewer than all of the bonds of the Series 2011B Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2011B Bonds to be redeemed shall be selected by lot by the Trustee in Authorized Denominations. The aggregate principal amount of each Series 2011B Bond remaining outstanding shall be in an Authorized Denomination.

The Series 2011B Bonds maturing on October 1,_____, and October 1,_____(the "Series 2011B Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

20 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

20 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

*Final Maturity

The Second Lien Trustee shall credit against the mandatory sinking fund requirement for the Series 2011B Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any 2011B Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Second Lien Trustee and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2011B Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount

thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2011B Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Second Lien Trustee shall credit such Series 2011B Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

Official notice of any such redemption shall be sent by registered or certified mail to the registered owner of this bond not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption at the address shown on the registration books of the Registrar and Paying Agent or at such other address as is furnished in writing to the Registrar and Paying Agent, unless such notice is waived by the registered owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Authority. Interest on this bond so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption, to pay the redemption price on the redemption date or when presented for payment.

If this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given a portion hereof shall have become due and payable in accordance with its terms or this bond and the whole amount of the principal of and interest so due and payable upon all of this bond or a portion hereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with the Second Lien Master Indenture, then and in that case this bond or such portion hereof shall no longer be deemed outstanding or an indebtedness of the Authority.

This bond is transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Second Lien Registrar and Second Lien Paying Agent by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Second Lien Registrar and Second Lien Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Second Lien Registrar and Second Lien Paying Agent shall not be required to make any transfer or exchange of this bond if it has been called for redemption or following the Record Date immediately preceding an Second Lien Interest Payment Date on this bond until such interest payment date. The Authority and the Second Lien Registrar and Second Lien Paying Agent may treat and consider the person in whose name this bond is registered as the absolute Owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Second Lien Registrar and Second Lien Paying Agent may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided that, in the case of this bond being mutilated, this bond shall first be surrendered to the Authority and the Second Lien Registrar and Second Lien Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Authority and the Second Lien Registrar and Second Lien Paying Agent evidence of such loss, theft or destruction satisfactory to the Authority and the Second Lien Registrar and Second Lien Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured, instead of issuing a duplicate bond, the Authority and the Second Lien Registrar and Second Lien Paying Agent may, upon receiving indemnity satisfactory to them, pay this bond without surrender hereof. The Authority and the Second Lien Registrar and Second Lien Paying Agent may charge the Owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Authority, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Second Lien Indentures, equally and proportionately with any and all other Second Lien Bonds duly issued thereunder.

In the manner provided in the Second Lien Indentures, the Second Lien Indentures and the rights and obligations of the Authority and of the owners of the bonds may (with certain exceptions as stated in the Indenture) be modified or amended without the consent of the owners of the bonds.

The Second Lien Registrar and Second Lien Paying Agent may at any time resign as Second Lien Registrar and Second Lien Paying Agent by giving sixty (60) days' written notice to the Authority and to the registered owners of bonds then outstanding, and such resignation will take effect upon the appointment of a successor Registrar and Paying Agent by the Authority. Such notice to the Authority may be served personally or be sent by registered mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the Authority, in which event the Authority may appoint a successor Second Lien Registrar and Second Lien Paying Agent. The Authority shall cause the registered owner of this bond, if then outstanding, to be notified by certified or registered mail of the removal of the Second Lien Registrar and Second Lien Paying Agent. Notices to registered owners of bonds shall be deemed to be given when mailed by certified or registered mail to the addresses of such registered owners as they appear in the registration books kept by the Second Lien Registrar and Second Lien Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law and the Constitution of the State of Indiana to be done precedent to and in the execution, issuance, sale and delivery of this bond have been properly done, happened and performed in regular and due form as prescribed by law.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Second Lien Indentures authorizing this bond until the certificate of

authentication hereon shall have been duly executed by an authorized representative of the Registrar and Paying Agent.

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City of Indianapolis, Indiana, and attested by the manual or facsimile signature of the Controller of the City of Indianapolis, Indiana, who has caused the official seal of the City of Indianapolis, Indiana, to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon and by the manual or facsimile signature of the President of CWA Authority, Inc, and attested by the manual or facsimile signature of the Senior Vice President and Chief Financial Officer of CWA Authority, Inc.

CITY OF INDIANAPOLIS, INDIANA

By: _____
Mayor, City of Indianapolis, Indiana

(SEAL)

ATTEST:

Clerk, City of Indianapolis, Indiana

ATTEST:

Controller, City of Indianapolis, Indiana

CWA AUTHORITY, INC.

By: _____
President and Chief Executive Officer

ATTEST:

Senior Vice President and Chief Financial Officer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Second Lien Master Indenture.

U.S. Bank National Association,
as Registrar and Paying Agent

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Insert name and address of transferee)

this bond and all rights hereunder and hereby irrevocably constitutes and appoints _____, attorney, to transfer this bond on the books kept for the registration hereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the front of this bond without alternation or enlargement or any change whatsoever.

[SCHEDULE A]

[End of Bond Form]

[Form of Series 2011C Bond]

UNITED STATES OF AMERICA

STATE OF INDIANA
No. 11-CR-1

COUNTY OF MARION
[\$_____]

CITY OF INDIANAPOLIS, INDIANA
SECOND LIEN WASTEWATER REVENUE BOND, SERIES 2011C

<u>Interest Rate</u>	<u>Original Date</u>	<u>Maturity Date</u>	<u>Authentication Date</u>	<u>CUSIP</u>
See <u>Schedule A</u>		See <u>Schedule A</u>		See <u>Schedule A</u>

Registered Owner:

Principal Sum: See Schedule A

CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Act of 1991, as amended, Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA"), as defined in the hereinafter defined Second Lien Master Indenture) and as necessary under the Authorizing Acts to act on behalf of the City of Indianapolis, Indiana, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner stated above, or registered assigns, but solely out of the Net Revenues of the Wastewater System and the Second Lien Pledged Funds (all as defined in the hereinafter defined Second Lien Indentures), the principal sum stated above on January 1 in the years and amounts as set forth on Schedule A hereto, on the maturity dates stated on Schedule A hereto, and to pay interest on said principal sum to the registered owner of this bond until the Authority's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above from the Second Lien Interest Payment Date immediately preceding the date of the authentication of this bond, unless this bond is authenticated on or before March 15, 2012, in which case the interest shall be paid from the original date stated above or unless this bond is authenticated between the Record Date (as defined in the Series 2011B/C Supplemental Indenture) preceding an Second Lien Interest Payment Date and the Second Lien Interest Payment Date, in which case interest shall be paid from such Second Lien Interest Payment Date. Interest shall be payable semi-annually thereafter on April 1 and October 1 of each year, commencing April 1, 2012. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

All payments of principal of and interest on this bond shall be paid by wire transfer for deposit to the principal corporate trust operations office of U.S. Bank National Association ("Second Lien Trustee," "Second Lien Registrar" or "Second Lien Paying Agent") on the due date or, if such due date is a day when financial institutions are not open for business, on the

business day immediately after such due date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Second Lien Registrar or Second Lien Paying Agent, or at such other address as is provided to the Second Lien Paying Agent in writing by the registered owner. All payments on this bond shall be made in coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

This bond, together with interest hereon, shall be payable solely out of the Net Revenues and the Second Lien Pledged Funds, after the payment of the Operation and Maintenance Expenses and First Lien Parity Obligations (each as defined in the Second Lien Master Indenture). The Series 2011C Bonds are issued on a parity with all other Second Lien Parity Obligations (as defined in the Second Lien Master Indenture) to be issued as described in the Second Lien Master Indenture and in the 2011B/C Supplemental Indenture (as defined below). The Second Lien Bonds (as defined in the Second Lien Master Indenture) constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by a lien on the Net Revenues and Second Lien Pledged Funds. For the benefit of the owners of Second Lien Bonds, the Authority, pursuant to the Second Lien Master Indenture, has granted a lien on the Net Revenues to secure the payment of principal of, premium, if any, and interest on the Second Lien Bonds and all expenses of providing for their full and timely payment in accordance with their terms, as provided in the Second Lien Master Indenture and pursuant to the Authorizing Acts. Subject to the provisions of the Second Lien Master Indenture and the Series 2011B/C Supplemental Trust Indenture dated as of July 1, 2011 (the "Series 2011B/C Supplemental Indenture"), between the Authority and the Second Lien Trustee for registration, this bond is negotiable under the laws of the State of Indiana.

This bond is one of an authorized issue of bonds of the Authority in the aggregate principal amount of _____ (\$_____) (the "Series 2011C Bonds"), numbered consecutively from 11-CR-1 upwards, issued pursuant to the Second Lien Master Trust Indenture dated as of July 1, 2011 (the "Second Lien Master Indenture" and with the Series 2011B/C Supplemental Indenture, the "Second Lien Indentures") between the Authority and the Second Lien Trustee as well as the Series 2011B/C Supplemental Indenture. On the date hereof, the Authority is also issuing its Second Lien Wastewater Revenue Bonds, Series 2011B pursuant to the Series 2011B/C Supplemental Indenture.

The Authority irrevocably pledges the entire Net Revenues of such Wastewater System and the Second Lien Pledged Funds to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the Second Lien Master Indenture and the Second Lien Parity Obligations issued in connection therewith, including this bond, and covenants that it will cause to be fixed, maintained and collected in the manner described in Section 3.01(a) of the Second Lien Master Indenture and Section 5(b) of the Series 2011B/C Supplemental Indenture, such rates and charges for services rendered by such Wastewater System as are sufficient in each year for the payment of the Operation and Maintenance Expenses of the Wastewater System, and for the payment of the sums required to be paid into such Second Lien Bond Interest and Principal Fund under the provisions of the Authorizing Acts and the Second Lien Master Indenture. In the event the Authority, or the Authorized Officers thereof, shall fail or refuse to fix, maintain and collect such rates or charges, or if there be a default in the payment of the

principal of or interest on this bond, the owner of this bond shall have all of the rights and remedies provided for in the Second Lien Indentures and the Authorizing Acts.

The bonds maturing in any one year are issuable only in fully registered form in Authorized Denominations or integral multiples thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Series 2011C Bonds are not subject to redemption prior to maturity.

If this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given a portion hereof shall have become due and payable in accordance with its terms and the whole amount of the principal of and interest so due and payable upon all of this bond or a portion hereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with the Second Lien Master Indenture, then and in that case this bond or such portion hereof shall no longer be deemed outstanding or an indebtedness of the Authority.

This bond is transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Second Lien Registrar and Second Lien Paying Agent by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Second Lien Registrar and Second Lien Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Second Lien Registrar and Second Lien Paying Agent shall not be required to make any transfer or exchange of this bond if it has been called for redemption or following the Record Date immediately preceding an Second Lien Interest Payment Date on this bond until such interest payment date. The Authority and the Second Lien Registrar and Second Lien Paying Agent may treat and consider the person in whose name this bond is registered as the absolute Owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Second Lien Registrar and Second Lien Paying Agent may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided that, in the case of this bond being mutilated, this bond shall first be surrendered to the Authority and the Second Lien Registrar and Second Lien Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Authority and the Second Lien Registrar and Second Lien Paying Agent evidence of such loss, theft or destruction satisfactory to the Authority and the Second Lien Registrar and Second Lien Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured, instead of issuing a duplicate bond, the Authority and the Second Lien Registrar and Second Lien Paying Agent may, upon receiving indemnity satisfactory to them, pay this bond without surrender hereof. The

Authority and the Second Lien Registrar and Second Lien Paying Agent may charge the Owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Authority, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Indentures, equally and proportionately with any and all other Second Lien Bonds duly issued thereunder.

In the manner provided in the Second Lien Indentures, the Second Lien Indentures and the rights and obligations of the Authority and of the owners of the bonds may (with certain exceptions as stated in the Indenture) be modified or amended without the consent of the owners of the bonds.

The Second Lien Registrar and Second Lien Paying Agent may at any time resign as Second Lien Registrar and Second Lien Paying Agent by giving sixty (60) days' written notice to the Authority and to the registered owners of bonds then outstanding, and such resignation will take effect upon the appointment of a successor Second Lien Registrar and Second Lien Paying Agent by the Authority. Such notice to the Authority may be served personally or be sent by registered mail. The Second Lien Registrar and Second Lien Paying Agent may also be removed at any time as Second Lien Registrar and Second Lien Paying Agent by the Authority, in which event the Authority may appoint a successor Second Lien Registrar and Second Lien Paying Agent. The Authority shall cause the registered owner of this bond, if then outstanding, to be notified by certified or registered mail of the removal of the Second Lien Registrar and Second Lien Paying Agent. Notices to registered owners of bonds shall be deemed to be given when mailed by certified or registered mail to the addresses of such registered owners as they appear in the registration books kept by the Second Lien Registrar and Second Lien Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law and the Constitution of the State of Indiana to be done precedent to and in the execution, issuance, sale and delivery of this bond have been properly done, happened and performed in regular and due form as prescribed by law.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Second Lien Indentures authorizing this bond until the certificate of authentication hereon shall have been duly executed by an authorized representative of the Registrar and Paying Agent.

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City of Indianapolis, Indiana, and attested by the manual or facsimile signature of the Controller of the City of Indianapolis, Indiana, who has caused the official seal of the City of Indianapolis, Indiana, to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon and by the manual or facsimile signature of the President of CWA Authority, Inc. and attested by the manual or facsimile signature of the Senior Vice President and Chief Financial Officer of CWA Authority, Inc.

CITY OF INDIANAPOLIS, INDIANA

By: _____
Mayor, City of Indianapolis, Indiana

(SEAL)

ATTEST:

Clerk, City of Indianapolis, Indiana

ATTEST:

Controller, City of Indianapolis, Indiana

CWA AUTHORITY, INC.

By: _____
President and Chief Executive Officer

ATTEST:

Senior Vice President and Chief Financial Officer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Indenture.

as Registrar and Paying Agent

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Insert name and address of transferee)

this bond and all rights hereunder and hereby irrevocably constitutes and appoints _____, attorney, to transfer this bond on the books kept for the registration hereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the front of this bond without alternation or enlargement or any change whatsoever.

**SERIES 2012A
FIRST LIEN SUPPLEMENTAL TRUST INDENTURE**

Dated as of September 1, 2012

between

CWA AUTHORITY, INC.

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Securing

**CWA Authority, Inc.
City of Indianapolis, Indiana,
First Lien Wastewater
Revenue Bonds, Series 2012A
(the "Series 2012A Bonds")**

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FIRST LIEN SUPPLEMENTAL TRUST INDENTURE

This SERIES 2012A FIRST LIEN SUPPLEMENTAL TRUST INDENTURE dated as of September 1, 2012 (the "Series 2012A Supplemental Indenture" and the "Series 2012A Supplemental Trust Indenture"), supplements and amends the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture"), between CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Corporation Act of 1991, as amended (the "Nonprofit Act"), Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") among the City of Indianapolis (the "City"), the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District") and the Board of Directors for Utilities of the Department of Public Utilities of the City d/b/a Citizens Energy Group ("Citizens"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America,

WITNESSETH:

WHEREAS, the Authority owns and operates a revenue producing wastewater system (the "Wastewater System"), serving the inhabitants of Marion County and other nearby communities; and

WHEREAS, the Authority is authorized to issue bonds and certificates of indebtedness pursuant to the Authorizing Acts (as defined in the First Lien Master Indenture), payable out of the Net Revenues (as defined in the First Lien Master Indenture) derived from the Wastewater System, and the Pledged Funds (as defined in the First Lien Master Indenture and herein) to finance the acquisition and the construction of necessary betterments, improvements, extensions or additions to the Wastewater System; and

WHEREAS, the First Lien Bonds are secured by a pledge of the Net Revenues and the Pledged Funds; and

WHEREAS, the Board of Directors of the Authority (the "Authority Board") duly and legally authorized the execution, acknowledgement and delivery of the Series 2012A Supplemental Trust Indenture in this form for the purposes, among others, (a) to fund the costs of the acquisition, construction and equipping of necessary betterments, improvements, extensions or additions to the Wastewater System, (b) to fund a debt service reserve for the Series 2012A Bonds and (c) to fund costs of issuance in connection with the issuance of the 2012A Bonds and the IFA 2012A Bonds (as defined below).

NOW, THEREFORE, the Authority and the Trustee hereby covenant and agree as follows:

THIS SERIES 2012A SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants contained in the First Lien Master Indenture and this Series 2012A Supplemental Indenture, and of the purchase and acceptance of the Series 2012A Bonds by the holders thereof, and for other

valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2012A Bonds are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, to secure the payment of the principal of and redemption premium, if any, and interest on the Series 2012A Bonds at any time issued and outstanding under this Series 2012A Supplemental Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the Series 2012A Bonds and in the First Lien Master Indenture and this Series 2012A Supplemental Indenture, has executed and delivered the First Lien Master Indenture and this Series 2012A Supplemental Indenture, and has pledged and assigned, and by these presents does hereby pledge and assign and grant a security interest in, unto the Trustee, and to its successors in trust, the Net Revenues and the Pledged Funds securing the Series 2012A Bonds, subject to the provisions of the First Lien Master Indenture and this Series 2012A Supplemental Indenture permitting the application thereof for the purposes and on the terms set forth in the First Lien Master Indenture and this Series 2012A Supplemental Indenture.

The pledge made by the First Lien Master Indenture and this Series 2012A Supplemental Indenture is, and shall be, also subject to the First Lien Master Indenture and the provisions thereof, including specifically Section 3.01 thereof and Section 5(b) hereof, for the equal and proportionate benefit, security and protection of all First Lien Bonds issued or to be issued under and secured by the First Lien Master Indenture, the Parity Portion (as defined in the First Lien Master Indenture) of the Repayment Obligations and all Regular Payments on Qualified Derivative Agreements (each as defined in the First Lien Master Indenture and collectively, the "Parity Obligations") (without duplication of obligation), each without preference, priority or distinction of any such Parity Obligations over any other such Parity Obligations or of any series of Parity Obligations over any other series of Parity Obligations by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Parity Obligation shall have the same rights and privilege under and by virtue of the First Lien Master Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of the First Lien Master Indenture in the manner described in Section 3.01 of the First Lien Master Indenture; *provided, however*, that if the Authority shall pay or cause to be paid to the holders of the Series 2012A Bonds the principal and interest and redemption premium, if any, to become due in respect thereof at the times and in the manner stipulated therein and herein (or shall provide, as permitted by the First Lien Master Indenture, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall pay or cause to be paid to the Trustee all sums of money due and to become due to it in accordance with the First Lien Master Indenture, then this Series 2012A Supplemental Indenture and the rights hereby granted shall cease, terminate and be void, at the option of the Authority (evidenced by a certified resolution of the Authority Board delivered to the Trustee), but otherwise this Series 2012A Supplemental Indenture shall remain in full force and effect.

It is further covenanted and agreed that the Series 2012A Bonds are to be issued, authenticated and delivered, and that the fees, income and funds herein pledged and provided to be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject to the following covenants, conditions and trusts; and the Authority, for itself and its successors, does hereby covenant and agree to and with the Trustee and its successors in trust under this

Series 2012A Supplemental Indenture, for the benefit of whomsoever shall hold, or contract with the Authority with respect to, the Series 2012A Bonds, as follows:

WITNES SETH:

Section 1. Definitions. All terms defined in the First Lien Master Indenture shall have the meaning prescribed therein unless the context otherwise indicates. Any words or terms used in the First Lien Master Indenture for which a different definition is provided herein shall have the meaning herein prescribed unless the context otherwise indicates.

"Authorized Denominations" means \$5,000 and any integral multiple thereof.

"Beneficial Owner" means the owner of a Series 2012A Bond or portion thereof for federal income tax purposes.

"Bond Register" means the register kept by the Trustee.

"Book Entry Bond" means a Series 2012A Bond authorized to be issued to and restricted to being registered in the name of a Securities Depository.

"Dated Date" means the date of issuance and delivery of the Series 2012A Bonds to the initial purchasers thereof

"Defeasance Obligations" means those investments described in subclauses (a) through (e) of the defined term "Permitted Investments" in the First Lien Master Indenture.

"Designated Office" means the office of the Trustee, Registrar and Paying Agent or an affiliate or another agent or fiduciary designated from time to time as the appropriate office for a given purpose herein, and in the absence of a contrary designation, means the Principal Office of the Trustee, Registrar and Paying Agent.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"IFA 2012A Bonds" means the Indiana Finance Authority First Lien Wastewater Utility Revenue Bonds, Series 2012A (CWA Authority Project) issued to purchase the Series 2012A Bonds.

"Interest Payment Date" means April 1 and October 1 of each year, commencing April 1, 2013.

"Opinion of Counsel" means an opinion of recognized municipal utilities counsel selected by the Authority in the case of an Opinion of Authority Board Counsel, and the opinion of nationally recognized bond counsel selected by the Authority in the case of an Opinion of Bond Counsel.

"Pledged Funds" for purposes of this Series 2012A Supplemental Indenture has the meaning given to such term in the First Lien Master Indenture, as further described in Section

5(b) hereof, and includes the Series 2012A Account of the Bond Interest and Principal Fund, the Series 2012A Account of the Bond Reserve Fund and the Series 2012A Account of the Construction Fund.

"Principal Office" means, with respect to the Trustee, the designated corporate trust office of the Trustee, which office at the date of acceptance of the Trustee of the duties and obligations imposed upon it hereunder is located at the address specified in Section 18.

"Record Date" means the 15th day of the calendar month preceding the month during which such Interest Payment Date occurs.

"Reserve Requirement" means the amount required to be maintained in the Series 2012A Account of the Bond Reserve Fund, as further described in Section 10 hereof

"Responsible Officer" means when used with respect to the Trustee, Registrar and Paying Agent, any officer of the Trustee, Registrar and Paying Agent, including any Vice President, Assistant Vice President, corporate trust officer or other officer of the Trustee, Registrar and Paying Agent customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Securities Depository" means, with respect to a Book Entry Bond, DTC or any person, firm, association or corporation constituting a "clearing agency" (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended, which may at any time be substituted in its place to act as Securities Depository for the Series 2012A Bonds or any sub-series thereof, or its successors, or any nominee therefor.

"Series 2012A Bonds" means the CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2012A.

"Supplemental Indenture" means any indenture between the Authority and the Trustee entered into pursuant to and in compliance with Article VIII of the First Lien Master Indenture, including this Series 2012A Supplemental Indenture.

"2012A Project" means the necessary betterments, improvements, extensions or additions to the Wastewater System to be undertaken by the Authority.

"2012A Project Costs" means (a) obligations of the Authority and all contractors incurred for labor and materials in connection with the 2012A Project, (b) the cost of bonds and insurance of all kinds that may be required or necessary during construction of the 2012A Project, (c) all costs of architectural and engineering services, including the costs of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigation therefore, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the 2012A Project, (d) all sums required to reimburse the Authority for advances made by it for any of the above items or for any costs incurred and for work done (including repayments for interim financing), which are properly chargeable to the 2012A Project and (e) all other components of cost of labor, materials, machinery and equipment

and financing charges attributable to the 2012A Project to the extent permitted by the Authorizing Acts.

Section 2. Miscellaneous Definitions. As used herein, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and unless the context shall otherwise indicate, the words "bond," "owner," "holder" and "person" shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

Section 3. Certain Other Terms. As used in the First Lien Master Indenture, the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Series 2012A Supplemental Indenture.

Section 4. Findings.

(a) The relevant recitals set forth in the resolutions adopted by the Authority Board at its meeting on May 16, 2012, are incorporated into this Series 2012A Supplemental Indenture by this reference.

(b) The First Lien Master Indenture, the Series 2012A Bonds and this Series 2012A Supplemental Indenture are among the Bond Documents approved by resolution of the Authority Board at its meeting on May 16, 2012.

(c) The Series 2012A Bonds and related obligations are entitled to the benefits of being and shall be revenue obligations within the meaning of Indiana Code 8-1-11.1 to the extent applicable by law.

Section 5. Authorization of Issuance of Series 2012A Bonds; General Terms; Book-Entry. (a) In order to (i) fund the 2012A Project Costs, (iii) fund a debt service reserve for the Series 2012A Bonds and (iv) fund costs of issuance in connection with the issuance of the 2012A Bonds and the IFA 2012A Bonds, the Authority will issue and sell, pursuant to the provisions hereof, the Series 2012A Bonds. The principal of and interest on the Series 2012A Bonds are payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the Wastewater System and the Pledged Funds of the Authority, on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and Section 5(b) herein, which First Lien Bonds shall be issued by the Authority, and as necessary under the Authorizing Acts on behalf of and in the name of the City. Such First Lien Bonds shall be designated as "CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2012A."

(b) The Series 2012A Bonds shall be payable from and shall be equally and ratably secured by a senior and first lien on the Net Revenues and the Pledged Funds under the First Lien Master Indenture on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and herein. The Series 2012A Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2012A Account of the Bond Interest and Principal Fund in the manner provided in Section 3.01 of the First Lien Master Indenture. The Series 2012A Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2012A Account of the Bond Reserve Fund

in the manner provided in Section 3.01 of the First Lien Master Indenture. The owners of the Series 2012A Bonds shall never have the right to demand payment of either the principal of, interest on or any redemption premium on the Series 2012A Bonds out of any funds raised or to be raised by taxation.

(c) Each Series 2012A Bond shall be, in all respects, on a parity with each other.

(d) The Series 2012A Bonds shall be issued in an aggregate principal amount not to exceed \$192,125,000. The Series 2012A Bonds shall bear interest at the rates of interest shown below from the dates of payment on the Series 2012A Bonds and mature on October 1 in the years and in the amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2014	\$ 3,245,000	4.000%
2015	3,375,000	4.000
2016	3,510,000	4.000
2017	3,650,000	5.000
2018	3,835,000	5.000
2019	4,025,000	5.000
2020	4,225,000	5.000
2021	4,440,000	2.750
2022	4,560,000	5.000
2023	4,790,000	5.000
2024	5,030,000	5.000
2025	5,280,000	5.000
2026	5,545,000	5.000
2027	5,820,000	5.000
2028	6,110,000	5.000
2029	6,415,000	5.000
2030	6,740,000	5.000
2031	7,075,000	5.000
2032	7,430,000	5.000
2037	43,100,000	5.000
2042	53,925,000	4.000

(e) The Series 2012A Bonds shall be issued in fully registered form in Authorized Denominations, or integral multiples thereof, not exceeding the aggregate principal amount of such Series 2012A Bonds maturing in any year. The Series 2012A Bonds shall be numbered consecutively from 12-AR-1 upwards and shall mature and be payable as set forth herein.

(f) The interest on the Series 2012A Bonds shall be payable on each Interest Payment Date commencing on April 1, 2013. Interest on the Series 2012A Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

(g) The Series 2012A Bonds shall bear an original date which shall be the date of delivery thereof, and each Series 2012A Bond shall also bear the date of its authentication. Series 2012A Bonds authenticated on or before the Record Date preceding the first Interest Payment Date thereon shall pay interest from the Dated Date. Series 2012A Bonds authenticated thereafter shall pay interest from the Interest Payment Date immediately preceding the date of

authentication of the Series 2012A Bonds unless the Series 2012A Bonds are authenticated between the Record Date preceding an Interest Payment Date and the Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

(h) The Bank of New York Mellon Trust Company, N.A. is hereby selected in accordance with the First Lien Master Indenture to serve as Registrar and Paying Agent for the Series 2012A Bonds and hereby charged with the responsibility to authenticate the Series 2012A Bonds.

(i) The Trustee and the Authority, may from time to time enter into, or discontinue, an agreement with a Securities Depository to establish procedures with respect to the Series 2012A Bonds not inconsistent with the provisions of the First Lien Master Indenture; *provided, however,* that, notwithstanding anything in the First Lien Master Indenture to the contrary, any such agreement may provide:

(1) that such Securities Depository is not required to present a Series 2012A Bond to the Trustee to receive a partial payment of principal;

(2) that such Securities Depository is not required to present a Series 2012A Bond or any portion thereof to receive payment of a purchase price;

(3) that different provisions for notice to or by such Securities Depository may be set forth therein; and

(4) that a legend may appear on each Series 2012A Bond so long as such Series 2012A Bonds are subject to such agreement.

With respect to Series 2012A Bonds registered in the name of a Securities Depository (or its nominee), neither the Trustee, nor the Authority shall have any obligation under the First Lien Master Indenture to any of its members or participants or to any person on behalf of whom an interest is held in such Series 2012A Bonds. While an agreement with a Securities Depository is in effect, the procedures established therein shall apply to such Series 2012A Bonds, notwithstanding any other provisions of the First Lien Master Indenture to the contrary.

(k) The Series 2012A Bonds are authorized but not required to be issued initially, subject to the provisions of the First Lien Master Indenture, as Book Entry Bonds.

(l) If DTC is the Securities Depository for any Series 2012A Bonds constituting Book Entry Bonds, the Trustee for such Series 2012A Bonds must be a Direct Participant in DTC.

Section 6. Payment of Principal And Interest. Any principal of the Series 2012A Bonds shall be payable at the Designated Office of the Trustee, Registrar and Paying Agent for the Series 2012A Bonds. Any interest on the Series 2012A Bonds shall be paid by:

(a) check or draft delivered one Business Day prior to such payment date to the registered owner thereof at the address as it appears on the registration books kept by the

Registrar and Paying Agent as of the Record Date or at such other address as is provided to the Registrar and Paying Agent in writing by such registered owner.

(b) transmitted by wire transfer to the accounts with members of the Federal Reserve System situated within the continental United States of America of those Owners which own at least \$1,000,000 in aggregate principal amount of the Series 2012A Bonds and which shall have provided written wire transfer instructions to the Trustee prior to the close of business on such Record Date, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose names any such Series 2012A Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

(c) All payments on the Series 2012A Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

Section 7. Transfer and Exchange. Each Series 2012A Bond shall be transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent, by the Owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such Series 2012A Bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered Series 2012A Bond or Series 2012A Bonds, in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. A Registrar and Paying Agent shall not be obligated to make any exchange or transfer of Series 2012A Bonds (i) if such Series 2012A Bonds have been called for redemption, or (ii) following the Record Date on such Series 2012A Bonds until such Interest Payment Date. Each Series 2012A Bond may be transferred or exchanged without cost to the Owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Authority and a Registrar and Paying Agent may treat and consider the person in whose name such Series 2012A Bonds are registered as the Owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

In the event any Series 2012A Bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new Series 2012A Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Series 2012A Bond shall be marked in a manner to distinguish it from the Series 2012A Bond for which it was issued; provided that, in the case of any mutilated Series 2012A Bond, such mutilated Series 2012A Bond shall first be surrendered to the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed Series 2012A Bond there shall be first furnished to the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such lost, stolen or destroyed Series 2012A Bond shall have matured, instead of issuing a duplicate Series 2012A Bond, as appropriate, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The Authority and the Registrar and Paying Agent may charge the owner of

such Series 2012A Bond with their reasonable fees and expenses in connection with the above. Every substitute Series 2012A Bond issued by reason of any Series 2012A Bond being lost, stolen or destroyed shall, with respect to such Series 2012A Bond, constitute a substitute contractual obligation of the Authority, whether or not the lost, stolen or destroyed Series 2012A Bond shall be found at any time, and shall be entitled to all the benefits of this Series 2012A Supplemental Indenture, equally and proportionately with any and all other Series 2012A Bonds duly issued hereunder.

Section 8. Prepayment and Redemption.

(a) The Series 2012A Bonds maturing on or after October 1, 2023, are subject to optional redemption prior to their maturity on October 1, 2022, or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

(b) The Series 2012A Bonds maturing on October 1, 2037 and October 1, 2042 (the "Series 2012A Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

2037 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
2033	\$7,800,000
2034	8,190,000
2035	8,600,000
2036	9,030,000
2037*	9,480,000

*Final Maturity

2042 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
2038	\$9,955,000
2039	10,355,000
2040	10,770,000
2041	11,200,000
2042*	11,645,000

*Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Series 2012A Term Bonds set forth above, and corresponding mandatory redemption obligation, in the

order determined by the Authority, any 2012A Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2012A Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2012A Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Trustee shall credit such Series 2012A Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

(c) If fewer than all of the Series 2012A Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2012A Bonds to be redeemed shall be selected by lot by the Trustee and redeemed only in Authorized Denominations. The aggregate principal amount of each Series 2012A Bond remaining outstanding shall be in an Authorized Denomination. The Trustee shall have no liability to any person as a result of making such selection. The Trustee shall promptly notify the Authority in writing of the Series 2012A Bonds or portions thereof selected for redemption; *provided, however*, that in connection with any redemption of a Series 2012A Bond the Trustee shall first select for redemption any Series 2012A Bonds held by the Trustee for the account of the Authority or held of record by the Authority and that if, as indicated in a certificate of an Authorized Officer delivered to the Trustee, the Authority shall have offered to purchase all of the Series 2012A Bonds then outstanding and less than all of the Series 2012A Bonds shall have been tendered to the Authority for such purchase, the Trustee, at the direction of the Authority, shall select for redemption all such of the Series 2012A Bonds which have not been so tendered. If it is determined that one or more, but not all, of the units of principal amount represented by any Series 2012A Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Owner of such Series 2012A Bond shall, except as provided in the First Lien Master Indenture with respect to Book-Entry Bonds, forthwith surrender such Series 2012A Bond to the Trustee for (a) payment to such Owner of the redemption price of the unit or units of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2012A Bond or new Series 2012A Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2012A Bonds. New Series 2012A Bonds representing the unredeemed balance of the principal amount of such Series 2012A Bonds shall be issued to the Owner thereof, without charge therefor. If the surrender of such Series 2012A Bonds is required and the Owner of any such Series 2012A Bond shall fail to present such Series 2012A Bond to the Trustee for payment and exchange as aforesaid, such Series 2012A Bond shall, nevertheless, become due and payable, and interest thereon shall cease to accrue, on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

(d) In the case of any redemption of the Series 2012A Bonds, the Authority shall give written notice to the Trustee of its election or direction to so redeem, the redemption date of the Series 2012A Bonds to be redeemed, the principal amounts of the Series 2012A Bonds of each

maturity to be redeemed and the moneys to be applied to such redemption. Official notice of redemption of Series 2012A Bonds shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days and no more than sixty (60) days prior to the scheduled redemption date to each of the Owners of the Series 2012A Bonds called for redemption (unless waived by any such Owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such Owner to the Registrar and Paying Agent; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Series 2012A Bond shall not affect the validity of the proceedings for the redemption of any other Series 2012A Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts and CUSIP numbers) of such Series 2012A Bonds called for redemption. The place of redemption may be at the Designated Office of the Registrar and Paying Agent or as otherwise determined by the Authority. Such notice may specify any conditions necessary for redemption and may provide that if such conditions are not satisfied, such redemption will be cancelled without further notice. Interest on such Series 2012A Bonds (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Series 2012A Bonds (or portions thereof) are presented for payment. Any Series 2012A Bond redeemed in part may be exchanged for a Series 2012A Bond of the same series and maturity in Authorized Denominations equal to the remaining principal amount thereof.

(e) For all purposes of this Series 2012A Supplemental Indenture, unless the context otherwise requires, all provisions relating to the redemption or prepayment of Series 2012A Bonds, shall relate, in the case of any Series 2012A Bond redeemed or prepaid or to be redeemed or prepaid only in part, to the portion of the principal of such Series 2012A Bond which has been or is to be redeemed or prepaid.

Section 9. Form of Bonds. The form and tenor of the Series 2012A Bonds shall be substantially as set forth in Exhibit A hereto.

Section 10. Bond Reserve Fund. (a) Pursuant to Section 3.07 of the First Lien Master Indenture, the Authority is authorized at the time of the sale of a series of First Lien Bonds to determine if an account of the Bond Reserve Fund is to be maintained and the provisions with respect thereto, if any. The Authority hereby establishes the "Series 2012A Account of the Bond Reserve Fund." The moneys in the Series 2012A Account of the Bond Reserve Fund will be used solely to pay current principal and interest due on the Series 2012A Bonds to the extent that moneys in the Series 2012A Bond Account of the Bond Interest and Principal Fund are insufficient for that purpose. No other obligations of the Authority shall be paid or payable from the Series 2012A Account of the Bond Reserve Fund, except as provided in the First Lien Master Indenture. The Reserve Requirement for the Series 2012A Account shall be an amount equal to the least of (i) the maximum annual required deposits to the Bond Principal and Interest Fund for the Series 2012A Bonds, (ii) 125% of average annual required deposits to the Bond Principal and Interest Fund for the Series 2012A Bonds, or (iii) 10% of the proceeds of the Series 2012A Bonds. The Reserve Requirement for the Series 2012A Account is initially \$12,114,600.

\$12,114,600 of the proceeds of the Series 2012A Bonds shall be deposited to the Series 2012A Account of the Bond Reserve Fund which will equal such Reserve Requirement on and as of the issuance of the Series 2012A Bonds.

(b) Any deficiency in the balance maintained in the Series 2012A Account of the Bond Reserve Fund, including in the event that money in the Series 2012A Account of the Bond Reserve Fund is transferred to the Series 2012A Bond Account of the Bond Interest and Principal Fund to pay principal and interest on the Series 2012A Bonds, shall be made up from the next available Net Revenues remaining after credits into the Bond Interest and Principal Fund on a parity with all other accounts of the Bond Reserve Fund related to any First Lien Bonds and prior to any use thereof pursuant to Section 3.08 of the First Lien Master Indenture. Any monies in the Series 2012A Account of the Bond Reserve Fund in excess of the Reserve Requirement with respect thereto, may be transferred to any other Fund or Account of the Authority as specified by an Authorized Officer.

(c) All obligations purchased as an investment of moneys held in the Series 2012A Account of the Bond Reserve Fund shall be valued at the fair market value thereof and marked-to-market annually. When market prices for obligations held in the Series 2012A Account of the Bond Reserve Fund are not readily available, the market price for such obligations may be determined in such manner as the Trustee deems reasonable.

Section 11. Deposit of Proceeds.

(a) \$436,656.66 of the proceeds of the Series 2012A Bonds shall be deposited in the General Fund and used for costs of issuance in connection with the Series 2012A Bonds and the IFA Series 2012A Bonds.

(b) \$12,114,600.00 of the proceeds of the Series 2012A Bonds shall be deposited in the Series 2012A Account of the Bond Reserve Fund established in Section 10 hereof

(c) \$200,000,000.00 of the proceeds of the Series 2012A Bonds shall be deposited in the 2012A Account of the Construction Fund, which is hereby established, and such funds shall be expended as directed by the Authority for the 2012A Project Costs incurred on or after March 16, 2012. Upon the direction of the Authority, any balance remaining unexpended in such account after completion of the 2012A Project shall be paid into the 2012A Bond Account of the Bond Interest and Principal Fund.

The Trustee shall make such transfers to the General Fund and Construction Fund in accordance with the closing memorandum delivered on the Issue Date.

Section 12. Bond Interest and Principal Fund. Pursuant to Section 3.06(e) of the First Lien Master Indenture, there is hereby created the following separate account of the Bond Interest and Principal Fund: the "Series 2012A Bond Account."

Such account shall be further funded, maintained and used in accordance with Section 3.06 of the First Lien Master Indenture.

Section 13. Execution of Series 2012A Bonds. The Series 2012A Bonds, in the form provided in Exhibit A hereto, shall be executed, attested and delivered by the Mayor of the City, the Controller of the City and the Clerk of the City and by the President and Chief Financial Officer of the Authority, as authorized by the resolution of the Authority Board adopted on May 16, 2012. In case any officer whose signature appears on the Series 2012A Bonds shall cease to hold that office before the delivery of such series of Series 2012A Bonds, the signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the delivery of such Series 2012A Bonds. After Series 2012A Bonds have been properly executed, the Authority shall deliver such Series 2012A Bonds to the purchaser or purchasers in the manner provided by law.

Series 2012A Bonds issued hereunder shall be authenticated with the manual signature of a Responsible Officer of the Registrar and *Paying Agent*, and no *Series 2012A Bond* shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Series 2012A Supplemental Indenture until the Certificate of Authentication on such Series 2012A Bond shall have been so executed.

Section 14. Tax Covenants. In order to preserve the excludability from gross income of interest on the Series 2012A Bonds under federal law, the Authority represents, covenants and agrees that, to the extent necessary to preserve such excludability:

(a) No person or entity or any combination thereof, other than the Authority or another "governmental unit" within the meaning of Section 141(b)(6) and Section 150(a)(2) of the Code ("Governmental Unit"), will use proceeds of the Series 2012A Bonds or property financed by said proceeds other than as a member of the general public. Except as set forth below, no person or entity or any combination thereof, other than the Authority, or another Governmental Unit, will own property financed by proceeds of Series 2012A Bonds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or other type of output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large of such property unless such use in the aggregate relates to no more than the lesser of \$15,000,000 or 10% of the proceeds of the Series 2012A Bonds or property financed by such bond proceeds. The Authority has assumed a management contract for the Wastewater System. The terms of the contract comply with IRS Revenue Procedure 97-13, and the contract does not constitute private business use under the Code and the Regulations.

(b) Not more than five percent (5%) of proceeds of the Series 2012A Bonds will be loaned to any entity or person. No proceeds of the Series 2012A Bonds will be transferred directly or indirectly transferred or deemed transferred to a person other than a Governmental Unit in a fashion that would in substance constitute a loan of the proceeds of such Series 2012A Bonds.

(c) The Authority will not take any action or fail to take any action with respect to any of the Series 2012A Bonds that would result in the loss of the excludability from gross income for federal tax purposes of interest on the Series 2012A Bonds pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended and as in effect on the date of delivery of such Series 2012A Bonds (the "Code"), nor will the Authority act in any manner or permit any

actions by officers or officials of the Authority that would in any manner adversely affect such excludability. The Authority further covenants that it will not make any investment or do any other act or thing during the period that any Series 2012A Bond is outstanding hereunder which would cause any Series 2012A Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of any Series 2012A Bonds. The Authority shall comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable.

(d) Notwithstanding any other provisions of this Series 2012A Supplemental Indenture, the covenants and authorizations contained in this Series 2012A Supplemental Indenture which are designed to preserve the excludability of interest (the "Tax Exemption") on Series 2012A Bonds from gross income under federal law (the "Tax Sections") need not be complied with if the Authority receives an Opinion of Counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 15. Defeasance. If, when the Series 2012A Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call one or more Series 2012A Bonds or a portion thereof shall have been given and the whole amount of the principal of and interest so due and payable upon all of such Series 2012A Bonds or a portion thereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with Section 5.07 of the First Lien Master Indenture, then and in that case such Series 2012A Bonds or such portion thereof issued hereunder shall no longer be deemed outstanding or an indebtedness of the Authority.

Section 16. Additional First Lien Bonds. The Authority reserves the right to issue additional First Lien Bonds ranking on a parity with the Series 2012A Bonds on the terms and conditions set forth in the First Lien Master Indenture.

Section 17. Amendment of Supplemental Indenture. This Supplemental Indenture may be amended or modified in the same manner as provided in Article VIII of the First Lien Master Indenture.

Section 18. Notices. Notwithstanding anything in the First Lien Master Indenture to the contrary, except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given if in writing and shall be deemed given when mailed by registered, certified or first class mail, postage prepaid, or by qualified overnight courier service mutually acceptable to the delivering and recipient parties, courier charges prepaid, addressed as follows:

If to the Authority:

CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: Chief Financial Officer
Telephone: (317) 927-4583
Facsimile: (317) 927-4395

with a copy to:

CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: General Counsel
Telephone: (317) 927-4751
Facsimile: (317) 927-4549

If to the Trustee or the
Registrar and Paying Agent:

The Bank of New York Mellon Trust Company, N.A.
300 North Meridian Street, Suite 910
Indianapolis, Indiana 46204
Attention: Corporate Trust Services
Telephone: (317) 637-3586
Facsimile: (317) 637-9821

Notwithstanding anything in the First Lien Master Indenture to the contrary, unless specifically required by the terms of the First Lien Master Indenture, any notice required to be given pursuant to any provision of the First Lien Master Indenture may be given by any form of electronic transmission that is capable of producing a written record, including, without limitation, telecopy transmissions; *provided* that the deliverer of any such notice given by electronic transmission shall verify receipt of such notice promptly upon the transmission thereof and such notice shall not be deemed duly given unless full and legible receipt thereof has been verified by the recipient of such notice. The Authority and the Trustee, Registrar and Paying Agent may, by notice pursuant to this Section 18, designate any different addresses to which subsequent notices, certificates or other communications shall be sent. A duplicate copy of each notice, approval, consent, request, complaint, demand or other communication given hereunder by the Authority or the Trustee to any one of the others shall also be given to each one of the others.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 19. Miscellaneous.

(a) If any section, paragraph or provision of this Series 2012A Supplemental Indenture shall be held to be invalid or unenforceable for any reason, the invalidity or

unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Series 2012A Supplemental Indenture.

(b) In case where the date of maturity of interest on or principal of any of the Series 2012A Bonds, or the date fixed for redemption of any of the Series 2012A Bonds, shall not be a Business Day, then payment of interest or principal need not be made on such date but shall be made on the Business Day immediately preceding such payment date with the same force and effect as if made on the date of maturity or the date fixed for redemption.

(c) With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Series 2012A Supplemental Indenture or the Series 2012A Bonds or coupons is intended or should be construed to confer upon or give to any person other than the Authority, the Trustee, and the Owners of the Series 2012A Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Series 2012A Supplemental Indenture or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Series 2012A Supplemental Indenture and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Authority, the Trustee, and the Owners from time to time of the Series 2012A Bonds as herein and therein provided.

(d) All the terms, provisions, conditions, covenants, warranties and agreements contained in this Series 2012A Supplemental Indenture shall be binding upon the successors and assigns of the Authority, and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns and the Owners of the Series 2012A Bonds.

(e) Any bank or trust company with or into which a Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purpose of this Series 2012A Supplemental Indenture. If the position of Paying Agent shall become vacant for any reason, the Authority shall, within 30 days thereafter, appoint a bank or trust company located in the same city as Paying Agent to fill such vacancy; *provided, however*, that if the Authority shall fail to appoint such Paying Agent within such period, the Trustee shall make such appointment.

No member, officer or employee of the Authority or the Authority Board shall be individually or personally liable for the payment of the principal of or interest or redemption premium on any Series 2012A Bond. Nothing herein contained shall, however, relieve any such member, officer or employee from the performance of any duty provided or required by law.

(g) This Series 2012A Supplemental Indenture shall be construed and enforced in accordance with the laws of the State of Indiana.

(h) The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Series 2012A Supplemental Indenture.

(i) This Series 2012A Supplemental Indenture and the First Lien Master Indenture shall constitute a contract between the Authority and Owners of the Series 2012A Bonds.

(j) This Series 2012A Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(k) The Trustee, any Paying Agent or any Registrar, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series 2012A Bonds, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, any Paying Agent or any Registrar, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority, and may act as depository, trustee or agent for any committee or body of Owners secured by this Series 2012A Supplemental Indenture or other obligations of the Authority as freely as if it did not act in any capacity under this Series 2012A Supplemental Indenture.

(l) Whenever in this Series 2012A Supplemental Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 20. Representations, Warranties and Covenants for Revised Article 9 Collateral.

(a) The First Lien Master Indenture and this Series 2012A Supplemental Indenture creates a valid and binding pledge, assignment, lien on and security interest in the Net Revenues and Pledged Funds in favor of the Trustee as security for payment of the Series 2012A Bonds, as described in Section 3.01 of the First Lien Master Indenture and Section 5(b) hereof, enforceable by the Trustee in accordance with the terms hereof

(b) Under the laws of the State of Indiana, (i) such lien and/or security interest, (ii) and each pledge, assignment, lien, or other security interest made to secure any obligations of the Authority which, by the terms hereof, ranks on a parity with the lien and security interest granted by this Series 2012A Supplemental Indenture, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract. By the date of issue of the Series 2012A Bonds, the Authority will have filed all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any Series 2012A Bonds are outstanding the Authority will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the Authority is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9-301-9-306 of such jurisdiction. The pledge made by this Series 2012A Supplemental Indenture shall be effective pursuant to IC 5-1-14-4, IC 26-1-9.1-109(d)(15) and IC 26-1-9.1-515(b) notwithstanding any failure to file a financing statement as described above.

(c) Except as permitted by the First Lien Master Trust Indenture, the Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Net Revenues or the Pledged Funds that ranks on a parity with or prior to the lien and/or security interest granted by this Series 2012A Supplemental Indenture. The Authority

shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest on such collateral that ranks prior to or on a parity with the lien and/or security interest granted by this Series 2012A Supplemental Indenture, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby and by the First Lien Master Indenture.

IN WITNESS WHEREOF, the Authority has caused this Series 2012A Supplemental Indenture to be executed by its President and Chief Executive Officer and attested by its Senior Vice President and Chief Financial Officer, and the Trustee has caused this Series 2012A Supplemental Indenture to be executed on its behalf by its duly authorized officer and its corporate seal to be impressed hereon and attested by its duly authorized officer, all as of the day and year first above written.

CWA AUTHORITY, INC.

By: _____
Carey B. Lyki s, President a
Chief Executive Officer

Attest:



J. J. J. J. J., Senior Vice President
and Chief Financial Officer

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: 7e4=1,14.44,

Name: **Karen Franklin**

Title: **ITI-ICRIZED OFFICER**

Attest:

By: *Nancy Storms*

Name: **Nancy Storms**

Title: **AUTHORIZED OFFICER**

UNITED STATES OF AMERICA

STATE OF INDIANA

No. 12-AR-1

COUNTY OF MARION

\$192,125,000

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA
FIRST LIEN WASTEWATER REVENUE BOND, SERIES 2012A

<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Authentication</u> <u>Date</u>	<u>CUSIP</u>
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See Schedule A September 19, 2012 See Schedule A September 19, 2012 See Schedule A

Registered Owner: INDIANA FINANCE AUTHORITY

Principal Sum: See Schedule A

CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Act of 1991, as amended, Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") (as defined in the hereinafter defined First Lien Master Indenture) and as necessary under the Authorizing Acts to act on behalf of the City of Indianapolis, Indiana, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner stated above, or registered assigns, but solely out of the Net Revenues of the Wastewater System and the Pledged Funds (all as defined in the hereinafter defined Indentures), the principal sum stated above on October 1 in the years and amounts as set forth on Schedule A hereto, on the maturity dates stated on Schedule A hereto, and to pay interest on said principal sum to the registered owner of this bond until the Authority's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above from the Interest Payment Date immediately preceding the date of the authentication of this bond, unless this bond is authenticated on or before March 15, 2013, in which case the interest shall be paid from the original date stated above or unless this bond is authenticated between the Record Date (as defined in the Series 2012A Supplemental Indenture) preceding an Interest Payment Date and the Interest Payment Date, in which case interest shall be paid from such Interest Payment Date. Interest shall be payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2013. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

All payments of principal of and interest on this bond shall be paid by wire transfer for deposit to the principal corporate trust operations office of The Bank of New York

Mellon Trust Company, N.A. ("Trustee," "Registrar" or "Paying Agent") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or Paying Agent, or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on this bond shall be made in coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

This bond, together with interest hereon, shall be payable solely out of the Net Revenues and the Pledged Funds, after the payment only of the Operation and Maintenance Expenses (as defined in the First Lien Master Indenture). The Series 2012A Bonds are issued on a parity with all other Parity Obligations (as defined in the First Lien Master Indenture) to be issued as described in the First Lien Master Indenture and in the 2012A Supplemental Indenture (as defined below). The First Lien Bonds (as defined in the First Lien Master Indenture) constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by a lien on and pledge of the Net Revenues and Pledged Funds. For the benefit of the owners of First Lien Bonds, the Authority, pursuant to the First Lien Master Indenture and the Series 2012A Supplemental Indenture, has granted a lien on and pledge of the Net Revenues and Pledged Funds to secure the payment of principal of, premium, if any, and interest on the First Lien Bonds and all expenses of providing for their full and timely payment in accordance with their terms, as provided in the First Lien Master Indenture, the Series 2012A Supplemental Indenture and pursuant to the Authorizing Acts. Subject to the provisions of the First Lien Master Indenture and the Series 2012A Supplemental Trust Indenture dated as of September 1, 2012 (the "Series 2012A Supplemental Indenture"), between the Authority and the Trustee for registration, this bond is negotiable under the laws of the State of Indiana.

This bond is one of an authorized issue of bonds of the Authority in the aggregate principal amount of One Hundred Ninety-Two Million One Hundred Twenty-Five Thousand Dollars (\$192,125,000) (the "Series 2012A Bonds"), numbered consecutively from 12-AR-1 upwards, issued pursuant to the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture" and with the Series 2012A Supplemental Indenture, the "Indentures") between the Authority and the Trustee as well as the Series 2012A Supplemental Indenture.

The Authority irrevocably pledges the entire Net Revenues of such Wastewater System and the Pledged Funds to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the First Lien Master Indenture and the Parity Obligations issued in connection therewith, including this bond, in the manner described in Section 3.01 of the First Lien Master Indenture and Section 5(b) of the Series 2012A

Supplemental Indenture, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by such Wastewater System as are sufficient in each year for the payment of the Operation and Maintenance Expenses of the Wastewater System, and for the payment of the sums required to be paid into such Bond Interest and Principal Fund and the Bond Reserve Fund under the provisions of the Authorizing Acts and the First Lien Master Indenture. In the event the Authority, or the Authorized Officers thereof, shall fail or refuse to fix, maintain and collect such rates or charges, or if there be a default in the payment of the principal of or interest on this bond, the owner of this bond shall have all of the rights and remedies provided for in such Indentures and the Authorizing Acts.

The bonds maturing in any one year are issuable only in fully registered form in Authorized Denominations or integral multiples thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Series 2012A Bonds maturing on or after October 1, 2023, are subject to optional redemption prior to their maturity on October 1, 2022, or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

If fewer than all of the bonds of the Series 2012A Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2012A Bonds to be redeemed shall be selected by lot by the Trustee in Authorized Denominations. The aggregate principal amount of each Series 2012A Bond remaining outstanding shall be in an Authorized Denomination.

The Series 2012A Bonds maturing on October 1, 2037, and October 1, 2042 (the "Series 2012A Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

2037 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
2033	\$7,800,000
2034	8,190,000
2035	8,600,000
2036	9,030,000
2037*	9,480,000

*Final Maturity

2042 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
2038	\$9,955,000
2039	10,355,000
2040	10,770,000
2041	11,200,000
2042*	11,645,000

*Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Series 2012A Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any 2012A Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2012A Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2012A Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Trustee shall credit such Series 2012A Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

Official notice of any such redemption shall be sent by registered or certified mail to the registered owner of this bond not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption at the address shown on the registration books of the Registrar and Paying Agent or at such other address as is furnished in writing to the Registrar and Paying Agent, unless such notice is waived by the registered owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Authority. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption, to pay the redemption price on the redemption date or when presented for payment.

If this bond or a portion hereof shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal of and interest so due and payable upon all of this bond or a portion hereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with the First Lien Master Indenture, then and in that case this bond or such portion hereof shall no longer be deemed outstanding or an indebtedness of the Authority.

This bond is transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be required to make any transfer or exchange of this bond if it has been called for redemption or following the Record Date immediately preceding an Interest Payment Date on this bond until such Interest Payment Date. The Authority and the Registrar and Paying Agent may treat and consider the person in whose name this bond is registered as the absolute Owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new bond of

like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided that, in the case of this bond being mutilated, this bond shall first be surrendered to the Authority and the Registrar and Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Authority and the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Authority and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured, instead of issuing a duplicate bond, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay this bond without surrender hereof. The Authority and the Registrar and Paying Agent may charge the Owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Authority, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Indentures, equally and proportionately with any and all other First Lien Bonds duly issued thereunder.

In the manner provided in the Indentures, the Indentures and the rights and obligations of the Authority and of the owners of the bonds may (with certain exceptions as stated in the Indenture) be modified or amended without the consent of the owners of the bonds.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving sixty (60) days' written notice to the Authority and to the registered owners of bonds then outstanding, and such resignation will take effect upon the appointment of a successor Registrar and Paying Agent by the Authority. Such notice to the Authority may be served personally or be sent by registered mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the Authority, in which event the Authority may appoint a successor Registrar and Paying Agent. The Authority shall cause the registered owner of this bond, if then outstanding, to be notified by certified or registered mail of the removal of the Registrar and Paying Agent. Notices to registered owners of bonds shall be deemed to be given when mailed by certified or registered mail to the addresses of such registered owners as they appear in the registration books kept by the Registrar and Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law and the Constitution of the State of Indiana to be done precedent to and in the execution, issuance, sale and delivery of this bond have been properly done, happened and performed in regular and due form as prescribed by law.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indentures authorizing this bond until the certificate of

authentication hereon shall have been duly executed by an authorized representative of the Registrar and Paying Agent.

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City of Indianapolis, Indiana, and attested by the manual or facsimile signature of the Controller of the City of Indianapolis, Indiana, who has caused the official seal of the City of Indianapolis, Indiana, to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon and by the manual or facsimile signature of the President and Chief Executive Officer of CWA Authority, Inc. and attested by the manual or facsimile signature of the Senior Vice President and Chief Financial Officer of CWA Authority, Inc.

CITY OF INDIANAPOLIS, INDIANA

By: _____
Mayor, City of Indianapolis, Indiana

(SEAL)

ATTEST:

Clerk, City of Indianapolis, Indiana

ATTEST:

Controller, City of Indianapolis, Indiana

CWA AUTHORITY, INC.

By: _____
President and Chief Executive Officer

ATTEST:

Senior Vice President
and Chief Financial Officer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Registrar and Paying Agent

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Insert name and address of transferee)

this bond and all rights hereunder and hereby irrevocably constitutes and appoints
_____, attorney, to transfer this bond on the books kept
for the registration hereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed
by an eligible guarantor institution
participating in a Securities Transfer
Association recognized signature guarantee
program.

NOTICE: The signature to this assignment
must correspond with the name of the
registered owner as it appears on the front of
this bond without alternation or enlargement
or any change whatsoever.

[SCHEDULE A]

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2014		4.000%
	\$ 3,245,000	
2015	3,375,000	4.000
2016	3,510,000	4.000
2017	3,650,000	5.000
2018	3,835,000	5.000
2019	4,025,000	5.000
2020	4,225,000	5.000
2021	4,440,000	2.750
2022	4,560,000	5.000
2023	4,790,000	5.000
2024	5,030,000	5.000
2025	5,280,000	5.000
2026	5,545,000	5.000
2027	5,820,000	5.000
2028	6,110,000	5.000
2029	6,415,000	5.000
2030	6,740,000	5.000
2031	7,075,000	5.000
2032	7,430,000	5.000
2037	43,100,000	5.000
2042	53,925,000	4.000

**SERIES 2014A
FIRST LIEN SUPPLEMENTAL TRUST INDENTURE**

Dated as of July 1, 2014

between

CWA AUTHORITY, INC.

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Securing

**CWA Authority, Inc.
City of Indianapolis, Indiana,
First Lien Wastewater
Revenue Bonds, Series 2014A
(the "Series 2014A Bonds")**

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SERIES 2014A FIRST LIEN SUPPLEMENTAL TRUST INDENTURE

This SERIES 2014A FIRST LIEN SUPPLEMENTAL TRUST INDENTURE dated as of July 1, 2014 (the "Series 2014A Supplemental Indenture" and the "Series 2014A Supplemental Trust Indenture"), supplements and amends the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture"), as previously supplemented and amended, between CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Corporation Act of 1991, as amended (the "Nonprofit Act"), Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") among the City of Indianapolis (the "City"), the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District") and the Board of Directors for Utilities of the Department of Public Utilities of the City d/b/a Citizens Energy Group ("Citizens"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America,

WITNESSETH:

WHEREAS, the Authority owns and operates a revenue producing wastewater system (the "Wastewater System"), serving the inhabitants of Marion County and other nearby communities; and

WHEREAS, the Authority is authorized to issue bonds and certificates of indebtedness pursuant to the Authorizing Acts (as defined in the First Lien Master Indenture), payable out of the Net Revenues (as defined in the First Lien Master Indenture) derived from the Wastewater System, and the Pledged Funds (as defined in the First Lien Master Indenture and herein) to finance the acquisition and the construction of necessary betterments, improvements, extensions or additions to the Wastewater System; and

WHEREAS, the First Lien Bonds are secured by a pledge of the Net Revenues and the Pledged Funds; and

WHEREAS, the Board of Directors of the Authority (the "Authority Board") duly and legally authorized the execution, acknowledgement and delivery of the Series 2014A Supplemental Trust Indenture in this form for the purposes, among others, of (a) funding of necessary betterments, improvements, extensions or additions to the Wastewater System, (b) repaying draws made under a line of credit the Authority holds with Wells Fargo Bank, N.A., (c) funding a debt service reserve for the Series 2014A Bonds, if necessary, and (d) funding costs of issuance in connection with the issuance of the 2014A Bonds and the IFA 2014A Bonds (as defined below).

NOW, THEREFORE, the Authority and the Trustee hereby covenant and agree as follows:

THIS SERIES 2014A SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants contained in the First Lien Master Indenture and this Series 2014A Supplemental Indenture, and

of the purchase and acceptance of the Series 2014A Bonds by the holders thereof, and for other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2014A Bonds are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, to secure the payment of the principal of and redemption premium, if any, and interest on the Series 2014A Bonds at any time issued and outstanding under this Series 2014A Supplemental Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the Series 2014A Bonds and in the First Lien Master Indenture and this Series 2014A Supplemental Indenture, has executed and delivered the First Lien Master Indenture and this Series 2014A Supplemental Indenture, and has pledged and assigned, and by these presents does hereby pledge and assign and grant a security interest in, unto the Trustee, and to its successors in trust, the Net Revenues and the Pledged Funds securing the Series 2014A Bonds, subject to the provisions of the First Lien Master Indenture and this Series 2014A Supplemental Indenture permitting the application thereof for the purposes and on the terms set forth in the First Lien Master Indenture and this Series 2014A Supplemental Indenture.

The pledge made by the First Lien Master Indenture and this Series 2014A Supplemental Indenture is, and shall be, also subject to the First Lien Master Indenture and the provisions thereof, including specifically Section 3.01 thereof and Section 5(b) hereof, for the equal and proportionate benefit, security and protection of all First Lien Bonds issued or to be issued under and secured by the First Lien Master Indenture, the Parity Portion (as defined in the First Lien Master Indenture) of the Repayment Obligations and all Regular Payments on Qualified Derivative Agreements (each as defined in the First Lien Master Indenture and collectively, the "Parity Obligations") (without duplication of obligation), each without preference, priority or distinction of any such Parity Obligations over any other such Parity Obligations or of any series of Parity Obligations over any other series of Parity Obligations by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Parity Obligation shall have the same rights and privilege under and by virtue of the First Lien Master Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of the First Lien Master Indenture in the manner described in Section 3.01 of the First Lien Master Indenture; *provided, however*, that if the Authority shall pay or cause to be paid to the holders of the Series 2014A Bonds the principal and interest and redemption premium, if any, to become due in respect thereof at the times and in the manner stipulated therein and herein (or shall provide, as permitted by the First Lien Master Indenture, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall pay or cause to be paid to the Trustee all sums of money due and to become due to it in accordance with the First Lien Master Indenture, then this Series 2014A Supplemental Indenture and the rights hereby granted shall cease, terminate and be void, at the option of the Authority (evidenced by a certified resolution of the Authority Board delivered to the Trustee), but otherwise this Series 2014A Supplemental Indenture shall remain in full force and effect.

It is further covenanted and agreed that the Series 2014A Bonds are to be issued, authenticated and delivered, and that the fees, income and funds herein pledged and provided to be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject to the following covenants, conditions and trusts; and the Authority, for itself and its successors,

does hereby covenant and agree to and with the Trustee and its successors in trust under this Series 2014A Supplemental Indenture, for the benefit of whomsoever shall hold, or contract with the Authority with respect to, the Series 2014A Bonds, as follows:

WITNES SETH:

Section 1. Definitions All terms defined in the First Lien Master Indenture shall have the meaning prescribed therein unless the context otherwise indicates. Any words or terms used in the First Lien Master Indenture for which a different definition is provided herein shall have the meaning herein prescribed unless the context otherwise indicates.

"Authorized Denominations" means \$5,000 and any integral multiple thereof.

"Beneficial Owner" means the owner of a Series 2014A Bond or portion thereof for federal income tax purposes.

"Bond Register" means the register kept by the Trustee.

"Book Entry Bond" means a Series 2014A Bond authorized to be issued to and restricted to being registered in the name of a Securities Depository.

"Dated Date" means the date of issuance and delivery of the Series 2014A Bonds to the initial purchasers thereof

"Defeasance Obligations" means those investments described in subclauses (a) through (e) of the defined term "Permitted Investments" in the First Lien Master Indenture.

"Designated Office" means the office of the Trustee, Registrar and Paying Agent or an affiliate or another agent or fiduciary designated from time to time as the appropriate office for a given purpose herein, and in the absence of a contrary designation, means the Principal Office of the Trustee, Registrar and Paying Agent.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Electronic Means" means the following communication methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

"IFA 2014A Bonds" means the Indiana Finance Authority First Lien Wastewater Utility Revenue Bonds, Series 2014A (CWA Authority Project) issued to purchase the Series 2014A Bonds.

"Interest Payment Date" means April 1 and October 1 of each year, commencing October 1, 2014.

"Opinion of Counsel" means an opinion of recognized municipal utilities counsel selected by the Authority in the case of an Opinion of Authority Board Counsel, and the opinion of nationally recognized bond counsel selected by the Authority in the case of an Opinion of Bond Counsel.

"Pledged Funds" for purposes of this Series 2014A Supplemental Indenture has the meaning given to such term in the First Lien Master Indenture, as further described in Section 5(b) hereof, and includes the Series 2014A Account of the Bond Interest and Principal Fund, the Series 2014A Account of the Bond Reserve Fund and the Series 2014A Account of the Construction Fund.

"Principal Office" means, with respect to the Trustee, the designated corporate trust office of the Trustee, which office at the date of acceptance of the Trustee of the duties and obligations imposed upon it hereunder is located at the address specified in Section 18.

"Record Date" means the 15th day of the calendar month preceding the month during which such Interest Payment Date occurs.

"Reserve Requirement" means the amount required to be maintained in the Series 2014A Account of the Bond Reserve Fund, as further described in Section 10 hereof.

"Responsible Officer" means when used with respect to the Trustee, Registrar and Paying Agent, any officer of the Trustee, Registrar and Paying Agent, including any Vice President, Assistant Vice President, corporate trust officer or other officer of the Trustee, Registrar and Paying Agent customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Securities Depository" means, with respect to a Book Entry Bond, DTC or any person, firm, association or corporation constituting a "clearing agency" (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended, which may at any time be substituted in its place to act as Securities Depository for the Series 2014A Bonds or any sub-series thereof, or its successors, or any nominee therefor.

"Series 2014A Bonds" means the CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2014A.

"Supplemental Indenture" means any indenture between the Authority and the Trustee entered into pursuant to and in compliance with Article VIII of the First Lien Master Indenture, including this Series 2014A Supplemental Indenture.

"2014A Project" means the necessary betterments, improvements, extensions or additions to the Wastewater System to be undertaken by the Authority.

"2014A Project Costs" means (a) obligations of the Authority and all contractors incurred for labor and materials in connection with the 2014A Project, (b) the cost of bonds and insurance of all kinds that may be required or necessary during construction of the 2014A Project, (c) all

costs of architectural and engineering services, including the costs of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigation therefore, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the 2014A Project, (d) all sums required to reimburse the Authority for advances made by it for any of the above items or for any costs incurred and for work done (including repayments for interim financing), which are properly chargeable to the 2014A Project and (e) all other components of cost of labor, materials, machinery and equipment and financing charges attributable to the 2014A Project to the extent permitted by the Authorizing Acts.

Section 2. Miscellaneous Definitions. As used herein, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and unless the context shall otherwise indicate, the words "bond," "owner," "holder" and "person" shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

Section 3. Certain Other Terms. As used in the First Lien Master Indenture, the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Series 2014A Supplemental Indenture.

Section 4. Findings.

(a) The relevant recitals set forth in the resolutions adopted by the Authority Board at its meeting on December 11, 2013 and on May 14, 2014, are incorporated into this Series 2014A Supplemental Indenture by this reference.

(b) The First Lien Master Indenture, the Series 2014A Bonds and this Series 2014A Supplemental Indenture are among the Bond Documents approved by resolution of the Authority Board at its meeting on December 11, 2013 and on May 14, 2014.

(c) The Series 2014A Bonds and related obligations are entitled to the benefits of being and shall be revenue obligations within the meaning of Indiana Code 8-1-11.1 to the extent applicable by law.

Section 5. Authorization of Issuance of Series 2014A Bonds; General Terms; Book-Entry. (a) In order to (i) fund the 2014A Project Costs, (ii) repay draws made under a line of credit the Authority holds with Wells Fargo Bank, N.A., which draws were used to provide interim funding of necessary betterments, improvements, extensions and additions to the Wastewater System; (iii) fund a debt service reserve for the Series 2014A Bonds and (iv) fund costs of issuance in connection with the issuance of the 2014A Bonds and the IFA 2014A Bonds, the Authority will issue and sell, pursuant to the provisions hereof, the Series 2014A Bonds. The principal of and interest on the Series 2014A Bonds are payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the Wastewater System and the Pledged Funds of the Authority, on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and Section 5(b) herein, which First Lien Bonds shall be issued by the Authority, and as necessary under the Authorizing Acts on behalf of and in the name of the City. Such First Lien Bonds shall

be designated as "CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2014A."

(b) The Series 2014A Bonds shall be payable from and shall be equally and ratably secured by a senior and first lien on the Net Revenues and the Pledged Funds under the First Lien Master Indenture on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and herein. The Series 2014A Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2014A Account of the Bond Interest and Principal Fund in the manner provided in Section 3.01 of the First Lien Master Indenture. The Series 2014A Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2014A Account of the Bond Reserve Fund in the manner provided in Section 3.01 of the First Lien Master Indenture. The owners of the Series 2014A Bonds shall never have the right to demand payment of either the principal of, interest on or any redemption premium on the Series 2014A Bonds out of any funds raised or to be raised by taxation.

(c) Each Series 2014A Bond shall be, in all respects, on a parity with each other.

(d) The Series 2014A Bonds shall be issued in an aggregate principal amount not to exceed \$236,990,000. The Series 2014A Bonds shall bear interest at the rates of interest shown below from the dates of payment on the Series 2014A Bonds and mature on October 1 in the years and in the amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2015	\$ 3,675,000	3.000%
2016	3,785,000	4.000
2017	3,935,000	5.000
2018	4,135,000	5.000
2019	4,340,000	5.000
2020	4,555,000	5.000
2021	4,785,000	5.000
2022	5,025,000	5.000
2023	5,275,000	5.000
2024	5,540,000	5.000
2025	5,815,000	5.000
2026	6,105,000	5.000
2027	6,410,000	5.000
2028	6,735,000	5.000
2029	7,070,000	5.000
2030	7,425,000	5.000
2031	7,795,000	5.000
2032	8,185,000	5.000
2033	8,595,000	5.000
2034	9,025,000	5.000
2039	52,345,000	5.000
2044	41,435,000	5.000
2044	25,000,000	4.250

(e) The Series 2014A Bonds shall be issued in fully registered form in Authorized Denominations, or integral multiples thereof, not exceeding the aggregate principal amount of such Series 2014A Bonds maturing in any year. The Series 2014A Bonds shall be numbered consecutively from 14-AR-1 upwards and shall mature and be payable as set forth herein.

(f) The interest on the Series 2014A Bonds shall be payable on each Interest Payment Date commencing on October 1, 2014. Interest on the Series 2014A Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

(g) The Series 2014A Bonds shall bear an original date which shall be the date of delivery thereof, and each Series 2014A Bond shall also bear the date of its authentication. Series 2014A Bonds authenticated on or before the Record Date preceding the first Interest Payment Date thereon shall pay interest from the Dated Date. Series 2014A Bonds authenticated thereafter shall pay interest from the Interest Payment Date immediately preceding the date of authentication of the Series 2014A Bonds unless the Series 2014A Bonds are authenticated between the Record Date preceding an Interest Payment Date and the Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

(h) The Bank of New York Mellon Trust Company, N.A. is hereby selected in accordance with the First Lien Master Indenture to serve as Registrar and Paying Agent for the Series 2014A Bonds and hereby charged with the responsibility to authenticate the Series 2014A Bonds.

(i) The Trustee and the Authority may from time to time enter into, or discontinue, an agreement with a Securities Depository to establish procedures with respect to the Series 2014A Bonds not inconsistent with the provisions of the First Lien Master Indenture; *provided, however,* that, notwithstanding anything in the First Lien Master Indenture to the contrary, any such agreement may provide:

(1) that such Securities Depository is not required to present a Series 2014A Bond to the Trustee to receive a partial payment of principal;

(2) that such Securities Depository is not required to present a Series 2014A Bond or any portion thereof to receive payment of a purchase price;

(3) that different provisions for notice to or by such Securities Depository may be set forth therein; and

(4) that a legend may appear on each Series 2014A Bond so long as such Series 2014A Bonds are subject to such agreement.

(j) With respect to Series 2014A Bonds registered in the name of a Securities Depository (or its nominee), neither the Trustee, nor the Authority shall have any obligation under the First Lien Master Indenture to any of its members or participants or to any person on behalf of whom an interest is held in such Series 2014A Bonds. While an agreement with a Securities Depository is in effect, the procedures established therein shall apply to such Series 2014A Bonds, notwithstanding any other provisions of the First Lien Master Indenture to the contrary.

(k) The Series 2014A Bonds are authorized but not required to be issued initially, subject to the provisions of the First Lien Master Indenture, as Book Entry Bonds.

(l) If DTC is the Securities Depository for any Series 2014A Bonds constituting Book Entry Bonds, the Trustee for such Series 2014A Bonds must be a Direct Participant in DTC.

Section 6. Payment of Principal And Interest. Any principal of the Series 2014A Bonds shall be payable at the Designated Office of the Trustee, Registrar and Paying Agent for the Series 2014A Bonds. Any interest on the Series 2014A Bonds shall be paid by:

(a) check or draft delivered one Business Day prior to such payment date to the registered owner thereof at the address as it appears on the registration books kept by the Registrar and Paying Agent as of the Record Date or at such other address as is provided to the Registrar and Paying Agent in writing by such registered owner.

(b) transmitted by wire transfer to the accounts with members of the Federal Reserve System situated within the continental United States of America of those Owners which own at least \$1,000,000 in aggregate principal amount of the Series 2014A Bonds and which shall have provided written wire transfer instructions to the Trustee prior to the close of business on such Record Date, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose names any such Series 2014A Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

(c) All payments on the Series 2014A Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

Section 7. Transfer and Exchange. Each Series 2014A Bond shall be transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent, by the Owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such Series 2014A Bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered Series 2014A Bond or Series 2014A Bonds, in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. A Registrar and Paying Agent shall not be obligated to make any exchange or transfer of Series 2014A Bonds (i) if such Series 2014A Bonds have been called for redemption, or (ii) following the Record Date on such Series 2014A Bonds until such Interest Payment Date. Each Series 2014A Bond may be transferred or exchanged without cost to the Owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Authority and a Registrar and Paying Agent may treat and consider the person in whose name such Series 2014A Bonds are registered as the Owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

In the event any Series 2014A Bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new Series 2014A Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Series 2014A Bond shall be marked in a manner to distinguish it from the Series 2014A Bond for which it was issued; provided that, in the case of any mutilated Series 2014A Bond, such mutilated Series 2014A Bond shall first be surrendered to the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed Series 2014A Bond there shall be first furnished to the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such lost, stolen or destroyed Series 2014A Bond shall have matured, instead of issuing a duplicate Series 2014A Bond, as appropriate, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The Authority and the Registrar and Paying Agent may charge the owner of such Series 2014A Bond with their reasonable fees and expenses in connection with the above. Every substitute Series 2014A Bond issued by reason of any Series 2014A Bond being lost, stolen or destroyed shall, with respect to such Series 2014A Bond, constitute a substitute contractual obligation of the Authority, whether or not the lost, stolen or destroyed Series 2014A Bond shall be found at any time, and shall be entitled to all the benefits of this Series 2014A Supplemental Indenture, equally and proportionately with any and all other Series 2014A Bonds duly issued hereunder.

Section 8. Prepayment and Redemption.

(a) The Series 2014A Bonds maturing on or after October 1, 2025, are subject to optional redemption prior to their maturity on October 1, 2024, or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

(b) The Series 2014A Bonds maturing on October 1, 2039, October 1, 2044, identified by CUSIP 45505MDH6 and October 1, 2044, identified by CUSIP 45505MDJ2 (the "Series 2014A Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

2039 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
2035	\$9,475,000
2036	9,945,000
2037	10,445,000
2038	10,965,000
2039*	11,515,000

*Final Maturity

2044 Term Bonds (CUSIP: 45505MDH6)

<u>Year</u>	<u>Principal Amount</u>
2040	\$7,565,000
2041	7,910,000
2042	8,270,000
2043	8,650,000
2044*	9,040,000

*Final Maturity

2044 Term Bonds (CUSIP: 45505MDJ2)

<u>Year</u>	<u>Principal Amount</u>
2040	\$4,525,000
2041	4,750,000
2042	4,990,000
2043	5,235,000
2044*	5,500,000

*Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Series 2014A Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any 2014A Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2014A Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2014A Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Trustee shall credit such Series 2014A Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

(c) If fewer than all of the Series 2014A Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2014A Bonds to be redeemed shall be selected by lot by the Trustee and redeemed only in Authorized Denominations. The aggregate principal amount of each Series 2014A Bond remaining outstanding shall be in an Authorized Denomination. The Trustee shall have no liability to any person as a result of making such selection. The Trustee shall promptly notify the Authority in writing of the Series 2014A Bonds

or portions thereof selected for redemption; *provided, however*, that in connection with any redemption of a Series 2014A Bond the Trustee shall first select for redemption any Series 2014A Bonds held by the Trustee for the account of the Authority or held of record by the Authority and that if, as indicated in a certificate of an Authorized Officer delivered to the Trustee, the Authority shall have offered to purchase all of the Series 2014A Bonds then outstanding and less than all of the Series 2014A Bonds shall have been tendered to the Authority for such purchase, the Trustee, at the direction of the Authority, shall select for redemption all such of the Series 2014A Bonds which have not been so tendered. If it is determined that one or more, but not all, of the units of principal amount represented by any Series 2014A Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Owner of such Series 2014A Bond shall, except as provided in the First Lien Master Indenture with respect to Book-Entry Bonds, forthwith surrender such Series 2014A Bond to the Trustee for (a) payment to such Owner of the redemption price of the unit or units of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2014A Bond or new Series 2014A Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2014A Bonds. New Series 2014A Bonds representing the unredeemed balance of the principal amount of such Series 2014A Bonds shall be issued to the Owner thereof, without charge therefor. If the surrender of such Series 2014A Bonds is required and the Owner of any such Series 2014A Bond shall fail to present such Series 2014A Bond to the Trustee for payment and exchange as aforesaid, such Series 2014A Bond shall, nevertheless, become due and payable, and interest thereon shall cease to accrue, on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

(d) In the case of any redemption of the Series 2014A Bonds, the Authority shall give written notice to the Trustee of its election or direction to so redeem, the redemption date of the Series 2014A Bonds to be redeemed, the principal amounts of the Series 2014A Bonds of each maturity to be redeemed and the moneys to be applied to such redemption. Official notice of redemption of Series 2014A Bonds shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days and no more than sixty (60) days prior to the scheduled redemption date to each of the Owners of the Series 2014A Bonds called for redemption (unless waived by any such Owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such Owner to the Registrar and Paying Agent; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Series 2014A Bond shall not affect the validity of the proceedings for the redemption of any other Series 2014A Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts and CUSIP numbers) of such Series 2014A Bonds called for redemption. The place of redemption may be at the Designated Office of the Registrar and Paying Agent or as otherwise determined by the Authority. Such notice may specify any conditions necessary for redemption and may provide that if such conditions are not satisfied, such redemption will be cancelled without further notice. Interest on such Series 2014A Bonds (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Series 2014A Bonds (or portions thereof) are presented for payment. Any Series 2014A Bond redeemed in part may be

exchanged for a Series 2014A Bond of the same series and maturity in Authorized Denominations equal to the remaining principal amount thereof.

(e) For all purposes of this Series 2014A Supplemental Indenture, unless the context otherwise requires, all provisions relating to the redemption or prepayment of Series 2014A Bonds, shall relate, in the case of any Series 2014A Bond redeemed or prepaid or to be redeemed or prepaid only in part, to the portion of the principal of such Series 2014A Bond which has been or is to be redeemed or prepaid.

Section 9. Form of Bonds. The form and tenor of the Series 2014A Bonds shall be substantially as set forth in Exhibit A hereto.

Section 10. Bond Reserve Fund. (a) Pursuant to Section 3.07 of the First Lien Master Indenture, the Authority is authorized at the time of the sale of a series of First Lien Bonds to determine if an account of the Bond Reserve Fund is to be maintained and the provisions with respect thereto, if any. The Authority hereby establishes the "Series 2014A Account of the Bond Reserve Fund." The moneys in the Series 2014A Account of the Bond Reserve Fund will be used solely to pay current principal and interest due on the Series 2014A Bonds to the extent that moneys in the Series 2014A Bond Account of the Bond Interest and Principal Fund are insufficient for that purpose. No other obligations of the Authority shall be paid or payable from the Series 2014A Account of the Bond Reserve Fund, except as provided in the First Lien Master Indenture. The Reserve Requirement for the Series 2014A Account shall be an amount equal to the least of (i) the maximum annual required deposits to the Bond Principal and Interest Fund for the Series 2014A Bonds, (ii) 125% of average annual required deposits to the Bond Principal and Interest Fund for the Series 2014A Bonds, or (iii) 10% of the proceeds of the Series 2014A Bonds. The Reserve Requirement for the Series 2014A Account is \$15,228,000.

\$15,228,000 of the proceeds of the Series 2014A Bonds shall be deposited to the Series 2014A Account of the Bond Reserve Fund which will equal such Reserve Requirement on and as of the issuance of the Series 2014A Bonds.

(b) Any deficiency in the balance maintained in the Series 2014A Account of the Bond Reserve Fund, including in the event that money in the Series 2014A Account of the Bond Reserve Fund is transferred to the Series 2014A Bond Account of the Bond Interest and Principal Fund to pay principal and interest on the Series 2014A Bonds, shall be made up from the next available Net Revenues remaining after credits into the Bond Interest and Principal Fund on a parity with all other accounts of the Bond Reserve Fund related to any First Lien Bonds and prior to any use thereof pursuant to Section 3.08 of the First Lien Master Indenture. Any monies in the Series 2014A Account of the Bond Reserve Fund in excess of the Reserve Requirement with respect thereto, may be transferred to any other Fund or Account of the Authority as specified by an Authorized Officer.

(c) All obligations purchased as an investment of moneys held in the Series 2014A Account of the Bond Reserve Fund shall be valued at the fair market value thereof and marked-to-market annually. When market prices for obligations held in the Series 2014A Account of the Bond Reserve Fund are not readily available, the market price for such obligations may be determined in such manner as the Trustee deems reasonable.

Section 11. Deposit of Proceeds.

The Trustee shall make deposits as follows:

(a) \$463,949.17 of the proceeds of the Series 2014A Bonds shall be deposited in the General Fund and used by the Authority for costs of issuance in connection with the Series 2014A Bonds and the IFA Series 2014A Bonds.

(b) \$15,228,000 of the proceeds of the Series 2014A Bonds shall be deposited in the Series 2014A Account of the Bond Reserve Fund established in Section 10 hereof.

(c) \$244,500,000 of the proceeds of the Series 2014A Bonds shall be deposited in the 2014A Account of the Construction Fund, which is hereby established, and such funds shall be expended as directed by the Authority for the 2014A Project Costs incurred on or after October 11, 2013. Upon the direction of the Authority, any balance remaining unexpended in such account after completion of the 2014A Project shall be paid into the 2014A Bond Account of the Bond Interest and Principal Fund.

Section 12. Bond Interest and Principal Fund. Pursuant to Section 3.06(e) of the First Lien Master Indenture, there is hereby created the following separate account of the Bond Interest and Principal Fund: the "Series 2014A Bond Account."

Such account shall be further funded, maintained and used in accordance with Section 3.06 of the First Lien Master Indenture.

Section 13. Execution of Series 2014A Bonds. The Series 2014A Bonds, in the form provided in Exhibit A hereto, shall be executed, attested and delivered by the Mayor of the City, the Controller of the City and the Clerk of the City and by the President and Chief Financial Officer of the Authority, as authorized by the resolutions of the Authority Board adopted on December 11, 2013 and May 14, 2014. In case any officer whose signature appears on the Series 2014A Bonds shall cease to hold that office before the delivery of such series of Series 2014A Bonds, the signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the delivery of such Series 2014A Bonds. After Series 2014A Bonds have been properly executed, the Authority shall deliver such Series 2014A Bonds to the purchaser or purchasers in the manner provided by law.

Series 2014A Bonds issued hereunder shall be authenticated with the manual signature of a Responsible Officer of the Registrar and Paying Agent, and no Series 2014A Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Series 2014A Supplemental Indenture until the Certificate of Authentication on such Series 2014A Bond shall have been so executed.

Section 14. Tax Covenants. In order to preserve the excludability from gross income of interest on the Series 2014A Bonds under federal law, the Authority represents, covenants and agrees that, to the extent necessary to preserve such excludability:

(a) No person or entity or any combination thereof, other than the Authority or another "governmental unit" within the meaning of Section 141(b)(6) and Section 150(a)(2) of

the Code ("Governmental Unit"), will use proceeds of the Series 2014A Bonds or property financed by said proceeds other than as a member of the general public. Except as set forth below, no person or entity or any combination thereof, other than the Authority, or another Governmental Unit, will own property financed by proceeds of Series 2014A Bonds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or other type of output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large of such property unless such use in the aggregate relates to no more than the lesser of \$15,000,000 or 10% of the proceeds of the Series 2014A Bonds or property financed by such bond proceeds. The Authority has assumed a management contract for the Wastewater System. The terms of the contract comply with IRS Revenue Procedure 97-13, and the contract does not constitute private business use under the Code and the Regulations.

(b) Not more than five percent (5%) of proceeds of the Series 2014A Bonds will be loaned to any entity or person. No proceeds of the Series 2014A Bonds will be transferred directly or indirectly transferred or deemed transferred to a person other than a Governmental Unit in a fashion that would in substance constitute a loan of the proceeds of such Series 2014A Bonds.

(c) The Authority will not take any action or fail to take any action with respect to any of the Series 2014A Bonds that would result in the loss of the excludability from gross income for federal tax purposes of interest on the Series 2014A Bonds pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended and as in effect on the date of delivery of such Series 2014A Bonds (the "Code"), nor will the Authority act in any manner or permit any actions by officers or officials of the Authority that would in any manner adversely affect such excludability. The Authority further covenants that it will not make any investment or do any other act or thing during the period that any Series 2014A Bond is outstanding hereunder which would cause any Series 2014A Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of any Series 2014A Bonds. The Authority shall comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable.

(d) Notwithstanding any other provisions of this Series 2014A Supplemental Indenture, the covenants and authorizations contained in this Series 2014A Supplemental Indenture which are designed to preserve the excludability of interest (the "Tax Exemption") on Series 2014A Bonds from gross income under federal law (the "Tax Sections") need not be complied with if the Authority receives an Opinion of Counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 15. Defeasance. If, when the Series 2014A Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call one or more Series 2014A Bonds or a portion thereof shall have been given and the whole amount of the principal of and interest so due and payable upon all of such Series 2014A Bonds or a portion thereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with Section 5.07 of the First Lien Master Indenture, then and in that case such Series 2014A Bonds

or such portion thereof issued hereunder shall no longer be deemed outstanding or an indebtedness of the Authority.

Section 16. Additional First Lien Bonds. The Authority reserves the right to issue additional First Lien Bonds ranking on a parity with the Series 2014A Bonds on the terms and conditions set forth in the First Lien Master Indenture.

Section 17. Amendment of Supplemental Indenture. This Supplemental Indenture may be amended or modified in the same manner as provided in Article VIII of the First Lien Master Indenture.

Section 18. Notices. Notwithstanding anything in the First Lien Master Indenture to the contrary, except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given if in writing and shall be deemed given when mailed by registered, certified or first class mail, postage prepaid, or by qualified overnight courier service mutually acceptable to the delivering and recipient parties, courier charges prepaid, addressed as follows:

If to the Authority: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: Chief Financial Officer
Telephone: (317) 927-4583
Facsimile: (317) 927-4395

with a copy to: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: General Counsel
Telephone: (317) 927-4751
Facsimile: (317) 927-4549

If to the Trustee or the Registrar and Paying Agent: The Bank of New York Mellon Trust Company, N.A.
300 North Meridian Street, Suite 910
Indianapolis, Indiana 46204
Attention: Corporate Trust Services
Telephone: (317) 637-3586
Facsimile: (317) 637-9821

Notwithstanding anything in the First Lien Master Indenture to the contrary, unless specifically required by the terms of the First Lien Master Indenture, any notice required to be given pursuant to any provision of the First Lien Master Indenture may be given by any form of electronic transmission that is capable of producing a written record, including, without limitation, telecopy transmissions; *provided* that the deliverer of any such notice given by electronic transmission shall verify receipt of such notice promptly upon the transmission thereof and such notice shall not be deemed duly given unless full and legible receipt thereof has been verified by the recipient of such notice. The Authority and the Trustee, Registrar and Paying

Agent may, by notice pursuant to this Section 18, designate any different addresses to which subsequent notices, certificates or other communications shall be sent. A duplicate copy of each notice, approval, consent, request, complaint, demand or other communication given hereunder by the Authority or the Trustee to any one of the others shall also be given to each one of the others.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officer with the authority to provide such Instructions ("Authorized Officers") and containing specimen signature of such Authorized Officer, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that direction that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such instructions to the Trustee and that the Authority and all Authorized Officer are solely responsible to safeguard that use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written Instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions that the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 19. Miscellaneous.

(a) If any section, paragraph or provision of this Series 2014A Supplemental Indenture shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Series 2014A Supplemental Indenture.

(b) In case where the date of maturity of interest on or principal of any of the Series 2014A Bonds, or the date fixed for redemption of any of the Series 2014A Bonds, shall not be a Business Day, then payment of interest or principal need not be made on such date but shall be

made on the Business Day immediately preceding such payment date with the same force and effect as if made on the date of maturity or the date fixed for redemption.

(c) With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Series 2014A Supplemental Indenture or the Series 2014A Bonds or coupons is intended or should be construed to confer upon or give to any person other than the Authority, the Trustee, and the Owners of the Series 2014A Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Series 2014A Supplemental Indenture or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Series 2014A Supplemental Indenture and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Authority, the Trustee, and the Owners from time to time of the Series 2014A Bonds as herein and therein provided.

(d) All the terms, provisions, conditions, covenants, warranties and agreements contained in this Series 2014A Supplemental Indenture shall be binding upon the successors and assigns of the Authority, and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns and the Owners of the Series 2014A Bonds.

(e) Any bank or trust company with or into which a Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purpose of this Series 2014A Supplemental Indenture. If the position of Paying Agent shall become vacant for any reason, the Authority shall, within 30 days thereafter, appoint a bank or trust company located in the same city as Paying Agent to fill such vacancy; *provided, however*, that if the Authority shall fail to appoint such Paying Agent within such period, the Trustee shall make such appointment.

(f) No member, officer or employee of the Authority or the Authority Board shall be individually or personally liable for the payment of the principal of or interest or redemption premium on any Series 2014A Bond. Nothing herein contained shall, however, relieve any such member, officer or employee from the performance of any duty provided or required by law.

(g) This Series 2014A Supplemental Indenture shall be construed and enforced in accordance with the laws of the State of Indiana.

(h) The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Series 2014A Supplemental Indenture.

(i) This Series 2014A Supplemental Indenture and the First Lien Master Indenture shall constitute a contract between the Authority and Owners of the Series 2014A Bonds.

0) This Series 2014A Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(k) The Trustee, any Paying Agent or any Registrar, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series 2014A Bonds, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, any Paying Agent or any Registrar, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority, and may act as depository, trustee or agent for any committee or body of Owners secured by this Series 2014A Supplemental Indenture or other obligations of the Authority as freely as if it did not act in any capacity under this Series 2014A Supplemental Indenture.

(l) Whenever in this Series 2014A Supplemental Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 20. Representations, Warranties and Covenants for Revised Article 9 Collateral.

(a) The First Lien Master Indenture and this Series 2014A Supplemental Indenture creates a valid and binding pledge, assignment, lien on and security interest in the Net Revenues and Pledged Funds in favor of the Trustee as security for payment of the Series 2014A Bonds, as described in Section 3.01 of the First Lien Master Indenture and Section 5(b) hereof, enforceable by the Trustee in accordance with the terms hereof.

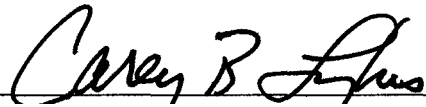
(b) Under the laws of the State of Indiana, (i) such lien and/or security interest, (ii) and each pledge, assignment, lien, or other security interest made to secure any obligations of the Authority which, by the terms hereof, ranks on a parity with the lien and security interest granted by this Series 2014A Supplemental Indenture, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract. By the date of issue of the Series 2014A Bonds, the Authority will have filed all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any Series 2014A Bonds are outstanding the Authority will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the Authority is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9-301-9-306 of such jurisdiction. The pledge made by this Series 2014A Supplemental Indenture shall be effective pursuant to IC 5-1-14-4, IC 26-1-9.1-109(d)(15) and IC 26-1-9.1-515(b) notwithstanding any failure to file a financing statement as described above.

(c) Except as permitted by the First Lien Master Trust Indenture, the Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Net Revenues or the Pledged Funds that ranks on a parity with or prior to the lien and/or security interest granted by this Series 2014A Supplemental Indenture. The Authority shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest on such collateral that ranks prior to or on a parity with the lien and/or security interest granted by this Series 2014A Supplemental Indenture, or file any financing statement describing

any such pledge, assignment, lien or security interest, except as expressly permitted hereby and by the First Lien Master Indenture.

IN WITNESS WHEREOF, the Authority has caused this Series 2014A Supplemental Indenture to be executed by its President and Chief Executive Officer and attested by its Senior Vice President and Chief Financial Officer, and the Trustee has caused this Series 2014A Supplemental Indenture to be executed on its behalf by its duly authorized officer and its corporate seal to be impressed hereon and attested by its duly authorized officer, all as of the day and year first above written.

CWA AUTHORITY, INC.

B : 
Carey B. Lyons, President and
Chief Executive Officer

Atte _____

John R. _____ Vice President
an _____ financial Officer

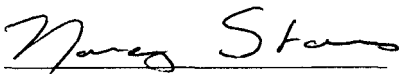
THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: 

Name: **Karen Franklin**

Title: AUTHORIZED OFFICER

Attest:

By: 

Name: **Nancy Storms**

Title: AUTHORIZED OFFICER

UNITED STATES OF AMERICA

STATE OF INDIANA
No. 14-AR-I

COUNTY OF MARION
\$236,990,000

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA
FIRST LIEN WASTEWATER REVENUE BOND, SERIES 2014A

<u>Interest Rate</u>	<u>Original Date</u>	<u>Maturity Date</u>	<u>Authentication Date</u>
See <u>Schedule A</u>	July 16, 2014	See <u>Schedule A</u>	July 16, 2014

Registered Owner: INDIANA FINANCE AUTHORITY

Principal Sum: See Schedule A

CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Act of 1991, as amended, Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") (as defined in the hereinafter defined First Lien Master Indenture) and as necessary under the Authorizing Acts to act on behalf of the City of Indianapolis, Indiana, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner stated above, or registered assigns, but solely out of the Net Revenues of the Wastewater System and the Pledged Funds (all as defined in the hereinafter defined Indentures), the principal sum stated above on October 1 in the years and amounts as set forth on Schedule A hereto, on the maturity dates stated on Schedule A hereto, and to pay interest on said principal sum to the registered owner of this bond until the Authority's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above from the Interest Payment Date immediately preceding the date of the authentication of this bond, unless this bond is authenticated on or before September 15, 2014, in which case the interest shall be paid from the original date stated above or unless this bond is authenticated between the Record Date (as defined in the Series 2014A Supplemental Indenture) preceding an Interest Payment Date and the Interest Payment Date, in which case interest shall be paid from such Interest Payment Date. Interest shall be payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2014. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

All payments of principal of and interest on this bond shall be paid by wire transfer for deposit to the principal corporate trust operations office of The Bank of New York Mellon Trust Company, N.A. ("Trustee," "Registrar" or "Paying Agent") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or

Paying Agent, or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on this bond shall be made in coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

This bond, together with interest hereon, shall be payable solely out of the Net Revenues and the Pledged Funds, after the payment only of the Operation and Maintenance Expenses (as defined in the First Lien Master Indenture). The Series 2014A Bonds are issued on a parity with all other Parity Obligations (as defined in the First Lien Master Indenture) to be issued as described in the First Lien Master Indenture and in the 2014A Supplemental Indenture (as defined below). The First Lien Bonds (as defined in the First Lien Master Indenture) constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by a lien on and pledge of the Net Revenues and Pledged Funds. For the benefit of the owners of First Lien Bonds, the Authority, pursuant to the First Lien Master Indenture and the Series 2014A Supplemental Indenture, has granted a lien on and pledge of the Net Revenues and Pledged Funds to secure the payment of principal of, premium, if any, and interest on the First Lien Bonds and all expenses of providing for their full and timely payment in accordance with their terms, as provided in the First Lien Master Indenture, the Series 2014A Supplemental Indenture and pursuant to the Authorizing Acts. Subject to the provisions of the First Lien Master Indenture and the Series 2014A Supplemental Trust Indenture dated as of July 1, 2014 (the "Series 2014A Supplemental Indenture"), between the Authority and the Trustee for registration, this bond is negotiable under the laws of the State of Indiana.

This bond is one of an authorized issue of bonds of the Authority in the aggregate principal amount of Two Hundred Thirty-Six Million Nine Hundred Ninety Thousand Dollars (\$236,990,000) (the "Series 2014A Bonds"), numbered consecutively from 14-AR-1 upwards, issued pursuant to the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture", and with the Series 2012A First Lien Supplemental Trust Indenture dated as of September 1, 2012, and the Series 2014A Supplemental Indenture, the "Indentures") between the Authority and the Trustee as well as the Series 2014A Supplemental Indenture.

The Authority irrevocably pledges the entire Net Revenues of such Wastewater System and the Pledged Funds to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the First Lien Master Indenture and the Parity Obligations issued in connection therewith, including this bond, in the manner described in Section 3.01 of the First Lien Master Indenture and Section 5(b) of the Series 2014A Supplemental Indenture, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by such Wastewater System as are sufficient in each year for the payment of the Operation and Maintenance Expenses of the Wastewater System, and for the payment of the sums required to be paid into such Bond Interest and Principal Fund and the Bond Reserve Fund under the provisions of the Authorizing Acts and the First Lien Master Indenture. In the event the Authority, or the Authorized Officers thereof, shall fail or refuse to fix, maintain and collect such rates or charges, or if there be a default in the payment of the principal of or interest on this bond, the owner of this bond shall have all of the rights and remedies provided for in such Indentures and the Authorizing Acts.

The bonds maturing in any one year are issuable only in fully registered form in Authorized Denominations or integral multiples thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Series 2014A Bonds maturing on or after October 1, 2025, are subject to optional redemption prior to their maturity on October 1, 2024 or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

If fewer than all of the bonds of the Series 2014A Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2014A Bonds to be redeemed shall be selected by lot by the Trustee in Authorized Denominations. The aggregate principal amount of each Series 2014A Bond remaining outstanding shall be in an Authorized Denomination.

The Series 2014A Bonds maturing on October 1, 2039, October 1, 2044, identified by CUSIP 45505MDH6 and October 1, 2044, identified by CUSIP 45505MDJ2 (the "Series 2014A Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

2039 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
2035	\$9,475,000
2036	9,945,000
2037	10,445,000
2038	10,965,000
2039*	11,515,000

*Final Maturity

2044 IFA Term Bonds (CUSIP: 45505MDH6)

<u>Year</u>	<u>Principal Amount</u>
2040	\$7,565,000
2041	7,910,000
2042	8,270,000
2043	8,650,000
2044*	9,040,000

*Final Maturity

2044 IFA Term Bonds (CUSIP: 45505MDJ2)

<u>Year</u>	<u>Principal Amount</u>
2040	\$4,525,000
2041	4,750,000
2042	4,990,000
2043	5,235,000
2044*	5,500,000

*Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Series 2014A Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any 2014A Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2014A Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2014A Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Trustee shall credit such Series 2014A Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

Official notice of any such redemption shall be sent by registered or certified mail to the registered owner of this bond not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption at the address shown on the registration books of the Registrar and Paying Agent or at such other address as is furnished in writing to the Registrar and Paying Agent, unless such notice is waived by the registered owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Authority. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption, to pay the redemption price on the redemption date or when presented for payment.

If this bond or a portion hereof shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal of and interest so due and payable upon all of this bond or a portion hereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in

accordance with the First Lien Master Indenture, then and in that case this bond or such portion hereof shall no longer be deemed outstanding or an indebtedness of the Authority.

This bond is transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be required to make any transfer or exchange of this bond if it has been called for redemption or following the Record Date immediately preceding an Interest Payment Date on this bond until such Interest Payment Date. The Authority and the Registrar and Paying Agent may treat and consider the person in whose name this bond is registered as the absolute Owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided that, in the case of this bond being mutilated, this bond shall first be surrendered to the Authority and the Registrar and Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Authority and the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Authority and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured, instead of issuing a duplicate bond, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay this bond without surrender hereof. The Authority and the Registrar and Paying Agent may charge the Owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Authority, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Indentures, equally and proportionately with any and all other First Lien Bonds duly issued thereunder.

In the manner provided in the Indentures, the Indentures and the rights and obligations of the Authority and of the owners of the bonds may (with certain exceptions as stated in the Indenture) be modified or amended without the consent of the owners of the bonds.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving sixty (60) days' written notice to the Authority and to the registered owners of bonds then outstanding and such resignation will take effect upon the appointment of a successor Registrar and Paying Agent by the Authority. Such notice to the Authority may be served personally or be sent

by registered mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the Authority, in which event the Authority may appoint a successor Registrar and Paying Agent. The Authority shall cause the registered owner of this bond, if then outstanding, to be notified by certified or registered mail of the removal of the Registrar and Paying Agent. Notices to registered owners of bonds shall be deemed to be given when mailed by certified or registered mail to the addresses of such registered owners as they appear in the registration books kept by the Registrar and Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law and the Constitution of the State of Indiana to be done precedent to and in the execution, issuance, sale and delivery of this bond have been properly done, happened and performed in regular and due form as prescribed by law.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indentures authorizing this bond until the certificate of authentication hereon shall have been duly executed by an authorized representative of the Registrar and Paying Agent.

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City of Indianapolis, Indiana, and attested by the manual or facsimile signature of the Controller of the City of Indianapolis, Indiana, who has caused the official seal of the City of Indianapolis, Indiana, to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon and by the manual or facsimile signature of the President and Chief Executive Officer of CWA Authority, Inc. and attested by the manual or facsimile signature of the Senior Vice President and Chief Financial Officer of CWA Authority, Inc.

CITY OF INDIANAPOLIS, INDIANA

By: _____
Mayor, City of Indianapolis, Indiana

(SEAL)

ATTEST:

Clerk, City of Indianapolis, Indiana

ATTEST:

Controller, City of Indianapolis, Indiana

CWA AUTHORITY, INC.

By: _____
President and Chief Executive Officer

ATTEST:

Senior Vice President
and Chief Financial Officer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Registrar and Paying Agent

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Insert name and address of transferee)

this bond and all rights hereunder and hereby irrevocably constitutes and appoints _____, attorney, to transfer this bond on the books kept for the registration hereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the front of this bond without alternation or enlargement or any change whatsoever.

[SCHEDULE A]

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2015	\$ 3,675,000	3.000%
2016	3,785,000	4.000
2017	3,935,000	5.000
2018	4,135,000	5.000
2019	4,340,000	5.000
2020	4,555,000	5.000
2021	4,785,000	5.000
2022	5,025,000	5.000
2023	5,275,000	5.000
2024	5,540,000	5.000
2025	5,815,000	5.000
2026	6,105,000	5.000
2027	6,410,000	5.000
2028	6,735,000	5.000
2029	7,070,000	5.000
2030	7,425,000	5.000
2031	7,795,000	5.000
2032	8,185,000	5.000
2033	8,595,000	5.000
2034	9,025,000	5.000
2039	52,345,000	5.000
2044	41,435,000	5.000
2044	25,000,000	4.250

**SERIES 2015A
FIRST LIEN SUPPLEMENTAL TRUST INDENTURE**

Dated as of February 1, 2015

between

CWA AUTHORITY, INC.

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Securing

**CWA Authority, Inc.
City of Indianapolis, Indiana,
First Lien Wastewater
Revenue Bonds, Series 2015A
(the "Series 2015A Bonds")**

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SERIES 2015A FIRST LIEN SUPPLEMENTAL TRUST INDENTURE

This SERIES 2015A FIRST LIEN SUPPLEMENTAL TRUST INDENTURE dated as of February 1, 2015 (the "Series 2015A Supplemental Indenture" and the "Series 2015A Supplemental Trust Indenture"), supplements and amends the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture"), as previously supplemented and amended, between CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Corporation Act of 1991, as amended (the "Nonprofit Act"), Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") among the City of Indianapolis (the "City"), the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District") and the Board of Directors for Utilities of the Department of Public Utilities of the City d/b/a Citizens Energy Group ("Citizens"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America,

WITNESSETH:

WHEREAS, the Authority owns and operates a revenue producing wastewater system (the "Wastewater System"), serving the inhabitants of Marion County and other nearby communities; and

WHEREAS, the Authority is authorized to issue bonds and certificates of indebtedness pursuant to the Authorizing Acts (as defined in the First Lien Master Indenture), payable out of the Net Revenues (as defined in the First Lien Master Indenture) derived from the Wastewater System, and the Pledged Funds (as defined in the First Lien Master Indenture and herein) to finance the acquisition and the construction of necessary betterments, improvements, extensions or additions to the Wastewater System; and

WHEREAS, the First Lien Bonds are secured by a pledge of the Net Revenues and the Pledged Funds; and

WHEREAS, the Board of Directors of the Authority (the "Authority Board") duly and legally authorized the execution, acknowledgement and delivery of the Series 2015A Supplemental Trust Indenture in this form for the purposes, among others, of (a) funding of necessary betterments, improvements, extensions or additions to the Wastewater System, (b) repaying draws made under a line of credit the Authority holds with JPMorgan Chase Bank, N.A., (c) funding a debt service reserve for the Series 2015A Bonds, if necessary, and (d) funding costs of issuance in connection with the issuance of the 2015A Bonds and the IFA 2015A Bonds (as defined below).

NOW, THEREFORE, the Authority and the Trustee hereby covenant and agree as follows:

THIS SERIES 2015A SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants contained in the First Lien Master Indenture and this Series 2015A Supplemental Indenture, and

of the purchase and acceptance of the Series 2015A Bonds by the holders thereof, and for other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2015A Bonds are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, to secure the payment of the principal of and redemption premium, if any, and interest on the Series 2015A Bonds at any time issued and outstanding under this Series 2015A Supplemental Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the Series 2015A Bonds and in the First Lien Master Indenture and this Series 2015A Supplemental Indenture, has executed and delivered the First Lien Master Indenture and this Series 2015A Supplemental Indenture, and has pledged and assigned, and by these presents does hereby pledge and assign and grant a security interest in, unto the Trustee, and to its successors in trust, the Net Revenues and the Pledged Funds securing the Series 2015A Bonds, subject to the provisions of the First Lien Master Indenture and this Series 2015A Supplemental Indenture permitting the application thereof for the purposes and on the terms set forth in the First Lien Master Indenture and this Series 2015A Supplemental Indenture.

The pledge made by the First Lien Master Indenture and this Series 2015A Supplemental Indenture is, and shall be, also subject to the First Lien Master Indenture and the provisions thereof, including specifically Section 3.01 thereof and Section 5(b) hereof, for the equal and proportionate benefit, security and protection of all First Lien Bonds issued or to be issued under and secured by the First Lien Master Indenture, the Parity Portion (as defined in the First Lien Master Indenture) of the Repayment Obligations and all Regular Payments on Qualified Derivative Agreements (each as defined in the First Lien Master Indenture and collectively, the "Parity Obligations") (without duplication of obligation), each without preference, priority or distinction of any such Parity Obligations over any other such Parity Obligations or of any series of Parity Obligations over any other series of Parity Obligations by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Parity Obligation shall have the same rights and privilege under and by virtue of the First Lien Master Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of the First Lien Master Indenture in the manner described in Section 3.01 of the First Lien Master Indenture; *provided, however*, that if the Authority shall pay or cause to be paid to the holders of the Series 2015A Bonds the principal and interest and redemption premium, if any, to become due in respect thereof at the times and in the manner stipulated therein and herein (or shall provide, as permitted by the First Lien Master Indenture, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall pay or cause to be paid to the Trustee all sums of money due and to become due to it in accordance with the First Lien Master Indenture, then this Series 2015A Supplemental Indenture and the rights hereby granted shall cease, terminate and be void, at the option of the Authority (evidenced by a certified resolution of the Authority Board delivered to the Trustee), but otherwise this Series 2015A Supplemental Indenture shall remain in full force and effect.

It is further covenanted and agreed that the Series 2015A Bonds are to be issued, authenticated and delivered, and that the fees, income and funds herein pledged and provided to be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject to the following covenants, conditions and trusts; and the Authority, for itself and its successors,

does hereby covenant and agree to and with the Trustee and its successors in trust under this Series 2015A Supplemental Indenture, for the benefit of whomsoever shall hold, or contract with the Authority with respect to, the Series 2015A Bonds, as follows:

WITNESSETH:

Section 1. Definitions All terms defined in the First Lien Master Indenture shall have the meaning prescribed therein unless the context otherwise indicates. Any words or terms used in the First Lien Master Indenture for which a different definition is provided herein shall have the meaning herein prescribed unless the context otherwise indicates.

"Authorized Denominations" means \$5,000 and any integral multiple thereof.

"Beneficial Owner" means the owner of a Series 2015A Bond or portion thereof for federal income tax purposes.

"Bond Register" means the register kept by the Trustee.

"Book Entry Bond" means a Series 2015A Bond authorized to be issued to and restricted to being registered in the name of a Securities Depository.

"Dated Date" means the date of issuance and delivery of the Series 2015A Bonds to the initial purchasers thereof

"Defeasance Obligations" means those investments described in subclauses (a) through (e) of the defined term "Permitted Investments" in the First Lien Master Indenture.

"Designated Office" means the office of the Trustee, Registrar and Paying Agent or an affiliate or another agent or fiduciary designated from time to time as the appropriate office for a given purpose herein, and in the absence of a contrary designation, means the Principal Office of the Trustee, Registrar and Paying Agent.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Electronic Means" means the following communication methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

"IFA 2015A Bonds" means the Indiana Finance Authority First Lien Wastewater Utility Revenue Bonds, Series 2015A (CWA Authority Project) issued to purchase the Series 2015A Bonds.

"Interest Payment Date" means April 1 and October 1 of each year, commencing April 1, 2015.

"Opinion of Counsel" means an opinion of recognized municipal utilities counsel selected by the Authority in the case of an Opinion of Authority Board Counsel, and the opinion of nationally recognized bond counsel selected by the Authority in the case of an Opinion of Bond Counsel.

"Pledged Funds" for purposes of this Series 2015A Supplemental Indenture has the meaning given to such term in the First Lien Master Indenture, as further described in Section 5(b) hereof, and includes the Series 2015A Account of the Bond Interest and Principal Fund, the Series 2015A Account of the Bond Reserve Fund and the Series 2015A Account of the Construction Fund.

"Principal Office" means, with respect to the Trustee, the designated corporate trust office of the Trustee, which office at the date of acceptance of the Trustee of the duties and obligations imposed upon it hereunder is located at the address specified in Section 18.

"Record Date" means the 15th day of the calendar month preceding the month during which such Interest Payment Date occurs.

"Reserve Requirement" means the amount required to be maintained in the Series 2015A Account of the Bond Reserve Fund, as further described in Section 10 hereof.

"Responsible Officer" means when used with respect to the Trustee, Registrar and Paying Agent, any officer of the Trustee, Registrar and Paying Agent, including any Vice President, Assistant Vice President, corporate trust officer or other officer of the Trustee, Registrar and Paying Agent customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Securities Depository" means, with respect to a Book Entry Bond, DTC or any person, firm, association or corporation constituting a "clearing agency" (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended, which may at any time be substituted in its place to act as Securities Depository for the Series 2015A Bonds or any sub-series thereof, or its successors, or any nominee therefor.

"Series 2015A Bonds" means the CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2015A.

"Supplemental Indenture" means any indenture between the Authority and the Trustee entered into pursuant to and in compliance with Article VIII of the First Lien Master Indenture, including this Series 2015A Supplemental Indenture.

"2015A Project" means the necessary betterments, improvements, extensions or additions to the Wastewater System to be undertaken by the Authority.

"2015A Project Costs" means (a) obligations of the Authority and all contractors incurred for labor and materials in connection with the 2015A Project, (b) the cost of bonds and insurance of all kinds that may be required or necessary during construction of the 2015A Project, (c) all

costs of architectural and engineering services, including the costs of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigation therefore, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the 2015A Project, (d) all sums required to reimburse the Authority for advances made by it for any of the above items or for any costs incurred and for work done (including repayments for interim financing), which are properly chargeable to the 2015A Project and (e) all other components of cost of labor, materials, machinery and equipment and financing charges attributable to the 2015A Project to the extent permitted by the Authorizing Acts.

Section 2. Miscellaneous Definitions. As used herein, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and unless the context shall otherwise indicate, the words "bond," "owner," "holder" and "person" shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

Section 3. Certain Other Terms. As used in the First Lien Master Indenture, the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Series 2015A Supplemental Indenture.

Section 4. Findings.

(a) The relevant recitals set forth in the resolution adopted by the Authority Board at its meeting on November 19, 2014, are incorporated into this Series 2015A Supplemental Indenture by this reference.

(b) The First Lien Master Indenture, the Series 2015A Bonds and this Series 2015A Supplemental Indenture are among the Bond Documents approved by resolution of the Authority Board at its meeting on November 19, 2014.

(c) The Series 2015A Bonds and related obligations are entitled to the benefits of being and shall be revenue obligations within the meaning of Indiana Code 8-1-11.1 to the extent applicable by law.

Section 5. Authorization of Issuance of Series 2015A Bonds; General Terms; Book-Entry. (a) In order to (i) fund the 2015A Project Costs, (ii) repay draws made under a line of credit the Authority holds with JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, which draws were used to provide interim funding of necessary betterments, improvements, extensions and additions to the Wastewater System; (iii) fund a debt service reserve for the Series 2015A Bonds and (iv) fund costs of issuance in connection with the issuance of the 2015A Bonds and the IFA 2015A Bonds, the Authority will issue and sell, pursuant to the provisions hereof, the Series 2015A Bonds. The principal of and interest on the Series 2015A Bonds are payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the Wastewater System and the Pledged Funds of the Authority, on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and Section 5(b) herein, which First Lien Bonds shall be issued by the Authority, and as necessary under the Authorizing Acts on behalf of and in the

name of the City. Such First Lien Bonds shall be designated as "CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2015A."

(b) The Series 2015A Bonds shall be payable from and shall be equally and ratably secured by a senior and first lien on the Net Revenues and the Pledged Funds under the First Lien Master Indenture on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and herein. The Series 2015A Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2015A Account of the Bond Interest and Principal Fund in the manner provided in Section 3.01 of the First Lien Master Indenture. The Series 2015A Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2015A Account of the Bond Reserve Fund in the manner provided in Section 3.01 of the First Lien Master Indenture. The owners of the Series 2015A Bonds shall never have the right to demand payment of either the principal of, interest on or any redemption premium on the Series 2015A Bonds out of any funds raised or to be raised by taxation.

(c) Each Series 2015A Bond shall be, in all respects, on a parity with each other.

(d) The Series 2015A Bonds shall be issued in an aggregate principal amount not to exceed \$158,775,000. The Series 2015A Bonds shall bear interest at the rates of interest shown below from the dates of payment on the Series 2015A Bonds and mature on October 1 in the years and in the amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016	\$ 2,480,000	3.00 %
2017	2,555,000	5.00
2018	2,685,000	5.00
2019	2,815,000	5.00
2020	2,960,000	5.00
2021	3,105,000	5.00
2022	3,260,000	5.00
2023	3,425,000	5.00
2024	3,595,000	5.00
2025	3,775,000	5.00
2026	3,965,000	5.00
2027	4,160,000	5.00
2028	4,370,000	5.00
2029	4,590,000	5.00
2030	4,820,000	5.00
2031	5,060,000	3.25
2032	5,225,000	5.00
2033	5,485,000	5.00
2034	5,760,000	3.50
2035	5,960,000	5.00
2040	34,585,000	5.00
2045	44,140,000	5.00

(e) The Series 2015A Bonds shall be issued in fully registered form in Authorized Denominations, or integral multiples thereof, not exceeding the aggregate principal amount of

such Series 2015A Bonds maturing in any year. The Series 2015A Bonds shall be numbered consecutively from 15-AR-1 upwards and shall mature and be payable as set forth herein.

(f) The interest on the Series 2015A Bonds shall be payable on each Interest Payment Date commencing on April 1, 2015. Interest on the Series 2015A Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

(g) The Series 2015A Bonds shall bear an original date which shall be the date of delivery thereof, and each Series 2015A Bond shall also bear the date of its authentication. Series 2015A Bonds authenticated on or before the Record Date preceding the first Interest Payment Date thereon shall pay interest from the Dated Date. Series 2015A Bonds authenticated thereafter shall pay interest from the Interest Payment Date immediately preceding the date of authentication of the Series 2015A Bonds unless the Series 2015A Bonds are authenticated between the Record Date preceding an Interest Payment Date and the Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

(h) The Bank of New York Mellon Trust Company, N.A. is hereby selected in accordance with the First Lien Master Indenture to serve as Registrar and Paying Agent for the Series 2015A Bonds and hereby charged with the responsibility to authenticate the Series 2015A Bonds.

(i) The Trustee and the Authority may from time to time enter into, or discontinue, an agreement with a Securities Depository to establish procedures with respect to the Series 2015A Bonds not inconsistent with the provisions of the First Lien Master Indenture; *provided, however,* that, notwithstanding anything in the First Lien Master Indenture to the contrary, any such agreement may provide:

(1) that such Securities Depository is not required to present a Series 2015A Bond to the Trustee to receive a partial payment of principal;

(2) that such Securities Depository is not required to present a Series 2015A Bond or any portion thereof to receive payment of a purchase price;

(3) that different provisions for notice to or by such Securities Depository may be set forth therein; and

(4) that a legend may appear on each Series 2015A Bond so long as such Series 2015A Bonds are subject to such agreement.

(j) With respect to Series 2015A Bonds registered in the name of a Securities Depository (or its nominee), neither the Trustee, nor the Authority shall have any obligation under the First Lien Master Indenture to any of its members or participants or to any person on behalf of whom an interest is held in such Series 2015A Bonds. While an agreement with a Securities Depository is in effect, the procedures established therein shall apply to such Series 2015A Bonds, notwithstanding any other provisions of the First Lien Master Indenture to the contrary.

(k) The Series 2015A Bonds are authorized but not required to be issued initially, subject to the provisions of the First Lien Master Indenture, as Book Entry Bonds.

(l) If DTC is the Securities Depository for any Series 2015A Bonds constituting Book Entry Bonds, the Trustee for such Series 2015A Bonds must be a Direct Participant in DTC.

Section 6. Payment of Principal And Interest. Any principal of the Series 2015A Bonds shall be payable at the Designated Office of the Trustee, Registrar and Paying Agent for the Series 2015A Bonds. Any interest on the Series 2015A Bonds shall be paid by:

(a) check or draft delivered one Business Day prior to such payment date to the registered owner thereof at the address as it appears on the registration books kept by the Registrar and Paying Agent as of the Record Date or at such other address as is provided to the Registrar and Paying Agent in writing by such registered owner.

(b) transmitted by wire transfer to the accounts with members of the Federal Reserve System situated within the continental United States of America of those Owners which own at least \$1,000,000 in aggregate principal amount of the Series 2015A Bonds and which shall have provided written wire transfer instructions to the Trustee prior to the close of business on such Record Date, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose names any such Series 2015A Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

(c) All payments on the Series 2015A Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

Section 7. Transfer and Exchange. Each Series 2015A Bond shall be transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent, by the Owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such Series 2015A Bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered Series 2015A Bond or Series 2015A Bonds, in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. A Registrar and Paying Agent shall not be obligated to make any exchange or transfer of Series 2015A Bonds (i) if such Series 2015A Bonds have been called for redemption, or (ii) following the Record Date on such Series 2015A Bonds until such Interest Payment Date. Each Series 2015A Bond may be transferred or exchanged without cost to the Owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Authority and a Registrar and Paying Agent may treat and consider the person in whose name such Series 2015A Bonds are registered as the Owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

In the event any Series 2015A Bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new Series 2015A Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Series 2015A Bond shall be marked in a manner to distinguish it from the Series 2015A Bond for which it was issued; provided that, in the case of any mutilated Series 2015A Bond, such mutilated Series 2015A Bond shall first be surrendered to the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed Series 2015A Bond there shall be first furnished to the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such lost, stolen or destroyed Series 2015A Bond shall have matured, instead of issuing a duplicate Series 2015A Bond, as appropriate, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The Authority and the Registrar and Paying Agent may charge the owner of such Series 2015A Bond with their reasonable fees and expenses in connection with the above. Every substitute Series 2015A Bond issued by reason of any Series 2015A Bond being lost, stolen or destroyed shall, with respect to such Series 2015A Bond, constitute a substitute contractual obligation of the Authority, whether or not the lost, stolen or destroyed Series 2015A Bond shall be found at any time, and shall be entitled to all the benefits of this Series 2015A Supplemental Indenture, equally and proportionately with any and all other Series 2015A Bonds duly issued hereunder.

Section 8. Prepayment and Redemption.

(a) The Series 2015A Bonds maturing on or after October 1, 2025, are subject to optional redemption prior to their maturity on October 1, 2024, or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

(b) The Series 2015A Bonds maturing on October 1, 2040 and October 1, 2045 (the "Series 2015A Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

2040 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
2036	\$6,260,000
2037	6,570,000
2038	6,900,000
2039	7,245,000
2040*	7,610,000

*Final Maturity

2045 Term Bonds

<u>Year</u>	<u>Principal Amount</u>
2041	\$7,990,000
2042	8,390,000
2043	8,805,000
2044	9,245,000
2045*	9,710,000

*Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Series 2015A Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any 2015A Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2015A Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2015A Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Trustee shall credit such Series 2015A Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

(c) If fewer than all of the Series 2015A Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2015A Bonds to be redeemed shall be selected by lot by the Trustee and redeemed only in Authorized Denominations. The aggregate principal amount of each Series 2015A Bond remaining outstanding shall be in an Authorized Denomination. The Trustee shall have no liability to any person as a result of making such selection. The Trustee shall promptly notify the Authority in writing of the Series 2015A Bonds or portions thereof selected for redemption; *provided, however*, that in connection with any redemption of a Series 2015A Bond the Trustee shall first select for redemption any Series 2015A Bonds held by the Trustee for the account of the Authority or held of record by the Authority and that if, as indicated in a certificate of an Authorized Officer delivered to the Trustee, the Authority shall have offered to purchase all of the Series 2015A Bonds then outstanding and less than all of the Series 2015A Bonds shall have been tendered to the Authority for such purchase, the Trustee, at the direction of the Authority, shall select for redemption all such of the Series 2015A Bonds which have not been so tendered. If it is determined that one or more, but not all, of the units of principal amount represented by any Series 2015A Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Owner of such Series 2015A Bond shall, except as provided in the First Lien Master Indenture with respect to Book-Entry Bonds, forthwith surrender such Series 2015A Bond to the Trustee for (a) payment to such Owner of the redemption price of the unit or units of

principal amount called for redemption, and (b) delivery to such Owner of a new Series 2015A Bond or new Series 2015A Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2015A Bonds. New Series 2015A Bonds representing the unredeemed balance of the principal amount of such Series 2015A Bonds shall be issued to the Owner thereof, without charge therefor. If the surrender of such Series 2015A Bonds is required and the Owner of any such Series 2015A Bond shall fail to present such Series 2015A Bond to the Trustee for payment and exchange as aforesaid, such Series 2015A Bond shall, nevertheless, become due and payable, and interest thereon shall cease to accrue, on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

(d) In the case of any redemption of the Series 2015A Bonds, the Authority shall give written notice to the Trustee of its election or direction to so redeem, the redemption date of the Series 2015A Bonds to be redeemed, the principal amounts of the Series 2015A Bonds of each maturity to be redeemed and the moneys to be applied to such redemption. Official notice of redemption of Series 2015A Bonds shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days and no more than sixty (60) days prior to the scheduled redemption date to each of the Owners of the Series 2015A Bonds called for redemption (unless waived by any such Owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such Owner to the Registrar and Paying Agent; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Series 2015A Bond shall not affect the validity of the proceedings for the redemption of any other Series 2015A Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts and CUSIP numbers) of such Series 2015A Bonds called for redemption. The place of redemption may be at the Designated Office of the Registrar and Paying Agent or as otherwise determined by the Authority. Such notice may specify any conditions necessary for redemption and may provide that if such conditions are not satisfied, such redemption will be cancelled without further notice. Interest on such Series 2015A Bonds (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Series 2015A Bonds (or portions thereof) are presented for payment. Any Series 2015A Bond redeemed in part may be exchanged for a Series 2015A Bond of the same series and maturity in Authorized Denominations equal to the remaining principal amount thereof.

(e) For all purposes of this Series 2015A Supplemental Indenture, unless the context otherwise requires, all provisions relating to the redemption or prepayment of Series 2015A Bonds, shall relate, in the case of any Series 2015A Bond redeemed or prepaid or to be redeemed or prepaid only in part, to the portion of the principal of such Series 2015A Bond which has been or is to be redeemed or prepaid.

Section 9. Form of Bonds. The form and tenor of the Series 2015A Bonds shall be substantially as set forth in Exhibit A hereto.

Section 10. Bond Reserve Fund. (a) Pursuant to Section 3.07 of the First Lien Master Indenture, the Authority is authorized at the time of the sale of a series of First Lien Bonds to

determine if an account of the Bond Reserve Fund is to be maintained and the provisions with respect thereto, if any. The Authority hereby establishes the "Series 2015A Account of the Bond Reserve Fund." The moneys in the Series 2015A Account of the Bond Reserve Fund will be used solely to pay current principal and interest due on the Series 2015A Bonds to the extent that moneys in the Series 2015A Bond Account of the Bond Interest and Principal Fund are insufficient for that purpose. No other obligations of the Authority shall be paid or payable from the Series 2015A Account of the Bond Reserve Fund, except as provided in the First Lien Master Indenture. The Reserve Requirement for the Series 2015A Account shall be an amount equal to the least of (i) the maximum annual required deposits to the Bond Principal and Interest Fund for the Series 2015A Bonds, (ii) 125% of average annual required deposits to the Bond Principal and Interest Fund for the Series 2015A Bonds, or (iii) 10% of the proceeds of the Series 2015A Bonds or, if the Series 2015A Bonds have more than a de minimis amount of original issue discount or premium, the issue price thereof. The Reserve Requirement for the Series 2015A Account is \$10,197,500.

\$10,197,500 of the proceeds of the Series 2015A Bonds shall be deposited to the Series 2015A Account of the Bond Reserve Fund which will equal such Reserve Requirement on and as of the issuance of the Series 2015A Bonds.

(b) Any deficiency in the balance maintained in the Series 2015A Account of the Bond Reserve Fund, including in the event that money in the Series 2015A Account of the Bond Reserve Fund is transferred to the Series 2015A Bond Account of the Bond Interest and Principal Fund to pay principal and interest on the Series 2015A Bonds, shall be made up from the next available Net Revenues remaining after credits into the Bond Interest and Principal Fund on a parity with all other accounts of the Bond Reserve Fund related to any First Lien Bonds and prior to any use thereof pursuant to Section 3.08 of the First Lien Master Indenture. Any monies in the Series 2015A Account of the Bond Reserve Fund in excess of the Reserve Requirement with respect thereto, may be transferred to any other Fund or Account of the Authority as specified by an Authorized Officer.

(c) All obligations purchased as an investment of moneys held in the Series 2015A Account of the Bond Reserve Fund shall be valued at the fair market value thereof and marked-to-market annually. When market prices for obligations held in the Series 2015A Account of the Bond Reserve Fund are not readily available, the market price for such obligations may be determined in such manner as the Trustee deems reasonable.

Section 11. Deposit of Proceeds.

The Trustee shall make deposits as follows:

(a) \$370,857.60 of the proceeds of the Series 2015A Bonds shall be deposited in the General Fund and used by the Authority for costs of issuance in connection with the Series 2015A Bonds and the IFA Series 2015A Bonds.

(b) \$10,197,500.00 of the proceeds of the Series 2015A Bonds shall be deposited in the Series 2015A Account of the Bond Reserve Fund established in Section 10 hereof.

(c) \$172,658,001.48 of the proceeds of the Series 2015A Bonds shall be deposited in the 2015A Account of the Construction Fund, which is hereby established, and such funds shall be expended as directed by the Authority for the 2015A Project Costs incurred on or after September 20, 2014. Upon the direction of the Authority, any balance remaining unexpended in such account after completion of the 2015A Project shall be paid into the 2015A Bond Account of the Bond Interest and Principal Fund.

Section 12. Bond Interest and Principal Fund. Pursuant to Section 3.06(e) of the First Lien Master Indenture, there is hereby created the following separate account of the Bond Interest and Principal Fund: the "Series 2015A Bond Account."

Such account shall be further funded, maintained and used in accordance with Section 3.06 of the First Lien Master Indenture.

Section 13. Execution of Series 2015A Bonds. The Series 2015A Bonds, in the form provided in Exhibit A hereto, shall be executed, attested and delivered by the Mayor of the City, the Controller of the City and the Clerk of the City and by the President and Chief Financial Officer of the Authority, as authorized by the resolution of the Authority Board adopted on November 19, 2014. In case any officer whose signature appears on the Series 2015A Bonds shall cease to hold that office before the delivery of such series of Series 2015A Bonds, the signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the delivery of such Series 2015A Bonds. After Series 2015A Bonds have been properly executed, the Authority shall deliver such Series 2015A Bonds to the purchaser or purchasers in the manner provided by law.

Series 2015A Bonds issued hereunder shall be authenticated with the manual signature of a Responsible Officer of the Registrar and Paying Agent, and no Series 2015A Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Series 2015A Supplemental Indenture until the Certificate of Authentication on such Series 2015A Bond shall have been so executed.

Section 14. Tax Covenants. In order to preserve the excludability from gross income of interest on the Series 2015A Bonds under federal law, the Authority represents, covenants and agrees that, to the extent necessary to preserve such excludability:

(a) No person or entity or any combination thereof, other than the Authority or another "governmental unit" within the meaning of Section 141(b)(6) and Section 150(a)(2) of the Code ("Governmental Unit"), will use proceeds of the Series 2015A Bonds or property financed by said proceeds other than as a member of the general public. Except as set forth below, no person or entity or any combination thereof, other than the Authority, or another Governmental Unit, will own property financed by proceeds of Series 2015A Bonds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or other type of output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large of such property unless such use in the aggregate relates to no more than the lesser of \$15,000,000 or 10% of the proceeds of the Series 2015A Bonds or property financed by such bond proceeds. The Authority has assumed a management contract for the Wastewater

System. The terms of the contract comply with IRS Revenue Procedure 97-13, and the contract does not constitute private business use under the Code and the Regulations.

(b) Not more than five percent (5%) of proceeds of the Series 2015A Bonds will be loaned to any entity or person. No proceeds of the Series 2015A Bonds will be transferred directly or indirectly transferred or deemed transferred to a person other than a Governmental Unit in a fashion that would in substance constitute a loan of the proceeds of such Series 2015A Bonds.

(c) The Authority will not take any action or fail to take any action with respect to any of the Series 2015A Bonds that would result in the loss of the excludability from gross income for federal tax purposes of interest on the Series 2015A Bonds pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended and as in effect on the date of delivery of such Series 2015A Bonds (the "Code"), nor will the Authority act in any manner or permit any actions by officers or officials of the Authority that would in any manner adversely affect such excludability. The Authority further covenants that it will not make any investment or do any other act or thing during the period that any Series 2015A Bond is outstanding hereunder which would cause any Series 2015A Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of any Series 2015A Bonds. The Authority shall comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable.

(d) Notwithstanding any other provisions of this Series 2015A Supplemental Indenture, the covenants and authorizations contained in this Series 2015A Supplemental Indenture which are designed to preserve the excludability of interest (the "Tax Exemption") on Series 2015A Bonds from gross income under federal law (the "Tax Sections") need not be complied with if the Authority receives an Opinion of Counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 15. Defeasance. If, when the Series 2015A Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call one or more Series 2015A Bonds or a portion thereof shall have been given and the whole amount of the principal of and interest so due and payable upon all of such Series 2015A Bonds or a portion thereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with Section 5.07 of the First Lien Master Indenture, then and in that case such Series 2015A Bonds or such portion thereof issued hereunder shall no longer be deemed outstanding or an indebtedness of the Authority.

Section 16. Additional First Lien Bonds. The Authority reserves the right to issue additional First Lien Bonds ranking on a parity with the Series 2015A Bonds on the terms and conditions set forth in the First Lien Master Indenture.

Section 17. Amendment of Supplemental Indenture. This Supplemental Indenture may be amended or modified in the same manner as provided in Article VIII of the First Lien Master Indenture.

Section 18. Notices. Notwithstanding anything in the First Lien Master Indenture to the contrary, except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given if in writing and shall be deemed given when mailed by registered, certified or first class mail, postage prepaid, or by qualified overnight courier service mutually acceptable to the delivering and recipient parties, courier charges prepaid, addressed as follows:

If to the Authority: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: Chief Financial Officer
Telephone: (317) 927-4583
Facsimile: (317) 927-4395

with a copy to: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: General Counsel
Telephone: (317) 927-4751
Facsimile: (317) 927-4549

If to the Trustee or the Registrar and Paying Agent: The Bank of New York Mellon Trust Company, N.A.
300 North Meridian Street, Suite 910
Indianapolis, Indiana 46204
Attention: Corporate Trust Services
Telephone: (317) 637-3579
Facsimile: (317) 637-9821

Notwithstanding anything in the First Lien Master Indenture to the contrary, unless specifically required by the terms of the First Lien Master Indenture, any notice required to be given pursuant to any provision of the First Lien Master Indenture may be given by any form of electronic transmission that is capable of producing a written record, including, without limitation, telecopy transmissions; *provided* that the deliverer of any such notice given by electronic transmission shall verify receipt of such notice promptly upon the transmission thereof and such notice shall not be deemed duly given unless full and legible receipt thereof has been verified by the recipient of such notice. The Authority and the Trustee, Registrar and Paying Agent may, by notice pursuant to this Section 18, designate any different addresses to which subsequent notices, certificates or other communications shall be sent. A duplicate copy of each notice, approval, consent, request, complaint, demand or other communication given hereunder by the Authority or the Trustee to any one of the others shall also be given to each one of the others.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officer with the authority to provide such Instructions ("Authorized Officers") and containing specimen signature of such Authorized Officer, which

incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that direction that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such instructions to the Trustee and that the Authority and all Authorized Officer are solely responsible to safeguard that use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written Instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions that the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 19. Miscellaneous.

(a) If any section, paragraph or provision of this Series 2015A Supplemental Indenture shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Series 2015A Supplemental Indenture.

(b) In case where the date of maturity of interest on or principal of any of the Series 2015A Bonds, or the date fixed for redemption of any of the Series 2015A Bonds, shall not be a Business Day, then payment of interest or principal need not be made on such date but shall be made on the Business Day immediately preceding such payment date with the same force and effect as if made on the date of maturity or the date fixed for redemption.

(c) With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Series 2015A Supplemental Indenture or the Series 2015A Bonds or coupons is intended or should be construed to confer upon or give to any person other than the Authority, the Trustee, and the Owners of the Series 2015A Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Series 2015A Supplemental Indenture or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Series 2015A Supplemental Indenture and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall

be for and inure to the sole and exclusive benefit of the Authority, the Trustee, and the Owners from time to time of the Series 2015A Bonds as herein and therein provided.

(d) All the terms, provisions, conditions, covenants, warranties and agreements contained in this Series 2015A Supplemental Indenture shall be binding upon the successors and assigns of the Authority, and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns and the Owners of the Series 2015A Bonds.

(e) Any bank or trust company with or into which a Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purpose of this Series 2015A Supplemental Indenture. If the position of Paying Agent shall become vacant for any reason, the Authority shall, within 30 days thereafter, appoint a bank or trust company located in the same city as Paying Agent to fill such vacancy; *provided, however*, that if the Authority shall fail to appoint such Paying Agent within such period, the Trustee shall make such appointment.

(f) No member, officer or employee of the Authority or the Authority Board shall be individually or personally liable for the payment of the principal of or interest or redemption premium on any Series 2015A Bond. Nothing herein contained shall, however, relieve any such member, officer or employee from the performance of any duty provided or required by law.

(g) This Series 2015A Supplemental Indenture shall be construed and enforced in accordance with the laws of the State of Indiana.

(h) The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Series 2015A Supplemental Indenture.

(i) This Series 2015A Supplemental Indenture and the First Lien Master Indenture shall constitute a contract between the Authority and Owners of the Series 2015A Bonds.

(j) This Series 2015A Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(k) The Trustee, any Paying Agent or any Registrar, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series 2015A Bonds, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, any Paying Agent or any Registrar, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority, and may act as depository, trustee or agent for any committee or body of Owners secured by this Series 2015A Supplemental Indenture or other obligations of the Authority as freely as if it did not act in any capacity under this Series 2015A Supplemental Indenture.

(l) Whenever in this Series 2015A Supplemental Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person

entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 20. Representations, Warranties and Covenants for Revised Article 9 Collateral.

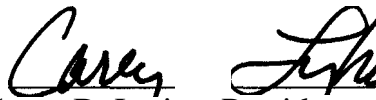
(a) The First Lien Master Indenture and this Series 2015A Supplemental Indenture creates a valid and binding pledge, assignment, lien on and security interest in the Net Revenues and Pledged Funds in favor of the Trustee as security for payment of the Series 2015A Bonds, as described in Section 3.01 of the First Lien Master Indenture and Section 5(b) hereof, enforceable by the Trustee in accordance with the terms hereof.

(b) Under the laws of the State of Indiana, (i) such lien and/or security interest, (ii) and each pledge, assignment, lien, or other security interest made to secure any obligations of the Authority which, by the terms hereof, ranks on a parity with the lien and security interest granted by this Series 2015A Supplemental Indenture, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract. By the date of issue of the Series 2015A Bonds, the Authority will have filed all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any Series 2015A Bonds are outstanding the Authority will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the Authority is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9-301-9-306 of such jurisdiction. The pledge made by this Series 2015A Supplemental Indenture shall be effective pursuant to IC 5-1-14-4, IC 26-1-9.1-109(d)(15) and IC 26-1-9.1-515(b) notwithstanding any failure to file a financing statement as described above.

(c) Except as permitted by the First Lien Master Trust Indenture, the Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Net Revenues or the Pledged Funds that ranks on a parity with or prior to the lien and/or security interest granted by this Series 2015A Supplemental Indenture. The Authority shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest on such collateral that ranks prior to or on a parity with the lien and/or security interest granted by this Series 2015A Supplemental Indenture, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby and by the First Lien Master Indenture.

IN WITNESS WHEREOF, the Authority has caused this Series 2015A Supplemental Indenture to be executed by its President and Chief Executive Officer and attested by its Senior Vice President and Chief Financial Officer, and the Trustee has caused this Series 2015A Supplemental Indenture to be executed on its behalf by its duly authorized officer and its corporate seal to be impressed hereon and attested by its duly authorized officer, all as of the day and year first above written.

CWA AUTHORITY, INC.

By: 
Carey B. Lyons, President and
Chief Executive Officer

Attest



John '_____, Senior Vice President
and _____⁴ -financial Officer

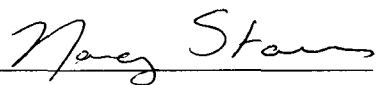
THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: 

Name: **Karen Franklin**

Title: AUTHORIZED OFFICER

Attest:

By: 

Name: **Nancy Storms**

Title: AUTHORIZED OFFICER

UNITED STATES OF AMERICA

STATE OF INDIANA
No. 15-AR-1

COUNTY OF MARION
\$158,775,000

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA
FIRST LIEN WASTEWATER REVENUE BOND, SERIES 2015A

Interest Rate	Original Date	Maturity Date	Authentication Date
See <u>Schedule A</u>	February 18, 2015	See <u>Schedule A</u>	February 18, 2015

Registered Owner: INDIANA FINANCE AUTHORITY

Principal Sum: See Schedule A

CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Act of 1991, as amended, Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") (as defined in the hereinafter defined First Lien Master Indenture) and as necessary under the Authorizing Acts to act on behalf of the City of Indianapolis, Indiana, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner stated above, or registered assigns, but solely out of the Net Revenues of the Wastewater System and the Pledged Funds (all as defined in the hereinafter defined Indentures), the principal sum stated above on October 1 in the years and amounts as set forth on Schedule A hereto, on the maturity dates stated on Schedule A hereto, and to pay interest on said principal sum to the registered owner of this bond until the Authority's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above from the Interest Payment Date immediately preceding the date of the authentication of this bond, unless this bond is authenticated on or before March 15, 2015, in which case the interest shall be paid from the original date stated above or unless this bond is authenticated between the Record Date (as defined in the Series 2015A Supplemental Indenture) preceding an Interest Payment Date and the Interest Payment Date, in which case interest shall be paid from such Interest Payment Date. Interest shall be payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2015. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

All payments of principal of and interest on this bond shall be paid by wire transfer for deposit to the principal corporate trust operations office of The Bank of New York Mellon Trust Company, N.A. ("Trustee," "Registrar" or "Paying Agent") on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or

Paying Agent, or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on this bond shall be made in coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

This bond, together with interest hereon, shall be payable solely out of the Net Revenues and the Pledged Funds, after the payment only of the Operation and Maintenance Expenses (as defined in the First Lien Master Indenture). The Series 2015A Bonds are issued on a parity with all other Parity Obligations (as defined in the First Lien Master Indenture) to be issued as described in the First Lien Master Indenture and in the 2015A Supplemental Indenture (as defined below). The First Lien Bonds (as defined in the First Lien Master Indenture) constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by a lien on and pledge of the Net Revenues and Pledged Funds. For the benefit of the owners of First Lien Bonds, the Authority, pursuant to the First Lien Master Indenture and the Series 2015A Supplemental Indenture, has granted a lien on and pledge of the Net Revenues and Pledged Funds to secure the payment of principal of, premium, if any, and interest on the First Lien Bonds and all expenses of providing for their full and timely payment in accordance with their terms, as provided in the First Lien Master Indenture, the Series 2015A Supplemental Indenture and pursuant to the Authorizing Acts. Subject to the provisions of the First Lien Master Indenture and the Series 2015A Supplemental Trust Indenture dated as of February 1, 2015 (the "Series 2015A Supplemental Indenture"), between the Authority and the Trustee for registration, this bond is negotiable under the laws of the State of Indiana.

This bond is one of an authorized issue of bonds of the Authority in the aggregate principal amount of One Hundred Fifty-Eight Million Seven Hundred Seventy-Five Thousand Dollars (\$158,775,000) (the "Series 2015A Bonds"), numbered consecutively from 15-AR-1 upwards, issued pursuant to the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture", and with the Series 2012A First Lien Supplemental Trust Indenture dated as of September 1, 2012, the Series 2014A Supplemental Indenture dated as of July 1, 2014, and the Series 2015A Supplemental Indenture, the "Indentures") between the Authority and the Trustee as well as the Series 2015A Supplemental Indenture.

The Authority irrevocably pledges the entire Net Revenues of such Wastewater System and the Pledged Funds to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the First Lien Master Indenture and the Parity Obligations issued in connection therewith, including this bond, in the manner described in Section 3.01 of the First Lien Master Indenture and Section 5(b) of the Series 2015A Supplemental Indenture, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by such Wastewater System as are sufficient in each year for the payment of the Operation and Maintenance Expenses of the Wastewater System, and for the payment of the sums required to be paid into such Bond Interest and Principal Fund and the Bond Reserve Fund under the provisions of the Authorizing Acts and the First Lien Master Indenture. In the event the Authority, or the Authorized Officers thereof, shall fail or refuse to fix, maintain and collect such rates or charges, or if there be a default in the payment of the principal of or interest on this bond,

the owner of this bond shall have all of the rights and remedies provided for in such Indentures and the Authorizing Acts.

The bonds maturing in any one year are issuable only in fully registered form in Authorized Denominations or integral multiples thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Series 2015A Bonds maturing on or after October 1, 2025, are subject to optional redemption prior to their maturity on October 1, 2024 or any date thereafter, on not less than thirty (30) days' and not more than sixty (60) days' notice, in whole or in part, at face value, plus interest accrued to the date fixed for redemption.

If fewer than all of the bonds of the Series 2015A Bonds are to be called for redemption, the principal amount and maturity of the particular Series 2015A Bonds to be redeemed shall be selected by lot by the Trustee in Authorized Denominations. The aggregate principal amount of each Series 2015A Bond remaining outstanding shall be in an Authorized Denomination.

The Series 2015A Bonds maturing on October 1, 2040 and October 1, 2045 (the "Series 2015A Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, on October 1 in the years and in the principal amounts indicated below:

2040 Term Bonds

Year	Principal Amount
2036	\$6,260,000
2037	6,570,000
2038	6,900,000
2039	7,245,000
2040*	7,610,000

*Final Maturity

2045 Term Bonds

Year	Principal Amount
2041	\$7,990,000
2042	8,390,000
2043	8,805,000
2044	9,245,000
2045*	9,710,000

*Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Series 2015A Term Bonds set forth above, and corresponding mandatory redemption obligation, in the order determined by the Authority, any 2015A Bonds of such maturity which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Series 2015A Term Bond of such maturity so delivered or cancelled shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited to future redemption obligations as designated by the Authority, and the principal amount of Series 2015A Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided however, that the Trustee shall credit such Series 2015A Term Bonds only to the extent such are received on or before forty-five (45) days preceding the applicable mandatory redemption date as set forth above.

Official notice of any such redemption shall be sent by registered or certified mail to the registered owner of this bond not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption at the address shown on the registration books of the Registrar and Paying Agent or at such other address as is furnished in writing to the Registrar and Paying Agent, unless such notice is waived by the registered owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Authority. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption, to pay the redemption price on the redemption date or when presented for payment.

If this bond or a portion hereof shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal of and interest so due and payable upon all of this bond or a portion hereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with the First Lien Master Indenture, then and in that case this bond or such portion hereof shall no longer be deemed outstanding or an indebtedness of the Authority.

This bond is transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be required to make any transfer or exchange

of this bond if it has been called for redemption or following the Record Date immediately preceding an Interest Payment Date on this bond until such Interest Payment Date. The Authority and the Registrar and Paying Agent may treat and consider the person in whose name this bond is registered as the absolute Owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided that, in the case of this bond being mutilated, this bond shall first be surrendered to the Authority and the Registrar and Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Authority and the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Authority and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured, instead of issuing a duplicate bond, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay this bond without surrender hereof. The Authority and the Registrar and Paying Agent may charge the Owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Authority, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Indentures, equally and proportionately with any and all other First Lien Bonds duly issued thereunder.

In the manner provided in the Indentures, the Indentures and the rights and obligations of the Authority and of the owners of the bonds may (with certain exceptions as stated in the Indenture) be modified or amended without the consent of the owners of the bonds.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving sixty (60) days' written notice to the Authority and to the registered owners of bonds then outstanding and such resignation will take effect upon the appointment of a successor Registrar and Paying Agent by the Authority. Such notice to the Authority may be served personally or be sent by registered mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the Authority, in which event the Authority may appoint a successor Registrar and Paying Agent. The Authority shall cause the registered owner of this bond, if then outstanding, to be notified by certified or registered mail of the removal of the Registrar and Paying Agent. Notices to registered owners of bonds shall be deemed to be given when mailed by certified or registered mail to the addresses of such registered owners as they appear in the registration books kept by the Registrar and Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law and the Constitution of the State of Indiana to be done precedent to and in the execution, issuance, sale and delivery of this bond have been properly done, happened and performed in regular and due form as prescribed by law.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indentures authorizing this bond until the certificate of authentication hereon shall have been duly executed by an authorized representative of the Registrar and Paying Agent.

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City of Indianapolis, Indiana, and attested by the manual or facsimile signature of the Controller of the City of Indianapolis, Indiana, who has caused the official seal of the City of Indianapolis, Indiana, to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon and by the manual or facsimile signature of the President and Chief Executive Officer of CWA Authority, Inc. and attested by the manual or facsimile signature of the Senior Vice President and Chief Financial Officer of CWA Authority, Inc.

CITY OF INDIANAPOLIS, INDIANA

By: _____
Mayor, City of Indianapolis, Indiana

(SEAL)

ATTEST:

Clerk, City of Indianapolis, Indiana

ATTEST:

Interim Controller, City of Indianapolis, Indiana

CWA AUTHORITY, INC.

By: _____
President and Chief Executive Officer

ATTEST:

Senior Vice President
and Chief Financial Officer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Registrar and Paying Agent

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Insert name and address of transferee)

this bond and all rights hereunder and hereby irrevocably constitutes and appoints _____, attorney, to transfer this bond on the books kept for the registration hereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the front of this bond without alternation or enlargement or any change whatsoever.

[SCHEDULE A]

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016	\$ 2,480,000	3.00 %
2017	2,555,000	5.00
2018	2,685,000	5.00
2019	2,815,000	5.00
2020	2,960,000	5.00
2021	3,105,000	5.00
2022	3,260,000	5.00
2023	3,425,000	5.00
2024	3,595,000	5.00
2025	3,775,000	5.00
2026	3,965,000	5.00
2027	4,160,000	5.00
2028	4,370,000	5.00
2029	4,590,000	5.00
2030	4,820,000	5.00
2031	5,060,000	3.25
2032	5,225,000	5.00
2033	5,485,000	5.00
2034	5,760,000	3.50
2035	5,960,000	5.00
2040	34,585,000	5.00
2045	44,140,000	5.00

SERIES 2017A
FIRST LIEN SUPPLEMENTAL TRUST INDENTURE

DATED AS OF JULY 1, 2017

BETWEEN

CWA AUTHORITY, INC.

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

SECURING

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA,
FIRST LIEN WASTEWATER
REVENUE BONDS, SERIES 2017A
(THE "SERIES 2017A BONDS")

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SERIES 2017A FIRST LIEN SUPPLEMENTAL TRUST INDENTURE

This SERIES 2017A FIRST LIEN SUPPLEMENTAL TRUST INDENTURE dated as of July 1, 2017 (the "Series 2017A Supplemental Indenture"), supplements the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture"), as previously supplemented and amended, between CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Corporation Act of 1991, as amended (the "Nonprofit Act"), Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") among the City of Indianapolis (the "City"), the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District") and the Board of Directors for Utilities of the Department of Public Utilities of the City d/b/a Citizens Energy Group ("Citizens"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America,

WITNESSETH:

WHEREAS, the Authority owns and operates a revenue producing wastewater system (the "Wastewater System"), serving the inhabitants of Marion County and other nearby communities; and

WHEREAS, the Authority is authorized to issue bonds and certificates of indebtedness pursuant to the Authorizing Acts (as defined in the First Lien Master Indenture), payable out of the Net Revenues (as defined in the First Lien Master Indenture) derived from the Wastewater System, and the Pledged Funds (as defined in the First Lien Master Indenture and herein) to finance the acquisition and the construction of necessary betterments, improvements, extensions or additions to the Wastewater System and/or refund any First Lien Bonds, Second Lien Bonds or Subordinated Securities (each as defined in the First Lien Master Indenture); and

WHEREAS, the First Lien Bonds are secured by a pledge of the Net Revenues and the Pledged Funds; and

WHEREAS, the Board of Directors of the Authority (the "Authority Board") duly and legally authorized the execution, acknowledgement and delivery of the Series 2017A Supplemental Trust Indenture in this form for the purposes, among others, of (a) funding of necessary betterments, improvements, extensions or additions to the Wastewater System, (b) funding a debt service reserve for the Series 2017A Bonds, and (c) funding costs of issuance in connection with the issuance of the 2017A Bonds (as defined below).

NOW, THEREFORE, the Authority and the Trustee hereby covenant and agree as follows:

THIS SERIES 2017A SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants contained in the First Lien Master Indenture and this Series 2017A Supplemental Indenture, and of the purchase and acceptance of the Series 2017A Bonds by the holders thereof, and for other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for

the purpose of fixing and declaring the terms and conditions upon which the Series 2017A Bonds are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, to secure the payment of the principal of and redemption premium, if any, and interest on the Series 2017A Bonds at any time issued and outstanding under this Series 2017A Supplemental Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the Series 2017A Bonds and in the First Lien Master Indenture and this Series 2017A Supplemental Indenture, has executed and delivered the First Lien Master Indenture and this Series 2017A Supplemental Indenture, and has pledged and assigned, and by these presents does hereby pledge and assign and grant a security interest in, unto the Trustee, and to its successors in trust, the Net Revenues and the Pledged Funds securing the Series 2017A Bonds, subject to the provisions of the First Lien Master Indenture and this Series 2017A Supplemental Indenture permitting the application thereof for the purposes and on the terms set forth in the First Lien Master Indenture and this Series 2017A Supplemental Indenture.

The pledge made by the First Lien Master Indenture and this Series 2017A Supplemental Indenture is, and shall be, also subject to the First Lien Master Indenture and the provisions thereof, including specifically Section 3.01 thereof and Section 5(b) hereof, for the equal and proportionate benefit, security and protection of all First Lien Bonds issued or to be issued under and secured by the First Lien Master Indenture, the Parity Portion (as defined in the First Lien Master Indenture) of the Repayment Obligations and all Regular Payments on Qualified Derivative Agreements (each as defined in the First Lien Master Indenture and collectively, the "Parity Obligations") (without duplication of obligation), each without preference, priority or distinction of any such Parity Obligations over any other such Parity Obligations or of any series of Parity Obligations over any other series of Parity Obligations by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Parity Obligation shall have the same rights and privilege under and by virtue of the First Lien Master Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of the First Lien Master Indenture in the manner described in Section 3.01 of the First Lien Master Indenture; *provided, however*, that if the Authority shall pay or cause to be paid to the holders of the Series 2017A Bonds the principal and interest and redemption premium, if any, to become due in respect thereof at the times and in the manner stipulated therein and herein (or shall provide, as permitted by the First Lien Master Indenture, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall pay or cause to be paid to the Trustee all sums of money due and to become due to it in accordance with the First Lien Master Indenture, then this Series 2017A Supplemental Indenture and the rights hereby granted shall cease, terminate and be void, at the option of the Authority (evidenced by a certified resolution of the Authority Board delivered to the Trustee and to the IFA (so long as the IFA is the Owner of any First Lien Bonds)), but otherwise this Series 2017A Supplemental Indenture shall remain in full force and effect.

It is further covenanted and agreed that the Series 2017A Bonds are to be issued, authenticated and delivered, and that the fees, income and funds herein pledged and provided to be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject to the following covenants, conditions and trusts; and the Authority, for itself and its successors, does hereby covenant and agree to and with the Trustee and its successors in trust under this

Series 2017A Supplemental Indenture, for the benefit of whomsoever shall hold, or contract with the Authority with respect to, the Series 2017A Bonds, as follows:

WITNES SETH:

Section 1. Definitions. All terms defined in the First Lien Master Indenture shall have the meaning prescribed therein unless the context otherwise indicates. Any words or terms used in the First Lien Master Indenture for which a different definition is provided herein shall have the meaning herein prescribed unless the context otherwise indicates.

"Authorized Denominations" means \$1.00 and any integral multiple thereof

"Beneficial Owner" means the owner of a Series 2017A Bond or portion thereof for federal income tax purposes.

"Bond Register" means the register kept by the Trustee.

"Dated Date" means the date of issuance and delivery of the Series 2017A Bonds to the initial purchasers thereof

"Defeasance Obligations" means those investments described in subclauses (a) through (e) of the defined term "Permitted Investments" in the First Lien Master Indenture.

"Designated Office" means the office of the Trustee, Registrar and Paying Agent or an affiliate or another agent or fiduciary designated from time to time as the appropriate office for a given purpose herein, and in the absence of a contrary designation, means the Principal Office of the Trustee, Registrar and Paying Agent.

"Electronic Means" means the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

"Financial Assistance Agreement" means the Financial Assistance Agreement dated as of July 21, 2017, between the Authority and the IFA relating to the Series 2017A Bonds providing the terms and conditions of the loan consisting of the proceeds of the Series 2017A Bonds purchased by the IFA under the SRF Program and the application of the proceeds of the loan to the project therein described, as amended or supplemented from time to time.

"IFA" means the Indiana Finance Authority.

"Interest Payment Date" means January 1 and July 1 of each year, commencing January 1, 2018.

"Opinion of Counsel" means an opinion of recognized municipal utilities counsel selected by the Authority in the case of an Opinion of Authority Board Counsel, and the opinion of nationally recognized bond counsel selected by the Authority in the case of an Opinion of Bond Counsel.

"Pledged Funds" for purposes of this Series 2017A Supplemental Indenture has the meaning given to such term in the First Lien Master Indenture, as further described in Section 5(b) hereof, and includes the Series 2017A Account of the Bond Interest and Principal Fund, the Series 2017A Account of the Bond Reserve Fund and with respect to the Series 2017A Bonds, Pledged Funds also includes the Series 2017A Account of the Construction Fund.

"Principal Office" means, with respect to the Trustee, the designated corporate trust office of the Trustee, which office at the date of acceptance of the Trustee of the duties and obligations imposed upon it hereunder is located at the address specified in Section 18.

"Record Date" means the 15th day of the calendar month preceding the month during which such Interest Payment Date occurs.

"Reserve Requirement" means the amount required to be maintained in the Series 2017A Account of the Bond Reserve Fund, as further described in Section 10 hereof.

"Responsible Officer" means when used with respect to the Trustee, any officer or authorized representative in its Public Finance Group or similar group administering the trusts hereunder or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers to whom a particular matter is referred by the Trustee because of such officer's or authorized representative's knowledge of and familiarity with the particular subject.

"Series 2017A Bonds" means the CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2017A.

"SRF Program" means the State Revolving Fund Program of the IFA or any successor thereto.

"Supplemental Indenture" means any indenture between the Authority and the Trustee entered into pursuant to and in compliance with Article VIII of the First Lien Master Indenture, including this Series 2017A Supplemental Indenture.

"2017A Project" means the necessary betterments, improvements, extensions or additions to the Wastewater System to be undertaken by the Authority paid from the proceeds of the Series 2017A Bonds, subject however to the requirements and limitations set out in the Financial Assistance Agreement.

"2017A Project Costs" means (a) obligations of the Authority and all contractors incurred for labor and materials in connection with the 2017A Project, (b) the cost of bonds and insurance of all kinds that may be required or necessary during construction of the 2017A Project, (c) all costs of architectural and engineering services, including the costs of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigation therefore, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the 2017A Project, (d) all sums required to reimburse the Authority for advances made by it for any of the above items or for any costs incurred and for work done (including repayments for interim financing), which are properly chargeable to the

2017A Project and (e) all other components of cost of labor, materials, machinery and equipment and financing charges attributable to the 2017A Project to the extent permitted by the Authorizing Acts.

Section 2. Miscellaneous Definitions. As used herein, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and unless the context shall otherwise indicate, the words "bond," "owner," "holder" and "person" shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

Section 3. Certain Other Terms. As used in the First Lien Master Indenture, the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Series 2017A Supplemental Indenture.

Section 4. Findings.

(a) The relevant recitals set forth in the resolution adopted by the Authority Board at its meeting on May 17, 2017, are incorporated into this Series 2017A Supplemental Indenture by this reference.

(b) The First Lien Master Indenture, the Series 2017A Bonds and this Series 2017A Supplemental Indenture are among the Bond Documents approved by resolution of the Authority Board at its meeting on May 17, 2017.

(c) The Series 2017A Bonds and related obligations are entitled to the benefits of being and shall be revenue obligations within the meaning of Indiana Code 8-1-11.1 to the extent applicable by law.

Section 5. Authorization of Issuance of Series 2017A Bonds: General Terms. Book-Entry. (a) In order to (i) fund the 2017A Project Costs, (ii) fund a debt service reserve for the Series 2017A Bonds; and (iii) fund costs of issuance in connection with the issuance of the 2017A Bonds, the Authority will issue and sell, pursuant to the provisions hereof, the Series 2017A Bonds. The principal of and interest on the Series 2017A Bonds are payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the Wastewater System and the Pledged Funds of the Authority, on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and Section 5(b) herein, which First Lien Bonds shall be issued by the Authority, and as necessary under the Authorizing Acts on behalf of and in the name of the City. Such First Lien Bonds shall be designated as "CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2017A".

(b) The Series 2017A Bonds shall be payable from and shall be equally and ratably secured by a senior and first lien on the Net Revenues and the Pledged Funds under the First Lien Master Indenture on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and herein. The Series 2017A Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2017A Account of the Bond Interest and Principal Fund in the manner provided in Section 3.01 of the

First Lien Master Indenture. The Series 2017A Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2017A Account of the Bond Reserve Fund in the manner provided in Section 3.01 of the First Lien Master Indenture. The owners of the Series 2017A Bonds shall never have the right to demand payment of either the principal of, interest on or any redemption premium on the Series 2017A Bonds out of any funds raised or to be raised by taxation.

(c) Each Series 2017A Bond shall be, in all respects, on parity with each other.

(d) The Series 2017A Bonds shall be issued in an aggregate principal amount not to exceed \$163,526,839. The Series 2017A Bonds shall bear interest at the rates of interest shown below from the dates of payment on the Series 2017A Bonds and mature on July 1 in the years and in the amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
7/1/2018	\$ 3,344,450	3.53 %
7/1/2019	3,255,650	3.53
7/1/2020	3,370,775	3.53
7/1/2021	3,489,964	3.53
7/1/2022	3,613,360	3.53
7/1/2023	3,741,112	3.53
7/1/2024	3,873,374	3.53
7/1/2025	4,010,305	3.53
7/1/2026	4,152,069	3.53
7/1/2027	4,298,837	3.53
7/1/2028	4,450,787	3.53
7/1/2029	4,608,100	3.53
7/1/2030	4,770,967	3.53
7/1/2031	4,939,583	3.53
7/1/2032	5,114,150	3.53
7/1/2033	5,294,880	3.53
7/1/2034	5,481,990	3.53
7/1/2035	5,681,386	3.53
7/1/2036	5,881,939	3.53
7/1/2037	6,089,572	3.53
7/1/2038	6,304,534	3.53
7/1/2039	6,527,084	3.53
7/1/2040	6,757,490	3.53
7/1/2041	6,996,029	3.53
7/1/2042	7,242,989	3.53
7/1/2043	7,498,667	3.53
7/1/2044	7,763,370	3.53
7/1/2045	8,037,416	3.53
7/1/2046	8,321,137	3.53
7/1/2047	8,614,873	3.53

(e) The Series 2017A Bonds shall be issued in fully registered form in Authorized Denominations, or integral multiples thereof, not exceeding the aggregate principal amount of such Series 2017A Bonds maturing in any year. The Series 2017A Bonds shall be numbered consecutively from 17-AR-1 upwards and shall mature and be payable as set forth herein.

(f) The interest on the Series 2017A Bonds shall be payable on each Interest Payment Date commencing on January 1, 2018. Interest on the Series 2017A Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

(g) The Series 2017A Bonds shall bear an original date which shall be the date of delivery thereof, and each Series 2017A Bond shall also bear the date of its authentication. Series 2017A Bonds authenticated on or before the Record Date preceding the first Interest Payment Date thereon shall pay interest from the Dated Date. Series 2017A Bonds authenticated thereafter shall pay interest from the Interest Payment Date immediately preceding the date of authentication of the Series 2017A Bonds unless the Series 2017A Bonds are authenticated between the Record Date preceding an Interest Payment Date and the Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

(h) The Bank of New York Mellon Trust Company, N.A. is hereby selected in accordance with the First Lien Master Indenture to serve as Registrar and Paying Agent for the Series 2017A Bonds and hereby charged with the responsibility to authenticate the Series 2017A Bonds.

Section 6. Payment of Principal and Interest. Any principal of the Series 2017A Bonds shall be payable at the Designated Office of the Trustee, Registrar and Paying Agent for the Series 2017A Bonds. Any interest on the Series 2017A Bonds shall be paid by:

(a) check or draft delivered one Business Day prior to such payment date to the registered owner thereof at the address as it appears on the registration books kept by the Registrar and Paying Agent as of the Record Date or at such other address as is provided to the Registrar and Paying Agent in writing by such registered owner.

(b) transmitted by wire transfer to the accounts with members of the Federal Reserve System situated within the continental United States of America of those Owners which own at least \$1,000,000 in aggregate principal amount of the Series 2017A Bonds and which shall have provided written wire transfer instructions to the Trustee prior to the close of business on such Record Date, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose names any such Series 2017A Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

(c) Notwithstanding anything herein to the contrary, when the IFA is the owner of any Series 2017A Bonds, the Trustee shall pay the principal of, bond redemption premium, if any, and interest on such Series 2017A Bonds to The Bank of New York Mellon Trust Company, N.A., as Wastewater SRF Trustee, on or before the applicable due date thereof, by a wire transfer referenced as provided in the Financial Assistance Agreement.

(d) All payments on the Series 2017A Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

Section 7. Transfer and Exchange. Each Series 2017A Bond shall be transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent, by the Owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such Series 2017A Bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered Series 2017A Bond or Series 2017A Bonds, in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. A Registrar and Paying Agent shall not be obligated to make any exchange or transfer of Series 2017A Bonds (i) if such Series 2017A Bonds have been called for redemption, or (ii) following the Record Date on such Series 2017A Bonds until such Interest Payment Date. Each Series 2017A Bond may be transferred or exchanged without cost to the Owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Authority and a Registrar and Paying Agent may treat and consider the person in whose name such Series 2017A Bonds are registered as the Owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

In the event any Series 2017A Bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new Series 2017A Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Series 2017A Bond shall be marked in a manner to distinguish it from the Series 2017A Bond for which it was issued; provided that, in the case of any mutilated Series 2017A Bond, such mutilated Series 2017A Bond shall first be surrendered to the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed Series 2017A Bond there shall be first furnished to the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such lost, stolen or destroyed Series 2017A Bond shall have matured, instead of issuing a duplicate Series 2017A Bond, as appropriate, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The Authority and the Registrar and Paying Agent may charge the owner of such Series 2017A Bond with their reasonable fees and expenses in connection with the above. Every substitute Series 2017A Bond issued by reason of any Series 2017A Bond being lost, stolen or destroyed shall, with respect to such Series 2017A Bond, constitute a substitute contractual obligation of the Authority, whether or not the lost, stolen or destroyed Series 2017A Bond shall be found at any time, and shall be entitled to all the benefits of this Series 2017A Supplemental Indenture, equally and proportionately with any and all other Series 2017A Bonds duly issued hereunder.

Section 8. Prepayment and Redemption.

(a) The Series 2017A Bonds maturing on or after July 1, 2028, are subject to optional redemption prior to their maturity on July 1, 2027, or any date thereafter, on not less than sixty

(60) days' and not more than ninety (90) days' notice, in whole or in part, in inverse order of maturity, at face value, plus interest accrued to the date fixed for redemption, at a redemption price set forth below:

102% if redeemed on July 1, 2027 or thereafter
on or before June 30, 2028;
101% if redeemed on July 1, 2028 or thereafter
on or before June 30, 2029;
0% if redeemed on July 1, 2029 or thereafter
prior to maturity;

however if the Series 2017A Bonds are registered in the name of the IFA, the Series 2017A Bonds shall not be redeemable at the option of the Authority unless and until consented to by the IFA.

(b) If fewer than all of the Series 2017A Bonds of a maturity are to be called for redemption, the principal amount of the particular Series 2017A Bonds to be redeemed shall be selected by lot by the Trustee, provided that that the Series 2017A Bonds sold to the IFA shall be redeemed only in Authorized Denominations and in inverse order of maturity. The aggregate principal amount of each Series 2017A Bond remaining outstanding shall be in an Authorized Denomination. The Trustee shall have no liability to any person as a result of making such selection. The Trustee shall promptly notify the Authority in writing of the Series 2017A Bonds or portions thereof selected for redemption; *provided, however*, that in connection with any redemption of a Series 2017A Bond, the Trustee shall first select for redemption any Series 2017A Bonds held by the Trustee for the account of the Authority or held of record by the Authority and that if, as indicated in a certificate of an Authorized Officer delivered to the Trustee, the Authority shall have offered to purchase all of the Series 2017A Bonds then outstanding and less than all of the Series 2017A Bonds shall have been tendered to the Authority for such purchase, the Trustee, at the direction of the Authority, shall select for redemption all such of the Series 2017A Bonds which have not been so tendered. If it is determined that one or more, but not all, of the units of principal amount represented by any Series 2017A Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Owner of such Series 2017A Bond shall, except as provided in the First Lien Master Indenture with respect to Book-Entry Bonds, forthwith surrender such Series 2017A Bond to the Trustee for (a) payment to such Owner of the redemption price of the unit or units of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2017A Bond or new Series 2017A Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2017A Bonds. New Series 2017A Bonds representing the unredeemed balance of the principal amount of such Series 2017A Bonds shall be issued to the Owner thereof, without charge therefor. If the surrender of such Series 2017A Bonds is required and the Owner of any such Series 2017A Bond shall fail to present such Series 2017A Bond to the Trustee for payment and exchange as aforesaid, such Series 2017A Bond shall, nevertheless, become due and payable, and interest thereon shall cease to accrue, on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

(c) In the case of any redemption of the Series 2017A Bonds, the Authority shall give written notice to the Trustee of its election or direction to so redeem, the redemption date of the Series 2017A Bonds to be redeemed, the principal amounts of the Series 2017A Bonds of each maturity to be redeemed and the moneys to be applied to such redemption. Except as otherwise set forth in a Financial Assistance Agreement, official notice of redemption of Series 2017A Bonds shall be mailed by the Registrar and Paying Agent by certified or registered mail at least sixty (60) days and no more than ninety (90) days prior to the scheduled redemption date to each of the Owners of the Series 2017A Bonds called for redemption (unless waived by any such Owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such Owner to the Registrar and Paying Agent; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Series 2017A Bond shall not affect the validity of the proceedings for the redemption of any other Series 2017A Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts and CUSIP numbers) of such Series 2017A Bonds called for redemption. The place of redemption may be at the Designated Office of the Registrar and Paying Agent or as otherwise determined by the Authority. Such notice may specify any conditions necessary for redemption and may provide that if such conditions are not satisfied, such redemption will be cancelled without further notice. Interest on such Series 2017A Bonds (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Series 2017A Bonds (or portions thereof) are presented for payment. Any Series 2017A Bond redeemed in part may be exchanged for a Series 2017A Bond of the same series and maturity in Authorized Denominations equal to the remaining principal amount thereof.

(d) For all purposes of this Series 2017A Supplemental Indenture, unless the context otherwise requires, all provisions relating to the redemption or prepayment of Series 2017A Bonds, shall relate, in the case of any Series 2017A Bond redeemed or prepaid or to be redeemed or prepaid only in part, to the portion of the principal of such Series 2017A Bond which has been or is to be redeemed or prepaid.

Section 9. Form of Bonds. The form and tenor of the Series 2017A Bonds shall be substantially as set forth in Exhibit A hereto.

Section 10. Bond Reserve Fund. (a) Pursuant to Section 3.07 of the First Lien Master Indenture, the Authority is authorized at the time of the sale of a series of First Lien Bonds to determine if an account of the Bond Reserve Fund is to be maintained and the provisions with respect thereto, if any. The Authority hereby establishes the "Series 2017A Account of the Bond Reserve Fund." The moneys in the Series 2017A Account of the Bond Reserve Fund will be used solely to pay current principal and interest due on the Series 2017A Bonds to the extent that moneys in the Series 2017A Bond Account of the Bond Interest and Principal Fund are insufficient for that purpose. No other obligations of the Authority shall be paid or payable from the Series 2017A Account of the Bond Reserve Fund. The Reserve Requirement for the Series 2017A Account is \$8,918,979 (the "Reserve Requirement").

\$8,918,979 of the proceeds of the Series 2017A Bonds shall be deposited to the Series 2017A Account of the Bond Reserve Fund which will equal such Reserve Requirement on and as of the issuance of the Series 2017A Bonds.

The Authority may satisfy the Reserve Requirement by delivery to the Trustee of a surety bond, an insurance policy or a letter of credit (each, a "Reserve Policy") meeting the requirements set forth below. The WA must consent to the delivery of each such Reserve Policy. The obligation of the Authority to fund the Reserve Requirement shall be deemed satisfied as of any date to the extent of the then available balance of any Reserve Policy; *provided, however*, that the Reserve Requirement shall not be satisfied if the requirements set forth in the Financial Assistance Agreement related to any such Reserve Policy are not met. If a disbursement is made pursuant to a Reserve Policy, the Authority must be obligated (i) to reinstate the maximum limits of such Reserve Policy or (ii) to deposit into the Series 2017A Account of the Bond Reserve Fund moneys in an amount equal to the disbursement made under such Reserve Policy, or a combination of such alternatives, as would provide that such Series 2017A Account of the Bond Reserve Fund has all of the moneys or full value of Reserve Policy on deposit as it shall be required to have at such time.

(b) Any deficiency in the balance maintained in the Series 2017A Account of the Bond Reserve Fund, including in the event that money in the Series 2017A Account of the Bond Reserve Fund is transferred to the Series 2017A Bond Account of the Bond Interest and Principal Fund to pay principal and interest on the Series 2017A Bonds, shall be made up from the next available Net Revenues remaining after credits into the Bond Interest and Principal Fund on a parity with all other accounts of the Bond Reserve Fund related to any First Lien Bonds and prior to any use thereof pursuant to Section 3.08 of the First Lien Master Indenture. Any monies in the Series 2017A Account of the Bond Reserve Fund in excess of the Reserve Requirement with respect thereto, may be transferred to any other Fund or Account of the Authority as specified by an Authorized Officer.

(c) Only while the IFA holds Series 2017A Bonds, in computing the amount in the Series 2017A Account of the Bond Reserve Fund, obligations purchased as an investment of moneys therein having a stated maturity of less than six (6) months or less, shall be valued at the cost thereof (including in such cost accrued interest paid and unamortized debt discount) and all other obligations purchased as an investment of moneys shall be valued at their fair market value and market-to-market weekly. After such time as no Series 2017A Bonds are held by the IFA, all obligations purchased as an investment of moneys held in the Series 2017A Account of the Bond Reserve Fund shall be valued at the fair market value thereof and marked-to-market annually. When market prices for obligations held in the Series 2017A Account of the Bond Reserve Fund are not readily available, the market price for such obligations may be determined in such manner as the IFA deems reasonable.

Section 11. Deposit of Proceeds. The Financial Assistance Agreement provides the basis for proceeds of the Series 2017A Bonds to be received by or for the benefit of the Authority. The proceeds of the Series 2017A Bonds shall be paid over and applied in the manner set forth in the Financial Assistance Agreement and each of which disbursements shall be made pursuant to a disbursement request signed by the Authority and approved by the IFA consistent

with the Financial Assistance Agreement. The Series 2017A Bonds may be purchased in installments consistent with the Financial Assistance Agreement.

The Trustee shall make deposits as follows:

(a) \$8,918,979 of the proceeds of the Series 2017A Bonds shall be deposited in the Series 2017A Account of the Bond Reserve Fund established in Section 10 hereof.

(b) \$154,607,860 of the proceeds of the Series 2017A Bonds shall be deposited in the 2017A Account of the Construction Fund, which is hereby established. \$107,860 of such funds shall be used by the Authority for costs of issuance in connection with the Series 2017A Bonds. The remaining \$154,500,000 of such funds shall be expended as directed by the Authority for the 2017A Project Costs incurred on or after March 18, 2017.

Section 12. Bond Interest and Principal Fund. Pursuant to Section 3.06(e) of the First Lien Master Indenture, there is hereby created the following separate account of the Bond Interest and Principal Fund: the "Series 2017A Bond Account." Commencing on July 31, 2017, the Authority shall cause to be deposited into the Series 2017A Bond Account on a monthly basis by the last business day of each calendar month an amount equal to at least one-twelfth (1/12) of the principal of all then outstanding Series 2017A Bonds payable during the next succeeding twelve (12) month period (as demonstrated by the schedules contained in the attached Exhibit B, which is incorporated herein by this reference) and at least one-sixth (1/6) of the interest on all then outstanding Series 2017A Bonds payable during the next succeeding six (6) month period.

Such accounts shall be further funded, maintained and used in accordance with Section 3.06 of the First Lien Master Indenture.

Section 13. Execution of Series 2017A Bonds. The Series 2017A Bonds, in the form provided in Exhibit A hereto, shall be executed, attested and delivered by the Mayor of the City, the Controller of the City and the Clerk of the City and by the President and Chief Financial Officer of the Authority, as authorized by the resolution of the Authority Board adopted on May 17, 2017. In case any officer whose signature appears on the Series 2017A Bonds shall cease to hold that office before the delivery of such series of Series 2017A Bonds, the signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the delivery of such Series 2017A Bonds. After the Series 2017A Bonds have been properly executed, the Authority shall deliver such Series 2017A Bonds to the purchaser or purchasers in the manner provided by law.

Series 2017A Bonds issued hereunder shall be authenticated with the manual signature of a Responsible Officer of the Registrar and Paying Agent, and no Series 2017A Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Series 2017A Supplemental Indenture until the Certificate of Authentication on such Series 2017A Bond shall have been so executed.

Section 14. Tax Covenants. In order to preserve the excludability from gross income of interest on the Series 2017A Bonds under federal law, the Authority represents, covenants and agrees that, to the extent necessary to preserve such excludability:

(a) No person or entity or any combination thereof, other than the Authority or another "governmental unit" within the meaning of Section 141(b)(6) and Section 150(a)(2) of the Code ("Governmental Unit"), will use proceeds of the Series 2017A Bonds or property financed by said proceeds other than as a member of the general public. Except as set forth below, no person or entity or any combination thereof, other than the Authority, or another Governmental Unit, will own property financed by proceeds of Series 2017A Bonds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or other type of output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large of such property unless such use in the aggregate relates to no more than the lesser of \$15,000,000 or 10% of the proceeds of the Series 2017A Bonds or property financed by such bond proceeds.

(b) Not more than five percent (5%) of proceeds of the Series 2017A Bonds will be loaned to any entity or person. No proceeds of the Series 2017A Bonds will be transferred directly or indirectly transferred or deemed transferred to a person other than a Governmental Unit in a fashion that would in substance constitute a loan of the proceeds of such Series 2017A Bonds.

(c) The Authority will not take any action or fail to take any action with respect to any of the Series 2017A Bonds that would result in the loss of the excludability from gross income for federal tax purposes of interest on the Series 2017A Bonds pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended and as in effect on the date of delivery of such Series 2017A Bonds (the "Code"), nor will the Authority act in any manner or permit any actions by officers or officials of the Authority that would in any manner adversely affect such excludability. The Authority further covenants that it will not make any investment or do any other act or thing during the period that any Series 2017A Bond is outstanding hereunder which would cause any Series 2017A Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of any Series 2017A Bonds. The Authority shall comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable.

(d) Notwithstanding any other provisions of this Series 2017A Supplemental Indenture, the covenants and authorizations contained in this Series 2017A Supplemental Indenture which are designed to preserve the excludability of interest (the "Tax Exemption") on Series 2017A Bonds from gross income under federal law (the "Tax Sections") need not be complied with if the Authority receives an Opinion of Counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 15. Additional Covenants. For the purpose of further safeguarding the interests of the owners of the Series 2017A Bonds, during the time that IFA shall own all or any portion of the Series 2017A Bonds, it is specifically provided as follows:

(a) Reserved.

(b) The owners of Series 2017A Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Authorizing Acts, and may either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights granted pursuant to the Authorizing Acts and the provisions of the First Lien Master Indenture, and may enforce and compel performance of all duties required by the Authorizing Acts and the First Lien Master Indenture to be performed by the Authority and any board or officer thereof, including the making and collecting of lawful, reasonable and sufficient rates and charges for services rendered by the Wastewater System; provided, however, that the owners of the Series 2017A Bonds have no right to by declare the entire outstanding principal amount of the Series 2017A Bonds to be immediately due and payable and the rights of the owners of the Series 2017 Bonds to exercise of its rights and remedies hereunder or under the Financial Assistance Agreement, as it pertains to an Event of Default under the First Lien Master Trust Indenture are limited to those rights set forth in the First Lien Master Trust Indenture for a holder of a First Lien Bond and subject to the provisions of the First Lien Master Trust Indenture limiting the rights of a holder of a First Lien Bond to exercise any such remedy. The owners of not less than 25% in aggregate principal amount of outstanding First Lien Bonds have the right to apply for the appointment of a receiver for the Wastewater System for the benefit of all owners of First Lien Bonds, in the manner provided in Section 6.03 of the First Lien Master Indenture, in the event of any failure to pay the principal of or interest on any of the First Lien Bonds, including the Series 2017A Bonds when due, to administer the Wastewater System on behalf of the Authority and the owners of the First Lien Bonds, including the Series 2017A Bonds, with power to charge and collect rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and also to pay the principal of and interest on the First Lien Bonds, including the Series 2017A Bonds, and to apply the revenues of the Wastewater System in conformity with the Authorizing Acts and the provisions of the First Lien Master Indenture and this Series 2017A Supplemental Indenture.

Section 16. Defeasance. If, when the Series 2017A Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call one or more Series 2017A Bonds or a portion thereof shall have been given and the whole amount of the principal of and interest so due and payable upon all of such Series 2017A Bonds or a portion thereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with Section 5.07 of the First Lien Master Indenture (provided that in all cases upon such deposit, the Trustee and the IFA will receive a verification report as described in Section 5.07 of the First Lien Master Indenture), then and in that case such Series 2017A Bonds or such portion thereof issued hereunder shall no longer be deemed outstanding or an indebtedness of the Authority.

Section 17. Additional First Lien Bonds. The Authority reserves the right to issue additional First Lien Bonds ranking on parity with the Series 2017A Bonds on the terms and conditions set forth in the First Lien Master Indenture.

Section 18. Amendment of Supplemental Indenture. This Supplemental Indenture may be amended or modified in the same manner as provided in Article VIII of the First Lien Master Indenture.

Notwithstanding the foregoing, as to any Series 2017A Bonds pledged to the IFA pursuant to the SRF Program, no amendment to this Series 2017A Supplemental Indenture shall be adopted unless consented to in writing by the IFA and, prior to any such amendment to this Series 2017A Supplemental Indenture, the Authority shall give the IFA thirty (30) days' prior notice of such amendment.

Section 19. Notices. Notwithstanding anything in the First Lien Master Indenture to the contrary, except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given if in writing and shall be deemed given when mailed by registered, certified or first class mail, postage prepaid, or by qualified overnight courier service mutually acceptable to the delivering and recipient parties, courier charges prepaid, addressed as follows:

If to the Authority: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: Chief Financial Officer
Telephone: (317) 927-4583
Facsimile: (317) 927-4395

with a copy to: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: General Counsel
Telephone: (317) 927-4751
Facsimile• (317) 927-4549

If to the Trustee or the Registrar and Paying Agent: The Bank of New York Mellon Trust Company, N.A.
300 North Meridian Street, Suite 910
Indianapolis, Indiana 46204
Attention: Corporate Trust Services
Telephone: (317) 637-7778
Facsimile: (317) 637-9821

If to the IFA: Indiana Finance Authority
SRF Programs
IGCN, Room 1275
100 North Senate Avenue
Indianapolis, Indiana 46204
Attention: General Counsel
Telephone: (317) 234-2916
Facsimile: (317) 234-1338

Notwithstanding anything in the First Lien Master Indenture to the contrary, unless specifically required by the terms of the First Lien Master Indenture, any notice required to be given pursuant to any provision of the First Lien Master Indenture may be given by any form of electronic transmission that is capable of producing a written record, including, without

limitation, telecopy transmissions; *provided* that the deliverer of any such notice given by electronic transmission shall verify receipt of such notice promptly upon the transmission thereof and such notice shall not be deemed duly given unless full and legible receipt thereof has been verified by the recipient of such notice. The Authority and the Trustee, Registrar and Paying Agent may, by notice pursuant to this Section 18, designate any different addresses to which subsequent notices, certificates or other communications shall be sent. A duplicate copy of each notice, approval, consent, request, complaint, demand or other communication given hereunder by the Authority or the Trustee to any one of the others shall also be given to each one of the others.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officer with the authority to provide such Instructions ("Authorized Officers") and containing specimen signature of such Authorized Officer, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and all Authorized Officers are solely responsible to safeguard that use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written Instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 20. Miscellaneous.

(a) If any section, paragraph or provision of this Series 2017A Supplemental Indenture shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Series 2017A Supplemental Indenture.

(b) With respect to any Series 2017A Bonds pledged to the IFA pursuant to the SRF Program, if the date for making any payment is a day when financial institutions are not open for business, such payment shall be made on the Business Day immediately succeeding such payment date.

(c) With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Series 2017A Supplemental Indenture or the Series 2017A Bonds or coupons is intended or should be construed to confer upon or give to any person other than the Authority, the Trustee, and the Owners of the Series 2017A Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Series 2017A Supplemental Indenture or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Series 2017A Supplemental Indenture and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Authority, the Trustee, and the Owners from time to time of the Series 2017A Bonds as herein and therein provided.

(d) All the terms, provisions, conditions, covenants, warranties and agreements contained in this Series 2017A Supplemental Indenture shall be binding upon the successors and assigns of the Authority, and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns and the Owners of the Series 2017A Bonds.

(e) Any bank or trust company with or into which a Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purpose of this Series 2017A Supplemental Indenture. If the position of Paying Agent shall become vacant for any reason, the Authority shall, within thirty (30) days thereafter, appoint a bank or trust company located in the same city as Paying Agent to fill such vacancy; *provided, however*, that if the Authority shall fail to appoint such Paying Agent within such period, the Trustee shall make such appointment.

(f) No member, officer or employee of the Authority or the Authority Board shall be individually or personally liable for the payment of the principal of or interest or redemption premium on any Series 2017A Bond. Nothing herein contained shall, however, relieve any such member, officer or employee from the performance of any duty provided or required by law.

(g) This Series 2017A Supplemental Indenture shall be construed and enforced in accordance with the laws of the State of Indiana.

(h) The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Series 2017A Supplemental Indenture.

(i) This Series 2017A Supplemental Indenture and the First Lien Master Indenture shall constitute a contract between the Authority and Owners of the Series 2017A Bonds.

(j) This Series 2017A Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(k) The Trustee, any Paying Agent or any Registrar, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series 2017A Bonds, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, any Paying Agent or any Registrar, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority, and may act as depository, trustee or agent for any committee or body of Owners secured by this Series 2017A Supplemental Indenture or other obligations of the Authority as freely as if it did not act in any capacity under this Series 2017A Supplemental Indenture.

(l) Whenever in this Series 2017A Supplemental Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 21. Representations, Warranties and Covenants for Revised Article 9 Collateral.

(a) The First Lien Master Indenture and this Series 2017A Supplemental Indenture creates a valid and binding pledge, assignment, lien on and security interest in the Net Revenues and Pledged Funds in favor of the Trustee as security for payment of the Series 2017A Bonds, as described in Section 3.01 of the First Lien Master Indenture and Section 5(b) hereof, enforceable by the Trustee in accordance with the terms hereof.

(b) Under the laws of the State of Indiana, (i) such lien and/or security interest, (ii) and each pledge, assignment, lien, or other security interest made to secure any obligations of the Authority which, by the terms hereof, ranks on a parity with the lien and security interest granted by this Series 2017A Supplemental Indenture, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract. By the date of issue of the Series 2017A Bonds, the Authority will have filed all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any Series 2017A Bonds are outstanding the Authority will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the Authority is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9-301-9-306 of such jurisdiction. The pledge made by this Series 2017A Supplemental Indenture shall be effective pursuant to IC 5-1-14-4, IC 26-1-9.1-109(d)(15) and IC 26-1-9.1-515(b) notwithstanding any failure to file a financing statement as described above.

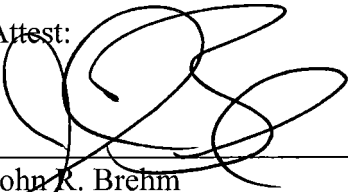
(c) Except as permitted by the First Lien Master Trust Indenture, the Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Net Revenues or the Pledged Funds that ranks on a parity with or prior to the lien and/or security interest granted by this Series 2017A Supplemental Indenture. The Authority

shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest on such collateral that ranks prior to or on a parity with the lien and/or security interest granted by this Series 2017A Supplemental Indenture, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby and by the First Lien Master Indenture.

IN WITNESS WHEREOF, the Authority has caused this Series 2017A Supplemental Indenture to be executed by its President and Chief Executive Officer and attested by its Senior Vice President and Chief Financial Officer, and the Trustee has caused this Series 2017A Supplemental Indenture to be executed on its behalf by its duly authorized officer and its corporate seal to be impressed hereon and attested by its duly authorized officer, all as of the day and year first above written.

CWA AUTHORITY, INC.

By: _____
Jeffr turison
President and Chief Executive Officer

Attest:


John R. Brehm
Senior Vice President and Chief Financial Officer


THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____

Name: **Nancy Storms**
AUTHORIZED OFFICER

Title: _____

Attest:

By: 

Name: **Derick Rush**

Title: **AUTHORIZED OFFICER**

EXHIBIT A

BOND FORM

[Form of Series 2017A Bond]

UNITED STATES OF AMERICA

STATE OF INDIANA
No. 17-AR-1

COUNTY OF MARION
\$163,526,839

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA
FIRST LIEN WASTEWATER REVENUE BOND, SERIES 2017A

<u>Interest Rate</u>	<u>Original Date</u>	<u>Maturity Date</u>	<u>Authentication Date</u>
See <u>Schedule A</u>	July 21, 2017	See <u>Schedule A</u>	July 21, 2017

Registered Owner: INDIANA FINANCE AUTHORITY

Principal Sum: See Schedule A

CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Act of 1991, as amended, Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") (as defined in the hereinafter defined First Lien Master Indenture) and as necessary under the Authorizing Acts to act on behalf of the City of Indianapolis, Indiana, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner stated above, or registered assigns, but solely out of the Net Revenues of the Wastewater System and the Pledged Funds (all as defined in the hereinafter defined Indentures), the principal sum stated above, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this bond, on July 1 in the years and amounts as set forth on Schedule A hereto, on the maturity dates stated on Schedule A hereto, and to pay interest on said principal sum to the registered owner of this bond until the Authority's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above from the Interest Payment Date

immediately preceding the date of the authentication of this bond, unless this bond is authenticated on or before January 15, 2018, in which case the interest shall be paid from the Original Date stated above or unless this bond is authenticated between the Record Date (as defined in the Series 2017A Supplemental Indenture) preceding an Interest Payment Date and the Interest Payment Date, in which case interest shall be paid from such Interest Payment Date. Interest shall be payable semi-annually on January 1 and July 1 of each year, commencing January 1, 2018. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

All payments of principal of and interest on this bond shall be paid by wire transfer for deposit to the corporate trust operations office of The Bank of New York Mellon Trust Company, N.A. ("Trustee," "Registrar" or "Paying Agent") or to a financial institution as directed by the Indiana Finance Authority (the "IFA") (or any successor thereto) on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or Paying Agent, or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on this bond shall be made in coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

This bond, together with interest hereon, shall be payable solely out of the Net Revenues and the Pledged Funds, after the payment only of the Operation and Maintenance Expenses (as defined in the First Lien Master Indenture). The Series 2017A Bonds are issued on a parity with all other Parity Obligations (as defined in the First Lien Master Indenture) to be issued as described in the First Lien Master Indenture and in the 2017A Supplemental Indenture (as defined below). The First Lien Bonds (as defined in the First Lien Master Indenture) constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by a lien on and pledge of the Net Revenues and Pledged Funds. For the benefit of the owners of First Lien Bonds, the Authority, pursuant to the First Lien Master Indenture and the Series 2017A Supplemental Indenture, has granted a lien on and pledge of the Net Revenues and Pledged Funds to secure the payment of principal of, premium, if any, and interest on the First Lien Bonds and all expenses of providing for their full and timely payment in accordance with their terms, as provided in the First Lien Master Indenture and the Series 2017A Supplemental Indenture and pursuant to the Authorizing Acts. Subject to the provisions of the First Lien Master Indenture and the Series 2017A Supplemental Trust Indenture dated as of July 1, 2017 (the "Series 2017A Supplemental Indenture"), between the Authority and the Trustee for registration, this bond is negotiable under the laws of the State of Indiana.

This bond is one of an authorized issue of bonds of the Authority in the aggregate principal amount of One Hundred Sixty-Three Million Five Hundred Twenty-Six

Thousand Eight Hundred Thirty-Nine Dollars (\$163,526,839) (the "Series 2017A Bonds"), numbered consecutively from 17-AR-1 upwards, issued pursuant to the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture", as amended and supplemented by the Series 2011A First Lien Supplemental Trust Indenture dated as of July 1, 2011, the Series 2012A First Lien Supplemental Trust Indenture dated as of September 1, 2012, the Series 2014A Supplemental Trust Indenture dated as of July 1, 2014, the Series 2015A First Lien Supplemental Trust Indenture dated as of February 1, 2015, the Series 2016A First Lien Supplemental Trust Indenture dated as of September 1, 2016, the Series 2016C First Lien Supplemental Trust Indenture dated as of September 1, 2016, and the Series 2017A Supplemental Trust Indenture dated as of July 1, 2017, the "Indentures") between the Authority and the Trustee as well as the Financial Assistance Agreement dated as of July 21, 2017 between the Authority and the IFA.

The Authority irrevocably pledges the entire Net Revenues of such Wastewater System and the Pledged Funds to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the First Lien Master Indenture and the Parity Obligations issued in connection therewith, including this bond, in the manner described in Section 3.01 of the First Lien Master Indenture and Section 5(b) of the Series 2017A Supplemental Indenture, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by such Wastewater System as are sufficient in each year for the payment of the Operation and Maintenance Expenses of the Wastewater System, and for the payment of the sums required to be paid into such Bond Interest and Principal Fund and the Bond Reserve Fund under the provisions of the Authorizing Acts and the First Lien Master Indenture. In the event the Authority, or the Authorized Officers thereof, shall fail or refuse to fix, maintain and collect such rates or charges, or if there be a default in the payment of the principal of or interest on this bond, the owner of this bond shall have all of the rights and remedies provided for in such Indentures and the Authorizing Acts.

The bonds maturing in any one year are issuable only in fully registered form in Authorized Denominations or integral multiples thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Series 2017A Bonds maturing on or after July 1, 2028, are subject to optional redemption prior to their maturity on July 1, 2027, or any date thereafter, on not less than sixty (60) days' and not more than ninety (90) days' notice, in whole or in part, in inverse order of maturity, at face value, plus interest accrued to the date fixed for redemption, at a redemption price set forth below:

102% if redeemed on July 1, 2027 or thereafter
on or before June 30, 2028;
101% if redeemed on July 1, 2028 or thereafter
on or before June 30, 2029;
0% if redeemed on July 1, 2029 or thereafter
prior to maturity.

Provided however if the Series 2017A Bonds are registered in the name of the Indiana Finance Authority, the Series 2017A Bonds shall not be redeemable at the option of the Authority unless and until consented to by the IFA.

Official notice of any such redemption shall be sent by registered or certified mail to the registered owner of this bond not less than sixty (60) days and not more than ninety (90) days prior to the date fixed for redemption at the address shown on the registration books of the Registrar and Paying Agent or at such other address as is furnished in writing to the Registrar and Paying Agent, unless such notice is waived by the registered owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Authority. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption, to pay the redemption price on the redemption date or when presented for payment.

If fewer than all of the bonds of the Series 2017A Bonds of a maturity are to be called for redemption, the principal amount of the particular Series 2017A Bonds to be redeemed shall be selected by lot by the Trustee in Authorized Denominations. The aggregate principal amount of each Series 2017A Bond remaining outstanding shall be in an Authorized Denomination.

If this bond or a portion hereof shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal of and interest so due and payable upon all of this bond or a portion hereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with the First Lien Master Indenture, then and in that case this bond or such portion hereof shall no longer be deemed outstanding or an indebtedness of the Authority.

This bond is transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of

this bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be required to make any transfer or exchange of this bond if it has been called for redemption or following the Record Date immediately preceding an Interest Payment Date on this bond until such Interest Payment Date. The Authority and the Registrar and Paying Agent may treat and consider the person in whose name this bond is registered as the absolute Owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided that, in the case of this bond being mutilated, this bond shall first be surrendered to the Authority and the Registrar and Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Authority and the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Authority and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured, instead of issuing a duplicate bond, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay this bond without surrender hereof. The Authority and the Registrar and Paying Agent may charge the registered owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Authority, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Indentures, equally and proportionately with any and all other First Lien Bonds duly issued thereunder.

In the manner provided in the Indentures, the Indentures and the rights and obligations of the Authority and of the registered owners of the bonds may (with certain exceptions as stated in the Indenture) be modified or amended without the consent of the owners of the bonds.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving sixty (60) days' written notice to the Authority and to the registered owners of bonds then outstanding and such resignation will take effect upon the

appointment of a successor Registrar and Paying Agent by the Authority. Such notice to the Authority may be served personally or be sent by registered mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the Authority, in which event the Authority may appoint a successor Registrar and Paying Agent. The Authority shall cause the registered owner of this bond, if then outstanding, to be notified by certified or registered mail of the removal of the Registrar and Paying Agent. Notices to registered owners of bonds shall be deemed to be given when mailed by certified or registered mail to the addresses of such registered owners as they appear in the registration books kept by the Registrar and Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law and the Constitution of the State of Indiana to be done precedent to and in the execution, issuance, sale and delivery of this bond have been properly done, happened and performed in regular and due form as prescribed by law.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indentures authorizing this bond until the certificate of authentication hereon shall have been duly executed by an authorized representative of the Registrar and Paying Agent.

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City of Indianapolis, Indiana, and attested by the manual or facsimile signature of the Controller of the City of Indianapolis, Indiana, who has caused the official seal of the City of Indianapolis, Indiana, to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon and by the manual or facsimile signature of the President and Chief Executive Officer of CWA Authority, Inc. and attested by the manual or facsimile signature of the Senior Vice President and Chief Financial Officer of CWA Authority, Inc.

CITY OF INDIANAPOLIS, INDIANA

By: _____
Mayor, City of Indianapolis, Indiana

(SEAL)

ATTEST:

Clerk, City of Indianapolis, Indiana

ATTEST:

Controller, City of Indianapolis, Indiana

CWA AUTHORITY, INC.

By: _____
President and Chief Executive Officer

ATTEST:

Senior Vice President
and Chief Financial Officer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Registrar and Paying Agent

By:

Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Insert name and address of transferee)

this bond and all rights hereunder and hereby irrevocably constitutes and appoints _____, attorney, to transfer this bond on the books kept for the registration hereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the front of this bond without alternation or enlargement or any change whatsoever.

[SCHEDULE A]

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
7/1/2018	\$ 3,344,450	3.53 %
7/1/2019	3,255,650	3.53
7/1/2020	3,370,775	3.53
7/1/2021	3,489,964	3.53
7/1/2022	3,613,360	3.53
7/1/2023	3,741,112	3.53
7/1/2024	3,873,374	3.53
7/1/2025	4,010,305	3.53
7/1/2026	4,152,069	3.53
7/1/2027	4,298,837	3.53
7/1/2028	4,450,787	3.53
7/1/2029	4,608,100	3.53
7/1/2030	4,770,967	3.53
7/1/2031	4,939,583	3.53
7/1/2032	5,114,150	3.53
7/1/2033	5,294,880	3.53
7/1/2034	5,481,990	3.53
7/1/2035	5,681,386	3.53
7/1/2036	5,881,939	3.53
7/1/2037	6,089,572	3.53
7/1/2038	6,304,534	3.53
7/1/2039	6,527,084	3.53
7/1/2040	6,757,490	3.53
7/1/2041	6,996,029	3.53
7/1/2042	7,242,989	3.53
7/1/2043	7,498,667	3.53
7/1/2044	7,763,370	3.53
7/1/2045	8,037,416	3.53
7/1/2046	8,321,137	3.53
7/1/2047	8,614,873	3.53

EXHIBIT B

SCHEDULE OF MONTHLY PRINCIPAL AND INTEREST — Transfers to SRF

(See Attached)

\$163,526,839
 CWA Authority, Inc.
 City of Indianapolis, Indiana
 First Lien Wastewater Revenue Bonds, Series 2017A
 Expected Closing Date: July 21, 2017

Transfer Date	Transfer Amount		Total	
	Principal	Interest		
9/1/2017	304,040.91	513,110.88	817,151.79	
10/1/2017	304,040.91	513,110.88	\$ 817,151.79	
11/1/2017	304,040.91	513,110.88	\$ 817,151.79	
12/1/2017	304,040.91	513,110.88	\$ 817,151.79	
1/1/2018	304,040.91	513,110.88	\$ 817,151.79	
2/1/2018	304,040.91	481,041.45	\$ 785,082.36	
3/1/2018	304,040.91	481,041.45	\$ 785,082.36	
4/1/2018	304,040.91	481,041.45	\$ 785,082.36	
5/1/2018	304,040.91	481,041.45	\$ 785,082.36	
6/1/2018	304,040.91	481,041.45	\$ 785,082.36	
7/1/2018	304,040.91	481,041.45	\$ 785,082.36	\$ 8,796,253.12
8/1/2018	271,304.17	471,203.20	\$ 742,507.36	
9/1/2018	271,304.17	471,203.20	\$ 742,507.36	
10/1/2018	271,304.17	471,203.20	\$ 742,507.36	
11/1/2018	271,304.17	471,203.20	\$ 742,507.36	
12/1/2018	271,304.17	471,203.20	\$ 742,507.36	
1/1/2019	271,304.17	471,203.20	\$ 742,507.36	
2/1/2019	271,304.17	471,203.20	\$ 742,507.36	
3/1/2019	271,304.17	471,203.20	\$ 742,507.36	
4/1/2019	271,304.17	471,203.20	\$ 742,507.36	
5/1/2019	271,304.17	471,203.20	\$ 742,507.36	
6/1/2019	271,304.17	471,203.20	\$ 742,507.36	
7/1/2019	271,304.17	471,203.20	\$ 742,507.36	\$ 8,910,088.34
8/1/2019	280,897.92	461,626.16	\$ 742,524.07	
9/1/2019	280,897.92	461,626.16	\$ 742,524.07	
10/1/2019	280,897.92	461,626.16	\$ 742,524.07	
11/1/2019	280,897.92	461,626.16	\$ 742,524.07	
12/1/2019	280,897.92	461,626.16	\$ 742,524.07	
1/1/2020	280,897.92	461,626.16	\$ 742,524.07	
2/1/2020	280,897.92	461,626.16	\$ 742,524.07	
3/1/2020	280,897.92	461,626.16	\$ 742,524.07	
5/1/2020	280,897.92	461,626.16	\$ 742,524.07	
6/1/2020	280,897.92	461,626.16	\$ 742,524.07	
7/1/2020	280,897.92	461,626.16	\$ 742,524.07	\$ 8,910,288.88
8/1/2020	290,830.33	451,710.46	\$ 742,540.79	
9/1/2020	290,830.33	451,710.46	\$ 742,540.79	
10/1/2020	290,830.33	451,710.46	\$ 742,540.79	
11/1/2020	290,830.33	451,710.46	\$ 742,540.79	
12/1/2020	290,830.33	451,710.46	\$ 742,540.79	

1/1/2021	\$	290,830.33	451,710.46	\$	742,540.79	
2/1/2021	\$	290,830.33	451,710.46	\$	742,540.79	
3/1/2021	\$	290,830.33	451,710.46	\$	742,540.79	
4/1/2021	\$	290,830.33	451,710.46	\$	742,540.79	
5/1/2021	\$	290,830.33	451,710.46	\$	742,540.79	
6/1/2021	\$	290,830.33	451,710.46	\$	742,540.79	
7/1/2021	\$	290,830.33	451,710.46	\$	742,540.79	\$ 8,910,489.52
8/1/2021	\$	301,113.33	441,444.15	\$	742,557.48	
9/1/2021	\$	301,113.33	441,444.15	\$	742,557.48	
10/1/2021	\$	301,113.33	441,444.15	\$	742,557.48	
11/1/2021	\$	301,113.33	441,444.15	\$	742,557.48	
12/1/2021	\$	301,113.33	441,444.15	\$	742,557.48	
1/1/2022	\$	301,113.33	441,444.15	\$	742,557.48	
2/1/2022	\$	301,113.33	441,444.15	\$	742,557.48	
3/1/2022	\$	301,113.33	441,444.15	\$	742,557.48	
4/1/2022	\$	301,113.33	441,444.15	\$	742,557.48	
5/1/2022	\$	301,113.33	441,444.15	\$	742,557.48	
6/1/2022	\$	301,113.33	441,444.15	\$	742,557.48	
7/1/2022	\$	301,113.33	441,444.15	\$	742,557.48	\$ 8,910,689.79
8/1/2022	\$	311,759.33	430,814.85	\$	742,574.18	
9/1/2022	\$	311,759.33	430,814.85	\$	742,574.18	
10/1/2022	\$	311,759.33	430,814.85	\$	742,574.18	
11/1/2022	\$	311,759.33	430,814.85	\$	742,574.18	
12/1/2022	\$	311,759.33	430,814.85	\$	742,574.18	
1/1/2023	\$	311,759.33	430,814.85	\$	742,574.18	
2/1/2023	\$	311,759.33	430,814.85	\$	742,574.18	
3/1/2023	\$	311,759.33	430,814.85	\$	742,574.18	
4/1/2023	\$	311,759.33	430,814.85	\$	742,574.18	
5/1/2023	\$	311,759.33	430,814.85	\$	742,574.18	
6/1/2023	\$	311,759.33	430,814.85	\$	742,574.18	
7/1/2023	\$	311,759.33	430,814.85	\$	742,574.18	\$ 8,910,890.20
8/1/2023	\$	322,781.17	419,809.74	\$	742,590.91	
9/1/2023	\$	322,781.17	419,809.74	\$	742,590.91	
10/1/2023	\$	322,781.17	419,809.74	\$	742,590.91	
11/1/2023	\$	322,781.17	419,809.74	\$	742,590.91	
12/1/2023	\$	322,781.17	419,809.74	\$	742,590.91	
1/1/2024	\$	322,781.17	419,809.74	\$	742,590.91	
2/1/2024	\$	322,781.17	419,809.74	\$	742,590.91	
3/1/2024	\$	322,781.17	419,809.74	\$	742,590.91	
4/1/2024	\$	322,781.17	419,809.74	\$	742,590.91	
5/1/2024	\$	322,781.17	419,809.74	\$	742,590.91	
6/1/2024	\$	322,781.17	419,809.74	\$	742,590.91	
7/1/2024	\$	322,781.17	419,809.74	\$	742,590.91	\$ 8,911,090.93
8/1/2024	\$	334,192.08	408,415.57	\$	742,607.65	
9/1/2024	\$	334,192.08	408,415.57	\$	742,607.65	
10/1/2024	\$	334,192.08	408,415.57	\$	742,607.65	
11/1/2024	\$	334,192.08	408,415.57	\$	742,607.65	

12/1/2024	\$	334,192.08	408,415.57	\$	742,607.65	
1 ¹ / ₂ 025	\$	334,192.08	408,415.57	\$	742,607.65	
2/1/2025	\$	334,192.08	408,415.57	\$	742,607.65	
3/1/2025	\$	334,192.08	408,415.57	\$	742,607.65	
4/1/2025	\$	334,192.08	408,415.57	\$	742,607.65	
5/1/2025	\$	334,192.08	408,415.57	\$	742,607.65	
6/1/2025	\$	334,192.08	408,415.57	\$	742,607.65	
7/1/2025	\$	334,192.08	408,415.57	\$	742,607.65	\$ 8,911,291.85
8/1/2025	\$	346,005.75	396,618.59	\$	742,624.34	
9/1/2025	\$	346,005.75	396,618.59	\$	742,624.34	
10/1/2025	\$	346,005.75	396,618.59	\$	742,624.34	
11/1/2025	\$	346,005.75	396,618.59	\$	742,624.34	
12/1/2025	\$	346,005.75	396,618.59	\$	742,624.34	
1/1/2026	\$	346,005.75	396,618.59	\$	742,624.34	
2/1/2026	\$	346,005.75	396,618.59	\$	742,624.34	
3/1/2026	\$	346,005.75	396,618.59	\$	742,624.34	
4/1/2026	\$	346,005.75	396,618.59	\$	742,624.34	
5/1/2026	\$	346,005.75	396,618.59	\$	742,624.34	
6/1/2026	\$	346,005.75	396,618.59	\$	742,624.34	
7/1/2026	\$	346,005.75	396,618.59	\$	742,624.34	\$ 8,911,492.06
8/1/2026	\$	358,236.42	384,404.59	\$	742,641.00	
9/1/2026	\$	358,236.42	384,404.59	\$	742,641.00	
10/1/2026	\$	358,236.42	384,404.59	\$	742,641.00	
11/1/2026	\$	358,236.42	384,404.59	\$	742,641.00	
12 ¹ / ₂ 026	\$	358,236.42	384,404.59	\$	742,641.00	
1/1/2027	\$	358,236.42	384,404.59	\$	742,641.00	
2/1/2027	\$	358,236.42	384,404.59	\$	742,641.00	
3/1/2027	\$	358,236.42	384,404.59	\$	742,641.00	
4/1/2027	\$	358,236.42	384,404.59	\$	742,641.00	
5/1/2027	\$	358,236.42	384,404.59	\$	742,641.00	
6/1/2027	\$	358,236.42	384,404.59	\$	742,641.00	
7/1/2027	\$	358,236.42	384,404.59	\$	742,641.00	\$ 8,911,692.05
8/1/2027	\$	370,898.92	371,758.84	\$	742,657.76	
9/1/2027	\$	370,898.92	371,758.84	\$	742,657.76	
10/1/2027	\$	370,898.92	371,758.84	\$	742,657.76	
11/1/2027	\$	370,898.92	371,758.84	\$	742,657.76	
12/1/2027	\$	370,898.92	371,758.84	\$	742,657.76	
1/1/2028	\$	370,898.92	371,758.84	\$	742,657.76	
2/1/2028	\$	370,898.92	371,758.84	\$	742,657.76	
3/1/2028	\$	370,898.92	371,758.84	\$	742,657.76	
4/1/2028	\$	370,898.92	371,758.84	\$	742,657.76	
5/1/2028	\$	370,898.92	371,758.84	\$	742,657.76	
6/1/2028	\$	370,898.92	371,758.84	\$	742,657.76	
7/1/2028	\$	370,898.92	371,758.84	\$	742,657.76	\$ 8,911,893.08
8/1/2028	\$	384,008.33	358,666.11	\$	742,674.44	
9/1/2028	\$	384,008.33	358,666.11	\$	742,674.44	
10/1/2028	\$	384,008.33	358,666.11	\$	742,674.44	

11/1/2028	\$	384,008.33	358,666.11	\$	742,674.44	
12/1/2028	\$	384,008.33	358,666.11	\$	742,674.44	
1/1/2029	\$	384,008.33	358,666.11	\$	742,674.44	
2/1/2029	\$	384,008.33	358,666.11	\$	742,674.44	
3/1/2029	\$	384,008.33	358,666.11	\$	742,674.44	
4/1/2029	\$	384,008.33	358,666.11	\$	742,674.44	
5/1/2029	\$	384,008.33	358,666.11	\$	742,674.44	
6/1/2029	\$	384,008.33	358,666.11	\$	742,674.44	
7/1/2029	\$	384,008.33	358,666.11	\$	742,674.44	\$ 8,912,093.31
8/1/2029	\$	397,580.58	345,110.61	\$	742,691.20	
9/1/2029	\$	397,580.58	345,110.61	\$	742,691.20	
10/1/2029	\$	397,580.58	345,110.61	\$	742,691.20	
11/1/2029	\$	397,580.58	345,110.61	\$	742,691.20	
12/1/2029	\$	397,580.58	345,110.61	\$	742,691.20	
1/1/2030	\$	397,580.58	345,110.61	\$	742,691.20	
2/1/2030	\$	397,580.58	345,110.61	\$	742,691.20	
3/1/2030	\$	397,580.58	345,110.61	\$	742,691.20	
4/1/2030	\$	397,580.58	345,110.61	\$	742,691.20	
5/1/2030	\$	397,580.58	345,110.61	\$	742,691.20	
6/1/2030	\$	397,580.58	345,110.61	\$	742,691.20	
7/1/2030	\$	397,580.58	345,110.61	\$	742,691.20	\$ 8,912,294.38
8/1/2030	\$	411,631.92	331,076.02	\$	742,707.94	
9/1/2030	\$	411,631.92	331,076.02	\$	742,707.94	
10/1/2030	\$	411,631.92	331,076.02	\$	742,707.94	
11/1/2030	\$	411,631.92	331,076.02	\$	742,707.94	
12/1/2030	\$	411,631.92	331,076.02	\$	742,707.94	
1/1/2031	\$	411,631.92	331,076.02	\$	742,707.94	
2/1/2031	\$	411,631.92	331,076.02	\$	742,707.94	
3/1/2031	\$	411,631.92	331,076.02	\$	742,707.94	
4/1/2031	\$	411,631.92	331,076.02	\$	742,707.94	
5/1/2031	\$	411,631.92	331,076.02	\$	742,707.94	
6/1/2031	\$	411,631.92	331,076.02	\$	742,707.94	
7/1/2031	\$	411,631.92	331,076.02	\$	742,707.94	\$ 8,912,495.24
8/1/2031	\$	426,179.17	316,545.41	\$	742,724.58	
9/1/2031	\$	426,179.17	316,545.41	\$	742,724.58	
10/1/2031	\$	426,179.17	316,545.41	\$	742,724.58	
11/1/2031	\$	426,179.17	316,545.41	\$	742,724.58	
12/1/2031	\$	426,179.17	316,545.41	\$	742,724.58	
1/1/2032	\$	426,179.17	316,545.41	\$	742,724.58	
2/1/2032	\$	426,179.17	316,545.41	\$	742,724.58	
3/1/2032	\$	426,179.17	316,545.41	\$	742,724.58	
4/1/2032	\$	426,179.17	316,545.41	\$	742,724.58	
5/1/2032	\$	426,179.17	316,545.41	\$	742,724.58	
6/1/2032	\$	426,179.17	316,545.41	\$	742,724.58	
7/1/2032	\$	426,179.17	316,545.41	\$	742,724.58	\$ 8,912,694.96
8/1/2032	\$	441,240.00	301,501.29	\$	742,741.29	
9/1/2032	\$	441,240.00	301,501.29	\$	742,741.29	

10/1/2032	\$	441,240.00	301,501.29	\$	742,741.29	
11/1/2032	\$	441,240.00	301,501.29	\$	742,741.29	
12/1/2032	\$	441,240.00	301,501.29	\$	742,741.29	
1/1/2033	\$	441,240.00	301,501.29	\$	742,741.29	
2/1/2033	\$	441,240.00	301,501.29	\$	742,741.29	
3/1/2033	\$	441,240.00	301,501.29	\$	742,741.29	
4/1/2033	\$	441,240.00	301,501.29	\$	742,741.29	
5/1/2033	\$	441,240.00	301,501.29	\$	742,741.29	
6/1/2033	\$	441,240.00	301,501.29	\$	742,741.29	
7/1/2033	\$	441,240.00	301,501.29	\$	742,741.29	\$ 8,912,895.47
8/1/2033	\$	456,832.50	285,925.52	\$	742,758.02	
9 ¹ / ₂ 033	\$	456,832.50	285,925.52	\$	742,758.02	
10 ¹ / ₂ 033	\$	456,832.50	285,925.52	\$	742,758.02	
1 ¹ / ₁ 2033	\$	456,832.50	285,925.52	\$	742,758.02	
1 ² / ₁ 2033	\$	456,832.50	285,925.52	\$	742,758.02	
1/1/2034	\$	456,832.50	285,925.52	\$	742,758.02	
2/1/2034	\$	456,832.50	285,925.52	\$	742,758.02	
3/1/2034	\$	456,832.50	285,925.52	\$	742,758.02	
4 ¹ / ₂ 034	\$	456,832.50	285,925.52	\$	742,758.02	
5/1/2034	\$	456,832.50	285,925.52	\$	742,758.02	
6/1/2034	\$	456,832.50	285,925.52	\$	742,758.02	
<u>7/1/2034</u>	\$	456,832.50	285,925.52	\$	742,758.02	\$ 8,913,096.21
8/1/2034	\$	473,448.83	269,799.33	\$	743,248.16	
9/1/2034	\$	473,448.83	269,799.33	\$	743,248.16	
10 ¹ / ₂ 034	\$	473,448.83	269,799.33	\$	743,248.16	
11/1/2034	\$	473,448.83	269,799.33	\$	743,248.16	
12/1/2034	\$	473,448.83	269,799.33	\$	743,248.16	
1/1/2035	\$	473,448.83	269,799.33	\$	743,248.16	
2/1/2035	\$	473,448.83	269,799.33	\$	743,248.16	
3/1/2035	\$	473,448.83	269,799.33	\$	743,248.16	
4/1/2035	\$	473,448.83	269,799.33	\$	743,248.16	
5/1/2035	\$	473,448.83	269,799.33	\$	743,248.16	
6/1/2035	\$	473,448.83	269,799.33	\$	743,248.16	
7/1/2035	\$	473,448.83	269,799.33	\$	743,248.16	\$ 8,918,977.96
8/1/2035	\$	490,161.58	253,086.59	\$	743,248.17	
9/1/2035	\$	490,161.58	253,086.59	\$	743,248.17	
10/1/2035	\$	490,161.58	253,086.59	\$	743,248.17	
11/1/2035	\$	490,161.58	253,086.59	\$	743,248.17	
12 ¹ / ₂ 035	\$	490,161.58	253,086.59	\$	743,248.17	
1/1/2036	\$	490,161.58	253,086.59	\$	743,248.17	
2/1/2036	\$	490,161.58	253,086.59	\$	743,248.17	
3 ¹ / ₂ 036	\$	490,161.58	253,086.59	\$	743,248.17	
4/1/2036	\$	490,161.58	253,086.59	\$	743,248.17	
5/1/2036	\$	490,161.58	253,086.59	\$	743,248.17	
6/1/2036	\$	490,161.58	253,086.59	\$	743,248.17	
7/1/2036	\$	490,161.58	253,086.59	\$	743,248.17	\$ 8,918,978.03
8/1/2036	\$	507,464.33	235,783.88	\$	743,248.22	

9/1/2036	\$	507,464.33	235,783.88	\$	743,248.22	
10 ¹ / ₂ 2036	\$	507,464.33	235,783.88	\$	743,248.22	
11/1/2036	\$	507,464.33	235,783.88	\$	743,248.22	
12/1/2036	\$	507,464.33	235,783.88	\$	743,248.22	
1/1/2037	\$	507,464.33	235,783.88	\$	743,248.22	
2/1/2037	\$	507,464.33	235,783.88	\$	743,248.22	
3/1/2037	\$	507,464.33	235,783.88	\$	743,248.22	
4/1/2037	\$	507,464.33	235,783.88	\$	743,248.22	
5/1/2037	\$	507,464.33	235,783.88	\$	743,248.22	
6/1/2037	\$	507,464.33	235,783.88	\$	743,248.22	
7/1/2037	\$	507,464.33	235,783.88	\$	743,248.22	\$ 8,918,978.59
8/1/2037	\$	525,377.83	217,870.39	\$	743,248.22	
9/1/2037	\$	525,377.83	217,870.39	\$	743,248.22	
10/1/2037	\$	525,377.83	217,870.39	\$	743,248.22	
11/1/2037	\$	525,377.83	217,870.39	\$	743,248.22	
12/1/2037	\$	525,377.83	217,870.39	\$	743,248.22	
1/1/2038	\$	525,377.83	217,870.39	\$	743,248.22	
2 ¹ / ₂ 2038	\$	525,377.83	217,870.39	\$	743,248.22	
3/1/2038	\$	525,377.83	217,870.39	\$	743,248.22	
4 ¹ / ₂ 2038	\$	525,377.83	217,870.39	\$	743,248.22	
5/1/2038	\$	525,377.83	217,870.39	\$	743,248.22	
6/1/2038	\$	525,377.83	217,870.39	\$	743,248.22	
<u>7/1/2038</u>	\$	525,377.83	217,870.39	\$	743,248.22	\$ 8,918,978.69
8/1/2038	\$	543,923.67	199,324.55	\$	743,248.22	
9/1/2038	\$	543,923.67	199,324.55	\$	743,248.22	
10/1/2038	\$	543,923.67	199,324.55	\$	743,248.22	
11/1/2038	\$	543,923.67	199,324.55	\$	743,248.22	
12/1/2038	\$	543,923.67	199,324.55	\$	743,248.22	
1/1/2039	\$	543,923.67	199,324.55	\$	743,248.22	
2/1/2039	\$	543,923.67	199,324.55	\$	743,248.22	
3/1/2039	\$	543,923.67	199,324.55	\$	743,248.22	
4/1/2039	\$	543,923.67	199,324.55	\$	743,248.22	
5/1/2039	\$	543,923.67	199,324.55	\$	743,248.22	
6/1/2039	\$	543,923.67	199,324.55	\$	743,248.22	
<u>7/1/2039</u>	\$	543,923.67	199,324.55	\$	743,248.22	\$ 8,918,978.64
8/1/2039	\$	563,124.17	180,124.05	\$	743,248.21	
9/1/2039	\$	563,124.17	180,124.05	\$	743,248.21	
10/1/2039	\$	563,124.17	180,124.05	\$	743,248.21	
11/1/2039	\$	563,124.17	180,124.05	\$	743,248.21	
12/1/2039	\$	563,124.17	180,124.05	\$	743,248.21	
1/1/2040	\$	563,124.17	180,124.05	\$	743,248.21	
2/1/2040	\$	563,124.17	180,124.05	\$	743,248.21	
3/1/2040	\$	563,124.17	180,124.05	\$	743,248.21	
4/1/2040	\$	563,124.17	180,124.05	\$	743,248.21	
5/1/2040	\$	563,124.17	180,124.05	\$	743,248.21	
6/1/2040	\$	563,124.17	180,124.05	\$	743,248.21	
7/1/2040	\$	563,124.17	180,124.05	\$	743,248.21	\$ 8,918,978.58

8/1/2040	\$	583,002.42	160,245.77	\$	743,248.18	
9/1/2040	\$	583,002.42	160,245.77	\$	743,248.18	
10/1/2040	\$	583,002.42	160,245.77	\$	743,248.18	
11/1/2040	\$	583,002.42	160,245.77	\$	743,248.18	
12/1/2040	\$	583,002.42	160,245.77	\$	743,248.18	
1/1/2041	\$	583,002.42	160,245.77	\$	743,248.18	
2/1/2041	\$	583,002.42	160,245.77	\$	743,248.18	
3/1/2041	\$	583,002.42	160,245.77	\$	743,248.18	
4/1/2041	\$	583,002.42	160,245.77	\$	743,248.18	
5/1/2041	\$	583,002.42	160,245.77	\$	743,248.18	
6/1/2041	\$	583,002.42	160,245.77	\$	743,248.18	
7/1/2041	\$	583,002.42	160,245.77	\$	743,248.18	\$ 8,918,978.18
8/1/2041	\$	603,582.42	139,665.78	\$	743,248.20	
9/1/2041	\$	603,582.42	139,665.78	\$	743,248.20	
10/1/2041	\$	603,582.42	139,665.78	\$	743,248.20	
11/1/2041	\$	603,582.42	139,665.78	\$	743,248.20	
12/1/2041	\$	603,582.42	139,665.78	\$	743,248.20	
1/1/2042	\$	603,582.42	139,665.78	\$	743,248.20	
2/1/2042	\$	603,582.42	139,665.78	\$	743,248.20	
3/1/2042	\$	603,582.42	139,665.78	\$	743,248.20	
4/1/2042	\$	603,582.42	139,665.78	\$	743,248.20	
5/1/2042	\$	603,582.42	139,665.78	\$	743,248.20	
6/1/2042	\$	603,582.42	139,665.78	\$	743,248.20	
7/1/2042	\$	603,582.42	139,665.78	\$	743,248.20	\$ 8,918,978.36
8/1/2042	\$	624,888.92	118,359.32	\$	743,248.24	
9/1/2042	\$	624,888.92	118,359.32	\$	743,248.24	
10/1/2042	\$	624,888.92	118,359.32	\$	743,248.24	
11/1/2042	\$	624,888.92	118,359.32	\$	743,248.24	
12/1/2042	\$	624,888.92	118,359.32	\$	743,248.24	
1/1/2043	\$	624,888.92	118,359.32	\$	743,248.24	
2/1/2043	\$	624,888.92	118,359.32	\$	743,248.24	
3/1/2043	\$	624,888.92	118,359.32	\$	743,248.24	
4/1/2043	\$	624,888.92	118,359.32	\$	743,248.24	
5/1/2043	\$	624,888.92	118,359.32	\$	743,248.24	
6/1/2043	\$	624,888.92	118,359.32	\$	743,248.24	
7/1/2043	\$	624,888.92	118,359.32	\$	743,248.24	\$ 8,918,978.85
8/1/2043	\$	646,947.50	96,300.74	\$	743,248.24	
9/1/2043	\$	646,947.50	96,300.74	\$	743,248.24	
10/1/2043	\$	646,947.50	96,300.74	\$	743,248.24	
11/1/2043	\$	646,947.50	96,300.74	\$	743,248.24	
12/1/2043	\$	646,947.50	96,300.74	\$	743,248.24	
1/1/2044	\$	646,947.50	96,300.74	\$	743,248.24	
2/1/2044	\$	646,947.50	96,300.74	\$	743,248.24	
3/1/2044	\$	646,947.50	96,300.74	\$	743,248.24	
4/1/2044	\$	646,947.50	96,300.74	\$	743,248.24	
5/1/2044	\$	646,947.50	96,300.74	\$	743,248.24	
6/1/2044	\$	646,947.50	96,300.74	\$	743,248.24	

7/1/2044	\$	646,947.50	96,300.74	\$	743,248.24	\$	8,918,978.90
8/1/2044	\$	669,784.67	73,463.50	\$	743,248.16		
9/1/2044	\$	669,784.67	73,463.50	\$	743,248.16		
10 ¹ / ₂ 044	\$	669,784.67	73,463.50	\$	743,248.16		
11/1/2044	\$	669,784.67	73,463.50	\$	743,248.16		
12/1/2044	\$	669,784.67	73,463.50	\$	743,248.16		
1/1/2045	\$	669,784.67	73,463.50	\$	743,248.16		
2/1/2045	\$	669,784.67	73,463.50	\$	743,248.16		
3/1/2045	\$	669,784.67	73,463.50	\$	743,248.16		
4/1/2045	\$	669,784.67	73,463.50	\$	743,248.16		
5/1/2045	\$	669,784.67	73,463.50	\$	743,248.16		
6/1/2045	\$	669,784.67	73,463.50	\$	743,248.16		
7/1/2045	\$	669,784.67	73,463.50	\$	743,248.16	\$	8,918,977.94
8/1/2045	\$	693,428.08	49,820.10	\$	743,248.18		
9/1/2045	\$	693,428.08	49,820.10	\$	743,248.18		
10/1/2045	\$	693,428.08	49,820.10	\$	743,248.18		
1 ¹ / ₁ /2045	\$	693,428.08	49,820.10	\$	743,248.18		
12/1/2045	\$	693,428.08	49,820.10	\$	743,248.18		
1/1/2046	\$	693,428.08	49,820.10	\$	743,248.18		
2/1/2046	\$	693,428.08	49,820.10	\$	743,248.18		
3/1/2046	\$	693,428.08	49,820.10	\$	743,248.18		
4/1/2046	\$	693,428.08	49,820.10	\$	743,248.18		
5 ¹ / ₂ 046	\$	693,428.08	49,820.10	\$	743,248.18		
6/1/2046	\$	693,428.08	49,820.10	\$	743,248.18		
7/1/2046	\$	693,428.08	49,820.10	\$	743,248.18	\$	8,918,978.16
8/1/2046	\$	717,906.08	25,342.09	\$	743,248.17		
9 ¹ / ₂ 046	\$	717,906.08	25,342.09	\$	743,248.17		
10/1/2046	\$	717,906.08	25,342.09	\$	743,248.17		
11/1/2046	\$	717,906.08	25,342.09	\$	743,248.17		
12/1/2046	\$	717,906.08	25,342.09	\$	743,248.17		
1/1/2047	\$	717,906.08	25,342.09	\$	743,248.17		
2 ¹ / ₂ 047	\$	717,906.08	25,342.09	\$	743,248.17		
3/1/2047	\$	717,906.08	25,342.09	\$	743,248.17		
4/1/2047	\$	717,906.08	25,342.09	\$	743,248.17		
5/1/2047	\$	717,906.08	25,342.09	\$	743,248.17		
6 ¹ / ₁ /2047	\$	717,906.08	25,342.09	\$	743,248.17		
7/1/2047	\$	717,906.08	25,342.09	\$	743,248.17	\$	8,918,978.02
Total*:	\$	163,526,839.00	\$	103,801,609.31	\$	267,328,448.31	

*Due to rounding issues, the total combined payments are off by \$0.05

SERIES 2016C
FIRST LIEN SUPPLEMENTAL TRUST INDENTURE

DATED AS OF SEPTEMBER 1, 2016

BETWEEN

CWA AUTHORITY, INC.

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

SECURING

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA,
FIRST LIEN WASTEWATER
REVENUE BONDS, SERIES 2016C
(THE "SERIES 2016C BONDS")

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SERIES 2016C FIRST LIEN SUPPLEMENTAL TRUST INDENTURE

This SERIES 2016C FIRST LIEN SUPPLEMENTAL TRUST INDENTURE dated as of September 1, 2016 (the "Series 2016C Supplemental Indenture"), supplements the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture"), as previously supplemented and amended, between CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Corporation Act of 1991, as amended (the "Nonprofit Act"), Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") among the City of Indianapolis (the "City"), the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District") and the Board of Directors for Utilities of the Department of Public Utilities of the City d/b/a Citizens Energy Group ("Citizens"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America,

WITNESSETH:

WHEREAS, the Authority owns and operates a revenue producing wastewater system (the "Wastewater System"), serving the inhabitants of Marion County and other nearby communities; and

WHEREAS, the Authority is authorized to issue bonds and certificates of indebtedness pursuant to the Authorizing Acts (as defined in the First Lien Master Indenture), payable out of the Net Revenues (as defined in the First Lien Master Indenture) derived from the Wastewater System, and the Pledged Funds (as defined in the First Lien Master Indenture and herein) to finance the acquisition and the construction of necessary betterments, improvements, extensions or additions to the Wastewater System and/or refund any First Lien Bonds, Second Lien Bonds or Subordinated Securities (each as defined in the First Lien Master Indenture); and

WHEREAS, the First Lien Bonds are secured by a pledge of the Net Revenues and the Pledged Funds; and

WHEREAS, the Board of Directors of the Authority (the "Authority Board") duly and legally authorized the execution, acknowledgement and delivery of the Series 2016C Supplemental Trust Indenture in this form for the purposes, among others, of (a) funding of necessary betterments, improvements, extensions or additions to the Wastewater System, and (b) funding costs of issuance in connection with the issuance of the 2016C Bonds (as defined below).

NOW, THEREFORE, the Authority and the Trustee hereby covenant and agree as follows:

THIS SERIES 2016C SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the Authority, in consideration of the premises and of the mutual covenants contained in the First Lien Master Indenture and this Series 2016C Supplemental Indenture, and of the purchase and acceptance of the Series 2016C Bonds by the holders thereof, and for other

valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2016C Bonds are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, to secure the payment of the principal of and redemption premium, if any, and interest on the Series 2016C Bonds at any time issued and outstanding under this Series 2016C Supplemental Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in the Series 2016C Bonds and in the First Lien Master Indenture and this Series 2016C Supplemental Indenture, has executed and delivered the First Lien Master Indenture and this Series 2016C Supplemental Indenture, and has pledged and assigned, and by these presents does hereby pledge and assign and grant a security interest in, unto the Trustee, and to its successors in trust, the Net Revenues and the Pledged Funds securing the Series 2016C Bonds, subject to the provisions of the First Lien Master Indenture and this Series 2016C Supplemental Indenture permitting the application thereof for the purposes and on the terms set forth in the First Lien Master Indenture and this Series 2016C Supplemental Indenture.

The pledge made by the First Lien Master Indenture and this Series 2016C Supplemental Indenture is, and shall be, also subject to the First Lien Master Indenture and the provisions thereof, including specifically Section 3.01 thereof and Section 5(b) hereof, for the equal and proportionate benefit, security and protection of all First Lien Bonds issued or to be issued under and secured by the First Lien Master Indenture, the Parity Portion (as defined in the First Lien Master Indenture) of the Repayment Obligations and all Regular Payments on Qualified Derivative Agreements (each as defined in the First Lien Master Indenture and collectively, the "Parity Obligations") (without duplication of obligation), each without preference, priority or distinction of any such Parity Obligations over any other such Parity Obligations or of any series of Parity Obligations over any other series of Parity Obligations by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Parity Obligation shall have the same rights and privilege under and by virtue of the First Lien Master Indenture as if all had been dated, executed, authenticated, issued and sold simultaneously with the execution and delivery of the First Lien Master Indenture in the manner described in Section 3.01 of the First Lien Master Indenture; *provided, however*, that if the Authority shall pay or cause to be paid to the holders of the Series 2016C Bonds the principal and interest and redemption premium, if any, to become due in respect thereof at the times and in the manner stipulated therein and herein (or shall provide, as permitted by the First Lien Master Indenture, for the payment of the entire amount due and to become due thereon for principal, interest and redemption premium, if any), and shall pay or cause to be paid to the Trustee all sums of money due and to become due to it in accordance with the First Lien Master Indenture, then this Series 2016C Supplemental Indenture and the rights hereby granted shall cease, terminate and be void, at the option of the Authority (evidenced by a certified resolution of the Authority Board delivered to the Trustee and to the IFA (so long as the IFA is the Owner of any First Lien Bonds)), but otherwise this Series 2016C Supplemental Indenture shall remain in full force and effect.

It is further covenanted and agreed that the Series 2016C Bonds are to be issued, authenticated and delivered, and that the fees, income and funds herein pledged and provided to be applied to the payment thereof shall be held, accounted for and disposed of, upon and subject to the following covenants, conditions and trusts; and the Authority, for itself and its successors,

does hereby covenant and agree to and with the Trustee and its successors in trust under this Series 2016C Supplemental Indenture, for the benefit of whomsoever shall hold, or contract with the Authority with respect to, the Series 2016C Bonds, as follows:

WITNES SETH:

Section 1. Definitions. All terms defined in the First Lien Master Indenture shall have the meaning prescribed therein unless the context otherwise indicates. Any words or terms used in the First Lien Master Indenture for which a different definition is provided herein shall have the meaning herein prescribed unless the context otherwise indicates.

"Authorized Denominations" means \$1.00 and any integral multiple thereof.

"Beneficial Owner" means the owner of a Series 2016C Bond or portion thereof for federal income tax purposes.

"Bond Register" means the register kept by the Trustee.

"Dated Date" means the date of issuance and delivery of the Series 2016C Bonds to the initial purchasers thereof.

"Defeasance Obligations" means those investments described in subclauses (a) through (e) of the defined term "Permitted Investments" in the First Lien Master Indenture.

"Designated Office" means the office of the Trustee, Registrar and Paying Agent or an affiliate or another agent or fiduciary designated from time to time as the appropriate office for a given purpose herein, and in the absence of a contrary designation, means the Principal Office of the Trustee, Registrar and Paying Agent.

"Electronic Means" means the following communication methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

"Financial Assistance Agreement" means the Financial Assistant Agreement dated as of September 29, 2016, between the Authority and the IFA relating to the Series 2016C Bonds providing the terms and conditions of the loan consisting of the proceeds of the Series 2016C Bonds purchased by the IFA under the SRF Program and the application of the proceeds of the loan to the project therein described, as amended or supplemented from time to time..

"IFA" means the Indiana Finance Authority.

"Interest Payment Date" means January 1 and July 1 of each year, commencing January 1, 2017.

"Opinion of Counsel" means an opinion of recognized municipal utilities counsel selected by the Authority in the case of an Opinion of Authority Board Counsel, and the opinion

of nationally recognized bond counsel selected by the Authority in the case of an Opinion of Bond Counsel.

"Pledged Funds" for purposes of this Series 2016C Supplemental Indenture has the meaning given to such term in the First Lien Master Indenture, as further described in Section 5(b) hereof, and includes the Series 2016 Account of the Bond Interest and Principal Fund, the Series 2016C Account of the Bond Reserve Fund and with respect to the Series 2016C Bonds, Pledged Funds also includes the Series 2016C Account of the Construction Fund.

"Principal Office" means, with respect to the Trustee, the designated corporate trust office of the Trustee, which office at the date of acceptance of the Trustee of the duties and obligations imposed upon it hereunder is located at the address specified in Section 18.

"Record Date" means the 15th day of the calendar month preceding the month during which such Interest Payment Date occurs.

"Reserve Requirement" means the amount required to be maintained in the Series 2016C Account of the Bond Reserve Fund, as further described in Section 10 hereof.

"Responsible Officer" means when used with respect to the Trustee, Registrar and Paying Agent, any officer of the Trustee, Registrar and Paying Agent, including any Vice President, Assistant Vice President, corporate trust officer or other officer of the Trustee, Registrar and Paying Agent customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Series 2016C Bonds" means the CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2016C.

"SRF Program" means the State Revolving Fund Program of the IFA or any successor thereto.

"Supplemental Indenture" means any indenture between the Authority and the Trustee entered into pursuant to and in compliance with Article VIII of the First Lien Master Indenture, including this Series 2016C Supplemental Indenture.

"2016C Project" means the necessary betterments, improvements, extensions or additions to the Wastewater System to be undertaken by the Authority paid from the proceeds of the Series 2016C Bonds, subject however to the requirements and limitations set out in the Financial Assistance Agreement.

"2016C Project Costs" means (a) obligations of the Authority and all contractors incurred for labor and materials in connection with the 2016C Project, (b) the cost of bonds and insurance of all kinds that may be required or necessary during construction of the 2016C Project, (c) all costs of architectural and engineering services, including the costs of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigation therefore, and for supervising construction, as well as for the performance of all other duties required by or

consequent upon the proper construction of the 2016C Project, (d) all sums required to reimburse the Authority for advances made by it for any of the above items or for any costs incurred and for work done (including repayments for interim financing), which are properly chargeable to the 2016C Project and (e) all other components of cost of labor, materials, machinery and equipment and financing charges attributable to the 2016C Project to the extent permitted by the Authorizing Acts.

Section 2. Miscellaneous Definitions. As used herein, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and unless the context shall otherwise indicate, the words "bond," "owner," "holder" and "person" shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

Section 3. Certain Other Terms. As used in the First Lien Master Indenture, the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Series 2016C Supplemental Indenture.

Section 4. Findings.

(a) The relevant recitals set forth in the resolution adopted by the Authority Board at its meeting on February 17, 2016, are incorporated into this Series 2016C Supplemental Indenture by this reference.

(b) The First Lien Master Indenture, the Series 2016C Bonds and this Series 2016C Supplemental Indenture are among the Bond Documents approved by resolution of the Authority Board at its meeting on February 17, 2016.

(c) The Series 2016C Bonds and related obligations are entitled to the benefits of being and shall be revenue obligations within the meaning of Indiana Code 8-1-11.1 to the extent applicable by law.

Section 5. Authorization of Issuance of Series 2016C Bonds; General Terms; Book-Entry. (a) In order to (i) fund the 2016C Project Costs, and (ii) fund costs of issuance in connection with the issuance of the 2016C Bonds, the Authority will issue and sell, pursuant to the provisions hereof, the Series 2016C Bonds. The principal of and interest on the Series 2016C Bonds are payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the Wastewater System and the Pledged Funds of the Authority, on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and Section 5(b) herein, which First Lien Bonds shall be issued by the Authority, and as necessary under the Authorizing Acts on behalf of and in the name of the City. Such First Lien Bonds shall be designated as "CWA Authority, Inc. City of Indianapolis, Indiana, First Lien Wastewater Revenue Bonds, Series 2016C".

(b) The Series 2016C Bonds shall be payable from and shall be equally and ratably secured by a senior and first lien on the Net Revenues and the Pledged Funds under the First Lien Master Indenture on a parity with all other Parity Obligations in the manner provided in Section 3.01 of the First Lien Master Indenture and herein. The Series 2016C Bonds shall be

payable from and shall be equally and ratably secured by an exclusive lien on the Series 2016C Account of the Bond Interest and Principal Fund in the manner provided in Section 3.01 of the First Lien Master Indenture. The Series 2016C Bonds shall be payable from and shall be equally and ratably secured by an exclusive lien on the Series 2016C Account of the Bond Reserve Fund in the manner provided in Section 3.01 of the First Lien Master Indenture. The owners of the Series 2016C Bonds shall never have the right to demand payment of either the principal of, interest on or any redemption premium on the Series 2016C Bonds out of any funds raised or to be raised by taxation.

(c) Each Series 2016C Bond shall be, in all respects, on parity with each other.

(d) The Series 2016C Bonds shall be issued in an aggregate principal amount not to exceed \$12,500,000. The Series 2016C Bonds shall bear interest at the rates of interest shown below from the dates of payment on the Series 2016C Bonds and mature on July 1 in the years and in the amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
7/1/2017	\$ 395,000	2.00 %
7/1/2018	530,000	2.00
7/1/2019	540,000	2.00
7/1/2020	550,000	2.00
7/1/2021	565,000	2.00
7/1/2022	575,000	2.00
7/1/2023	585,000	2.00
7/1/2024	595,000	2.00
7/1/2025	610,000	2.00
7/1/2026	620,000	2.00
7/1/2027	635,000	2.00
7/1/2028	645,000	2.00
7/1/2029	660,000	2.00
7/1/2030	670,000	2.00
7/1/2031	685,000	2.00
7/1/2032	700,000	2.00
7/1/2033	715,000	2.00
7/1/2034	730,000	2.00
7/1/2035	740,000	2.00
7/1/2036	755,000	2.00

(e) **The** Series 2016C Bonds shall be issued in fully registered form in Authorized Denominations, or integral multiples thereof, not exceeding the aggregate principal amount of such Series 2016C Bonds maturing in any year. The Series 2016C Bonds shall be numbered consecutively from 16-AR-1 upwards and shall mature and be payable as set forth herein.

(f) The interest on the Series 2016C Bonds shall be payable on each Interest Payment Date commencing on January 1, 2017. Interest on the Series 2016C Bonds shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

(g) The Series 2016C Bonds shall bear an original date which shall be the date of delivery thereof, and each Series 2016C Bond shall also bear the date of its authentication. Series 2016C Bonds authenticated on or before the Record Date preceding the first Interest Payment Date thereon shall pay interest from the Dated Date. Series 2016C Bonds authenticated thereafter shall pay interest from the Interest Payment Date immediately preceding the date of authentication of the Series 2016C Bonds unless the Series 2016C Bonds are authenticated between the Record Date preceding an Interest Payment Date and the Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

(h) The Bank of New York Mellon Trust Company, N.A. is hereby selected in accordance with the First Lien Master Indenture to serve as Registrar and Paying Agent for the Series 2016C Bonds and hereby charged with the responsibility to authenticate the Series 2016C Bonds.

Section 6. Payment of Principal and Interest. Any principal of the Series 2016C Bonds shall be payable at the Designated Office of the Trustee, Registrar and Paying Agent for the Series 2016C Bonds. Any interest on the Series 2016C Bonds shall be paid by:

(a) check or draft delivered one Business Day prior to such payment date to the registered owner thereof at the address as it appears on the registration books kept by the Registrar and Paying Agent as of the Record Date or at such other address as is provided to the Registrar and Paying Agent in writing by such registered owner.

(b) transmitted by wire transfer to the accounts with members of the Federal Reserve System situated within the continental United States of America of those Owners which own at least \$1,000,000 in aggregate principal amount of the Series 2016C Bonds and which shall have provided written wire transfer instructions to the Trustee prior to the close of business on such Record Date, except, in each case, that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose names any such Series 2016C Bonds are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest.

(c) Notwithstanding anything herein to the contrary, when the IFA is the owner of any Series 2016C Bonds, the Trustee shall pay the principal of, bond redemption premium, if any, and interest on such Series 2016C Bonds to The Bank of New York Mellon Trust Company, N.A., as Wastewater SRF Trustee, on or before the applicable due date thereof, by a wire transfer referenced as provided in the Financial Assistance Agreement.

(d) All payments on the Series 2016C Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

Section 7. Transfer and Exchange. Each Series 2016C Bond shall be transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent, by the Owner thereof in person, or by his attorney duly authorized in writing, upon surrender of such Series 2016C Bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered Series 2016C Bond or Series 2016C Bonds, in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. A Registrar and Paying Agent shall not be obligated to make any exchange or transfer of Series 2016C Bonds (i) if such Series 2016C Bonds have been called for redemption, or (ii) following the Record Date on such Series 2016C Bonds until such Interest Payment Date. Each Series 2016C Bond may be transferred or exchanged without cost to the Owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Authority and a Registrar and Paying Agent may treat and consider the person in whose name such Series 2016C Bonds are registered as the Owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

In the event any Series 2016C Bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new Series 2016C Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Series 2016C Bond shall be marked in a manner to distinguish it from the Series 2016C Bond for which it was issued; provided that, in the case of any mutilated Series 2016C Bond, such mutilated Series 2016C Bond shall first be surrendered to the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed Series 2016C Bond there shall be first furnished to the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such lost, stolen or destroyed Series 2016C Bond shall have matured, instead of issuing a duplicate Series 2016C Bond, as appropriate, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The Authority and the Registrar and Paying Agent may charge the owner of such Series 2016C Bond with their reasonable fees and expenses in connection with the above. Every substitute Series 2016C Bond issued by reason of any Series 2016C Bond being lost, stolen or destroyed shall, with respect to such Series 2016C Bond, constitute a substitute contractual obligation of the Authority, whether or not the lost, stolen or destroyed Series 2016C Bond shall be found at any time, and shall be entitled to all the benefits of this Series 2016C Supplemental Indenture, equally and proportionately with any and all other Series 2016C Bonds duly issued hereunder.

Section 8. Prepayment and Redemption.

(a) The Series 2016C Bonds maturing on or after January 1, 2027, are subject to optional redemption prior to their maturity on October 1, 2026, or any date thereafter, on not less than sixty (60) days' and not more than ninety (90) days' notice, in whole or in part, in inverse order of maturity, at face value, plus interest accrued to the date fixed for redemption, at a redemption price set forth below:

102% if redeemed on October 1, 2026 or thereafter
on or before September 30, 2027;
101% if redeemed on October 1, 2027 or thereafter
on or before September 30, 2028;
0% if redeemed on October 1, 2028 or thereafter
prior to maturity;

however if the Series 2016C Bonds are registered in the name of the IFA, the Series 2016C Bonds shall not be redeemable at the option of the Authority unless and until consented to by the IFA.

(b) If fewer than all of the Series 2016C Bonds of a maturity are to be called for redemption, the principal amount of the particular Series 2016C Bonds to be redeemed shall be selected by lot by the Trustee, provided that that the Series 2016C Bonds sold to the IFA shall be redeemed only in Authorized Denominations and in inverse order of maturity. The aggregate principal amount of each Series 2016C Bond remaining outstanding shall be in an Authorized Denomination. The Trustee shall have no liability to any person as a result of making such selection. The Trustee shall promptly notify the Authority in writing of the Series 2016C Bonds or portions thereof selected for redemption; *provided, however*, that in connection with any redemption of a Series 2016C Bond, the Trustee shall first select for redemption any Series 2016C Bonds held by the Trustee for the account of the Authority or held of record by the Authority and that if, as indicated in a certificate of an Authorized Officer delivered to the Trustee, the Authority shall have offered to purchase all of the Series 2016C Bonds then outstanding and less than all of the Series 2016C Bonds shall have been tendered to the Authority for such purchase, the Trustee, at the direction of the Authority, shall select for redemption all such of the Series 2016C Bonds which have not been so tendered. If it is determined that one or more, but not all, of the units of principal amount represented by any Series 2016C Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Owner of such Series 2016C Bond shall, except as provided in the First Lien Master Indenture with respect to Book-Entry Bonds, forthwith surrender such Series 2016C Bond to the Trustee for (a) payment to such Owner of the redemption price of the unit or units of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2016C Bond or new Series 2016C Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2016C Bonds. New Series 2016C Bonds representing the unredeemed balance of the principal amount of such Series 2016C Bonds shall be issued to the Owner thereof, without charge therefor. If the surrender of such Series 2016C Bonds is required and the Owner of any such Series 2016C Bond shall fail to present such Series 2016C Bond to the Trustee for payment and exchange as aforesaid, such Series 2016C Bond shall, nevertheless, become due and payable, and interest thereon shall cease to accrue, on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

(c) In the case of any redemption of the Series 2016C Bonds, the Authority shall give written notice to the Trustee of its election or direction to so redeem, the redemption date of the Series 2016C Bonds to be redeemed, the principal amounts of the Series 2016C Bonds of each maturity to be redeemed and the moneys to be applied to such redemption. Except as otherwise

set forth in a Financial Assistance Agreement, official notice of redemption of Series 2016C Bonds shall be mailed by the Registrar and Paying Agent by certified or registered mail at least sixty (60) days and no more than ninety (90) days prior to the scheduled redemption date to each of the Owners of the Series 2016C Bonds called for redemption (unless waived by any such Owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such Owner to the Registrar and Paying Agent; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Series 2016C Bond shall not affect the validity of the proceedings for the redemption of any other Series 2016C Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts and CUSIP numbers) of such Series 2016C Bonds called for redemption. The place of redemption may be at the Designated Office of the Registrar and Paying Agent or as otherwise determined by the Authority. Such notice may specify any conditions necessary for redemption and may provide that if such conditions are not satisfied, such redemption will be cancelled without further notice. Interest on such Series 2016C Bonds (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Series 2016C Bonds (or portions thereof) are presented for payment. Any Series 2016C Bond redeemed in part may be exchanged for a Series 2016C Bond of the same series and maturity in Authorized Denominations equal to the remaining principal amount thereof.

(d) For all purposes of this Series 2016C Supplemental Indenture, unless the context otherwise requires, all provisions relating to the redemption or prepayment of Series 2016C Bonds, shall relate, in the case of any Series 2016C Bond redeemed or prepaid or to be redeemed or prepaid only in part, to the portion of the principal of such Series 2016C Bond which has been or is to be redeemed or prepaid.

Section 9. Form of Bonds. The form and tenor of the Series 2016C Bonds shall be substantially as set forth in Exhibit A hereto.

Section 10. Bond Reserve Fund. (a) Pursuant to Section 3.07 of the First Lien Master Indenture, the Authority is authorized at the time of the sale of a series of First Lien Bonds to determine if an account of the Bond Reserve Fund is to be maintained and the provisions with respect thereto, if any. The Authority hereby establishes the "Series 2016C Account of the Bond Reserve Fund." The moneys in the Series 2016C Account of the Bond Reserve Fund will be used solely to pay current principal and interest due on the Series 2016C Bonds to the extent that moneys in the Series 2016C Bond Account of the Bond Interest and Principal Fund are insufficient for that purpose. No other obligations of the Authority shall be paid or payable from the Series 2016C Account of the Bond Reserve Fund.

The Reserve Requirement for the Series 2016C Account shall be \$774,700 (the "Reserve Requirement"), which is the maximum annual principal and interest due on the Series 2016C Bonds. Beginning on October 31, 2016, the Authority agrees to deposit into the Series 2016C Account of the Bond Reserve Fund on the last business day of each month \$12,912 (as demonstrated by the schedules contained in the attached Exhibit B, which is incorporated herein

by this reference) until the amount on deposit therein is equal to or greater than the Reserve Requirement for the Series 2016C Account.

The Authority may satisfy the Reserve Requirement by delivery to the Trustee of a surety bond, an insurance policy or a letter of credit (each, a "Reserve Policy") meeting the requirements set forth below. The IFA must consent to the delivery of each such Reserve Policy. The obligation of the Authority to fund the Reserve Requirement shall be deemed satisfied as of any date to the extent of the then available balance of any Reserve Policy; *provided, however*, that the Reserve Requirement shall not be satisfied if the requirements set forth in the Financial Assistance Agreement related to any such Reserve Policy are not met. If a disbursement is made pursuant to a Reserve Policy, the Authority must be obligated (i) to reinstate the maximum limits of such Reserve Policy or (ii) to deposit into the Series 2016C Account of the Bond Reserve Fund moneys in an amount equal to the disbursement made under such Reserve Policy, or a combination of such alternatives, as would provide that such Series 2016C Account of the Bond Reserve Fund has all of the moneys or full value of Reserve Policy on deposit as it shall be required to have at such time.

(b) Any deficiency in the balance maintained in the Series 2016C Account of the Bond Reserve Fund, including in the event that money in the Series 2016C Account of the Bond Reserve Fund is transferred to the Series 2016C Bond Account of the Bond Interest and Principal Fund to pay principal and interest on the Series 2016C Bonds, shall be made up from the next available Net Revenues remaining after credits into the Bond Interest and Principal Fund on a parity with all other accounts of the Bond Reserve Fund related to any First Lien Bonds and prior to any use thereof pursuant to Section 3.08 of the First Lien Master Indenture. Any monies in the Series 2016C Account of the Bond Reserve Fund in excess of the Reserve Requirement with respect thereto, may be transferred to any other Fund or Account of the Authority as specified by an Authorized Officer.

(c) Only while the IFA holds Series 2016A Bonds, in computing the amount in the Series 2016A Account of the Bond Reserve Fund, obligations purchased as an investment of moneys therein having a stated maturity of less than six (6) months or less, shall be valued at the cost thereof (including in such cost accrued interest paid and unamortized debt discount) and all other obligations purchased as an investment of moneys shall be valued at their fair market value and market-to-market weekly. After such time as no Series 2016A Bonds are held by the IFA, all obligations purchased as an investment of moneys held in the Series 2016C Account of the Bond Reserve Fund shall be valued at the fair market value thereof and marked-to-market annually. When market prices for obligations held in the Series 2016C Account of the Bond Reserve Fund are not readily available, the market price for such obligations may be determined in such manner as the Trustee deems reasonable.

Section 11. Deposit of Proceeds. The Financial Assistance Agreement provides the basis for proceeds of the Series 2016C Bonds to be received by or for the benefit of the Authority. The proceeds of the Series 2016C Bonds shall be paid over and applied in the manner set forth in the Financial Assistance Agreement and each of which disbursements shall be made pursuant to a disbursement request signed by the Authority and approved by the IFA consistent with the Financial Assistance Agreement. The Series 2016C Bonds may be purchased in installments consistent with the Financial Assistance Agreement.

Section 12. Bond Interest and Principal Fund. Pursuant to Section 3.06(e) of the First Lien Master Indenture, there is hereby created the following separate account of the Bond Interest and Principal Fund: the "Series 2016C Bond Account." Commencing on October 31, 2016, the Authority shall cause to be deposited into the Series 2016C Bond Account on monthly basis by the last business day of each calendar month an amount equal to at least one-twelfth (1/12) of the principal of all then outstanding Series 2016C Bonds payable during the next succeeding twelve (12) month period (as demonstrated by the schedules contained in the attached Exhibit B, which is incorporated herein by this reference) and at least one-sixth (1/6) of the interest on all then outstanding Series 2016C Bonds payable during the next succeeding six (6) month period.

Such accounts shall be further funded, maintained and used in accordance with Section 3.06 of the First Lien Master Indenture.

Section 13. Execution of Series 2016C Bonds. The Series 2016C Bonds, in the form provided in Exhibit A hereto, shall be executed, attested and delivered by the Mayor of the City, the Controller of the City and the Clerk of the City and by the President and Chief Financial Officer of the Authority, as authorized by the resolution of the Authority Board adopted on February 17, 2016. In case any officer whose signature appears on the Series 2016C Bonds shall cease to hold that office before the delivery of such series of Series 2016C Bonds, the signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the delivery of such Series 2016C Bonds. After the Series 2016C Bonds have been properly executed, the Authority shall deliver such Series 2016C Bonds to the purchaser or purchasers in the manner provided by law.

Series 2016C Bonds issued hereunder shall be authenticated with the manual signature of a Responsible Officer of the Registrar and Paying Agent, and no Series 2016C Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Series 2016C Supplemental Indenture until the Certificate of Authentication on such Series 2016C Bond shall have been so executed.

Section 14. Tax Covenants. In order to preserve the excludability from gross income of interest on the Series 2016C Bonds under federal law, the Authority represents, covenants and agrees that, to the extent necessary to preserve such excludability:

(a) No person or entity or any combination thereof, other than the Authority or another "governmental unit" within the meaning of Section 141(b)(6) and Section 150(a)(2) of the Code ("Governmental Unit"), will use proceeds of the Series 2016C Bonds or property financed by said proceeds other than as a member of the general public. Except as set forth

below, no person or entity or any combination thereof, other than the Authority, or another Governmental Unit, will own property financed by proceeds of Series 2016C Bonds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or other type of output contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large of such property unless such use in the aggregate relates to no more than the lesser of \$15,000,000 or 10% of the proceeds of the Series 2016C Bonds or property financed by such bond proceeds. The Authority has assumed a management contract for the Wastewater System. The terms of the contract comply with IRS Revenue Procedure 97-13, and the contract does not constitute private business use under the Code and the Regulations.

(b) Not more than five percent (5%) of proceeds of the Series 2016C Bonds will be loaned to any entity or person. No proceeds of the Series 2016C Bonds will be transferred directly or indirectly transferred or deemed transferred to a person other than a Governmental Unit in a fashion that would in substance constitute a loan of the proceeds of such Series 2016C Bonds.

(c) The Authority will not take any action or fail to take any action with respect to any of the Series 2016C Bonds that would result in the loss of the excludability from gross income for federal tax purposes of interest on the Series 2016C Bonds pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended and as in effect on the date of delivery of such Series 2016C Bonds (the "Code"), nor will the Authority act in any manner or permit any actions by officers or officials of the Authority that would in any manner adversely affect such excludability. The Authority further covenants that it will not make any investment or do any other act or thing during the period that any Series 2016C Bond is outstanding hereunder which would cause any Series 2016C Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto as in effect on the date of delivery of any Series 2016C Bonds. The Authority shall comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable.

(d) Notwithstanding any other provisions of this Series 2016C Supplemental Indenture, the covenants and authorizations contained in this Series 2016C Supplemental Indenture which are designed to preserve the excludability of interest (the "Tax Exemption") on Series 2016C Bonds from gross income under federal law (the "Tax Sections") need not be complied with if the Authority receives an Opinion of Counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 15. Additional Covenants. For the purpose of further safeguarding the interests of the owners of the Series 2016C Bonds, during the time that IFA shall own all or any portion of the Series 2016C Bonds, it is specifically provided as follows:

(a) Reserved.

(b) The owners of Series 2016C Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Authorizing Acts, and may either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights granted pursuant to the Authorizing Acts and the provisions of the First Lien Master Indenture, and may

enforce and compel performance of all duties required by the Authorizing Acts and the First Lien Master Indenture to be performed by the Authority and any board or officer thereof, including the making and collecting of lawful, reasonable and sufficient rates and charges for services rendered by the Wastewater System; provided, however, that the owners of the Series 2016C Bonds have no right to by declare the entire outstanding principal amount of the Series 2016C Bonds to be immediately due and payable and the rights of the owners of the Series 2016 Bonds to exercise of its rights and remedies hereunder or under the Financial Assistance Agreement, as it pertains to an Event of Default under the First Lien Master Trust Indenture are limited to those rights set forth in the First Lien Master Trust Indenture for a holder of a First Lien Bond and subject to the provisions of the First Lien Master Trust Indenture limiting the rights of a holder of a First Lien Bond to exercise any such remedy. The owners of not less than 25% in aggregate principal amount of outstanding First Lien Bonds have the right to apply for the appointment of a receiver for the Wastewater System for the benefit of all owners of First Lien Bonds, in the manner provided in Section 6.03 of the First Lien Master Indenture, in the event of any failure to pay the principal of or interest on any of the First Lien Bonds, including the Series 2016C Bonds when due, to administer the Wastewater System on behalf of the Authority and the owners of the First Lien Bonds, including the Series 2016C Bonds, with power to charge and collect rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and also to pay the principal of and interest on the First Lien Bonds, including the Series 2016C Bonds, and to apply the revenues of the Wastewater System in conformity with the Authorizing Acts and the provisions of the First Lien Master Indenture and this Series 2016C Supplemental Indenture.

Section 16. Defeasance. If, when the Series 2016C Bonds or a portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call one or more Series 2016C Bonds or a portion thereof shall have been given and the whole amount of the principal of and interest so due and payable upon all of such Series 2016C Bonds or a portion thereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with Section 5.07 of the First Lien Master Indenture (provided that in all cases upon such deposit, the Trustee and the IFA will receive a verification report as described in Section 5.07 of the First Lien Master Indenture), then and in that case such Series 2016C Bonds or such portion thereof issued hereunder shall no longer be deemed outstanding or an indebtedness of the Authority.

Section 17. Additional First Lien Bonds. The Authority reserves the right to issue additional First Lien Bonds ranking on parity with the Series 2016C Bonds on the terms and conditions set forth in the First Lien Master Indenture.

Section 18. Amendment of Supplemental Indenture. This Supplemental Indenture may be amended or modified in the same manner as provided in Article VIII of the First Lien Master Indenture.

Notwithstanding the foregoing, as to any Series 2016C Bonds pledged to the IFA pursuant to the SRF Program, no amendment to this Series 2016C Supplemental Indenture shall be adopted unless consented to in writing by the IFA and, prior to any such amendment to this Series 2016C Supplemental Indenture, the Authority shall give the IFA 30 days' prior notice of such amendment.

Section 19. Notices. Notwithstanding anything in the First Lien Master Indenture to the contrary, except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given if in writing and shall be deemed given when mailed by registered, certified or first class mail, postage prepaid, or by qualified overnight courier service mutually acceptable to the delivering and recipient parties, courier charges prepaid, addressed as follows:

If to the Authority: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: Chief Financial Officer
Telephone: (317) 927-4583
Facsimile: (317) 927-4395

with a copy to: CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: General Counsel
Telephone: (317) 927-4751
Facsimile: (317) 927-4549

If to the Trustee or the Registrar and Paying Agent: The Bank of New York Mellon Trust Company, N.A.
300 North Meridian Street, Suite 910
Indianapolis, Indiana 46204
Attention: Corporate Trust Services
Telephone: (317) 637-3579
Facsimile: (317) 637-9821

If to the IFA: Indiana Finance Authority
SRF Programs
IGCN, Room 1275
100 North Senate Avenue
Indianapolis, Indiana 46204
Attention: General Counsel
Telephone: (317) 234-2916
Facsimile: (317) 234-1338

Notwithstanding anything in the First Lien Master Indenture to the contrary, unless specifically required by the terms of the First Lien Master Indenture, any notice required to be given pursuant to any provision of the First Lien Master Indenture may be given by any form of electronic transmission that is capable of producing a written record, including, without limitation, telecopy transmissions; *provided* that the deliverer of any such notice given by electronic transmission shall verify receipt of such notice promptly upon the transmission thereof and such notice shall not be deemed duly given unless full and legible receipt thereof has been verified by the recipient of such notice. The Authority and the Trustee, Registrar and Paying Agent may, by notice pursuant to this Section 18, designate any different addresses to which

subsequent notices, certificates or other communications shall be sent. A duplicate copy of each notice, approval, consent, request, complaint, demand or other communication given hereunder by the Authority or the Trustee to any one of the others shall also be given to each one of the others.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officer with the authority to provide such Instructions ("Authorized Officers") and containing specimen signature of such Authorized Officer, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that direction that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such instructions to the Trustee and that the Authority and all Authorized Officer are solely responsible to safeguard that use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written Instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions that the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 20. Miscellaneous.

(a) If any section, paragraph or provision of this Series 2016C Supplemental Indenture shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Series 2016C Supplemental Indenture.

(b) With respect to any Series 2016C Bonds pledged to the IFA pursuant to the SRF Program, if the date for making any payment is a day when financial institutions are not open for business, such payment shall be made on the Business Day immediately preceding such payment date.

(c) With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Series 2016C Supplemental Indenture or the Series 2016C Bonds or coupons is intended or should be construed to confer upon or give to any person other than the Authority, the Trustee, and the Owners of the Series 2016C Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Series 2016C Supplemental Indenture or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Series 2016C Supplemental Indenture and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Authority, the Trustee, and the Owners from time to time of the Series 2016C Bonds as herein and therein provided.

(d) All the terms, provisions, conditions, covenants, warranties and agreements contained in this Series 2016C Supplemental Indenture shall be binding upon the successors and assigns of the Authority, and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns and the Owners of the Series 2016C Bonds.

(e) Any bank or trust company with or into which a Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purpose of this Series 2016C Supplemental Indenture. If the position of Paying Agent shall become vacant for any reason, the Authority shall, within 30 days thereafter, appoint a bank or trust company located in the same city as Paying Agent to fill such vacancy; *provided, however*, that if the Authority shall fail to appoint such Paying Agent within such period, the Trustee shall make such appointment.

(f) No member, officer or employee of the Authority or the Authority Board shall be individually or personally liable for the payment of the principal of or interest or redemption premium on any Series 2016C Bond. Nothing herein contained shall, however, relieve any such member, officer or employee from the performance of any duty provided or required by law.

(g) This Series 2016C Supplemental Indenture shall be construed and enforced in accordance with the laws of the State of Indiana.

(h) The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Series 2016C Supplemental Indenture.

(i) This Series 2016C Supplemental Indenture and the First Lien Master Indenture shall constitute a contract between the Authority and Owners of the Series 2016C Bonds.

(i) This Series 2016C Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(k) The Trustee, any Paying Agent or any Registrar, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series 2016C Bonds, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity

hereunder. The Trustee, any Paying Agent or any Registrar, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority, and may act as depository, trustee or agent for any committee or body of Owners secured by this Series 2016C Supplemental Indenture or other obligations of the Authority as freely as if it did not act in any capacity under this Series 2016C Supplemental Indenture.

(¹) Whenever in this Series 2016C Supplemental Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 21. Representations, Warranties and Covenants for Revised Article 9 Collateral.

(a) The First Lien Master Indenture and this Series 2016C Supplemental Indenture creates a valid and binding pledge, assignment, lien on and security interest in the Net Revenues and Pledged Funds in favor of the Trustee as security for payment of the Series 2016C Bonds, as described in Section 3.01 of the First Lien Master Indenture and Section 5(b) hereof, enforceable by the Trustee in accordance with the terms hereof.

(b) Under the laws of the State of Indiana, (i) such lien and/or security interest, (ii) and each pledge, assignment, lien, or other security interest made to secure any obligations of the Authority which, by the terms hereof, ranks on a parity with the lien and security interest granted by this Series 2016C Supplemental Indenture, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract. By the date of issue of the Series 2016C Bonds, the Authority will have filed all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any Series 2016C Bonds are outstanding the Authority will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the Authority is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9-301--9-306 of such jurisdiction. The pledge made by this Series 2016C Supplemental Indenture shall be effective pursuant to IC 5-1-14-4, IC 26-1-9.1-109(d)(15) and IC 26-1-9.1-515(b) notwithstanding any failure to file a financing statement as described above.

(c) Except as permitted by the First Lien Master Trust Indenture, the Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Net Revenues or the Pledged Funds that ranks on a parity with or prior to the lien and/or security interest granted by this Series 2016C Supplemental Indenture. The Authority shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest on such collateral that ranks prior to or on a parity with the lien and/or security interest granted by this Series 2016C Supplemental Indenture, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby and by the First Lien Master Indenture.

IN WITNESS WHEREOF, the Authority has caused this Series 2016C Supplemental Indenture to be executed by its President and Chief Executive Officer and attested by its Senior Vice President and Chief Financial Officer, and the Trustee has caused this Series 2016C Supplemental Indenture to be executed on its behalf by its duly authorized officer and its corporate seal to be impressed hereon and attested by its duly authorized officer, all as of the day and year first above written.

CWA AUTHORITY, INC.

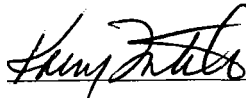
By: _____
Jeff arrison
Preside t and Chief Executive Officer

Attest:



John
Se r ior ice President and Chief Financial Officer

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: 
Name: **Karen Franklin**
Title: AUTHORIZED OFFICER

Attest:

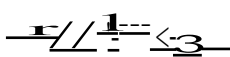
By:  \$ A,
Name: **Nancy Storms**
Title: AUTHORIZED OFFICER

EXHIBIT A

BOND FORM

[Form of Series 2016C Bond]

UNITED STATES OF AMERICA

STATE OF INDIANA
No. 16-CR-1

COUNTY OF MARION
\$12,500,000

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA
FIRST LIEN WASTEWATER REVENUE BOND, SERIES 2016C

<u>Interest Rate</u>	<u>Original Date</u>	<u>Maturity Date</u>	<u>Authentication Date</u>
<u>See Schedule A</u>	September 29, 2016	<u>See Schedule A</u>	September 29, 2016

Registered Owner: INDIANA FINANCE AUTHORITY

Principal Sum: See [Schedule A](#)

CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Act of 1991, as amended, Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") (as defined in the hereinafter defined First Lien Master Indenture) and as necessary under the Authorizing Acts to act on behalf of the City of Indianapolis, Indiana, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner stated above, or registered assigns, but solely out of the Net Revenues of the Wastewater System and the Pledged Funds (all as defined in the hereinafter defined Indentures), the principal sum stated above, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this bond, on July 1 in the years and amounts as set forth on Schedule A hereto, on the maturity dates stated on Schedule A hereto, and to pay interest on said principal sum to the registered owner of this bond until the Authority's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above from the Interest Payment Date

immediately preceding the date of the authentication of this bond, unless this bond is authenticated on or before December 15, 2016, in which case the interest shall be paid from the original date stated above or unless this bond is authenticated between the Record Date (as defined in the Series 2016C Supplemental Indenture) preceding an Interest Payment Date and the Interest Payment Date, in which case interest shall be paid from such Interest Payment Date. Interest shall be payable semi-annually on January 1 and July 1 of each year, commencing January 1, 2017. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

All payments of principal of and interest on this bond shall be paid by wire transfer for deposit to the principal corporate trust operations office of The Bank of New York Mellon Trust Company, N.A. ("Trustee," "Registrar" or "Paying Agent") or to a financial institution as directed by the Indiana Finance Authority (the "IFA") (or any successor thereto) on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or Paying Agent, or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on this bond shall be made in coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

This bond, together with interest hereon, shall be payable solely out of the Net Revenues and the Pledged Funds, after the payment only of the Operation and Maintenance Expenses (as defined in the First Lien Master Indenture). The Series 2016C Bonds are issued on a parity with all other Parity Obligations (as defined in the First Lien Master Indenture) to be issued as described in the First Lien Master Indenture and in the 2016C Supplemental Indenture (as defined below). The First Lien Bonds (as defined in the First Lien Master Indenture) constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by a lien on and pledge of the Net Revenues and Pledged Funds. For the benefit of the owners of First Lien Bonds, the Authority, pursuant to the First Lien Master Indenture and the Series 2016C Supplemental Indenture, has granted a lien on and pledge of the Net Revenues and Pledged Funds to secure the payment of principal of, premium, if any, and interest on the First Lien Bonds and all expenses of providing for their full and timely payment in accordance with their terms, as provided in the First Lien Master Indenture and the Series 2016C Supplemental Indenture and pursuant to the Authorizing Acts. Subject to the provisions of the First Lien Master Indenture and the Series 2016C Supplemental Trust Indenture dated as of September 1, 2016 (the "Series 2016C Supplemental Indenture"), between the Authority and the Trustee for registration, this bond is negotiable under the laws of the State of Indiana.

This bond is one of an authorized issue of bonds of the Authority in the aggregate principal amount of Twelve Million Five Hundred Thousand Dollars (\$12,500,000) (the "Series 2016C Bonds"), numbered consecutively from 16-BR-1 upwards, issued pursuant to the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture", and with the Series 2012A First Lien Supplemental Trust Indenture dated as of September 1, 2012, the Series 2014A Supplemental Indenture dated as of July 1, 2014, the Series 2015A First Lien Supplemental Trust Indenture dated as of February 1, 2015, and the Series 2016C Supplemental Indenture, the "Indentures") between the Authority and the Trustee as well as the Series 2016C Supplemental Indenture and the Financial Assistance Agreement dated as of September 29, 2016 between the Authority and the IFA.

The Authority irrevocably pledges the entire Net Revenues of such Wastewater System and the Pledged Funds to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the First Lien Master Indenture and the Parity Obligations issued in connection therewith, including this bond, in the manner described in Section 3.01 of the First Lien Master Indenture and Section 5(b) of the Series 2016C Supplemental Indenture, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by such Wastewater System as are sufficient in each year for the payment of the Operation and Maintenance Expenses of the Wastewater System, and for the payment of the sums required to be paid into such Bond Interest and Principal Fund and the Bond Reserve Fund under the provisions of the Authorizing Acts and the First Lien Master Indenture. In the event the Authority, or the Authorized Officers thereof, shall fail or refuse to fix, maintain and collect such rates or charges, or if there be a default in the payment of the principal of or interest on this bond, the owner of this bond shall have all of the rights and remedies provided for in such Indentures and the Authorizing Acts.

The bonds maturing in any one year are issuable only in fully registered form in Authorized Denominations or integral multiples thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Series 2016C Bonds maturing on or after January 1, 2027, are subject to optional redemption prior to their maturity on October 1, 2026, or any date thereafter, on not less than sixty (60) days' and not more than ninety (90) days' notice, in whole or in part, in inverse order of maturity, at face value, plus interest accrued to the date fixed for redemption, at a redemption price set forth below:

102% if redeemed on October 1, 2026 or thereafter
on or before September 30, 2027;
101% if redeemed on October 1, 2027 or thereafter
on or before September 30, 2028;
0% if redeemed on October 1, 2028 or thereafter
prior to maturity.

Provided however if the Series 2016C Bonds are registered in the name of the Indiana Finance Authority, the Series 2016C Bonds shall not be redeemable at the option of the Authority unless and until consented to by the IFA.

Official notice of any such redemption shall be sent by registered or certified mail to the registered owner of this bond not less than sixty (60) days and not more than ninety (90) days prior to the date fixed for redemption at the address shown on the registration books of the Registrar and Paying Agent or at such other address as is furnished in writing to the Registrar and Paying Agent, unless such notice is waived by the registered owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Authority. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption, to pay the redemption price on the redemption date or when presented for payment.

If fewer than all of the bonds of the Series 2016C Bonds of a maturity are to be called for redemption, the principal amount of the particular Series 2016C Bonds to be redeemed shall be selected by lot by the Trustee in Authorized Denominations. The aggregate principal amount of each Series 2016C Bond remaining outstanding shall be in an Authorized Denomination.

If this bond or a portion hereof shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal of and interest so due and payable upon all of this bond or a portion hereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with the First Lien Master Indenture, then and in that case this bond or such portion hereof shall no longer be deemed outstanding or an indebtedness of the Authority.

This bond is transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of

this bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be required to make any transfer or exchange of this bond if it has been called for redemption or following the Record Date immediately preceding an Interest Payment Date on this bond until such Interest Payment Date. The Authority and the Registrar and Paying Agent may treat and consider the person in whose name this bond is registered as the absolute Owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided that, in the case of this bond being mutilated, this bond shall first be surrendered to the Authority and the Registrar and Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Authority and the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Authority and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured, instead of issuing a duplicate bond, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay this bond without surrender hereof. The Authority and the Registrar and Paying Agent may charge the registered owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Authority, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Indentures, equally and proportionately with any and all other First Lien Bonds duly issued thereunder.

In the manner provided in the Indentures, the Indentures and the rights and obligations of the Authority and of the registered owners of the bonds may (with certain exceptions as stated in the Indenture) be modified or amended without the consent of the owners of the bonds.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving sixty (60) days' written notice to the Authority and to the registered owners of bonds then outstanding and such resignation will take effect upon the

appointment of a successor Registrar and Paying Agent by the Authority. Such notice to the Authority may be served personally or be sent by registered mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the Authority, in which event the Authority may appoint a successor Registrar and Paying Agent. The Authority shall cause the registered owner of this bond, if then outstanding, to be notified by certified or registered mail of the removal of the Registrar and Paying Agent. Notices to registered owners of bonds shall be deemed to be given when mailed by certified or registered mail to the addresses of such registered owners as they appear in the registration books kept by the Registrar and Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law and the Constitution of the State of Indiana to be done precedent to and in the execution, issuance, sale and delivery of this bond have been properly done, happened and performed in regular and due form as prescribed by law.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indentures authorizing this bond until the certificate of authentication hereon shall have been duly executed by an authorized representative of the Registrar and Paying Agent.

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City of Indianapolis, Indiana, and attested by the manual or facsimile signature of the Controller of the City of Indianapolis, Indiana, who has caused the official seal of the City of Indianapolis, Indiana, to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon and by the manual or facsimile signature of the President and Chief Executive Officer of CWA Authority, Inc. and attested by the manual or facsimile signature of the Senior Vice President and Chief Financial Officer of CWA Authority, Inc.

CITY OF INDIANAPOLIS, INDIANA

By: _____
Mayor, City of Indianapolis, Indiana

(SEAL)

ATTEST:

Clerk, City of Indianapolis, Indiana

ATTEST:

Controller, City of Indianapolis, Indiana

CWA AUTHORITY, INC.

By: _____
President and Chief Executive Officer

ATTEST:

Senior Vice President
and Chief Financial Officer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Registrar and Paying Agent

By:

Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Insert name and address of transferee)

this bond and all rights hereunder and hereby irrevocably constitutes and appoints _____, attorney, to transfer this bond on the books kept for the registration hereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the front of this bond without alternation or enlargement or any change whatsoever.

[SCHEDULE A]

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
7/1/2017	\$ 395,000	2.00 %
7/1/2018	530,000	2.00
7/1/2019	540,000	2.00
7/1/2020	550,000	2.00
7/1/2021	565,000	2.00
7/1/2022	575,000	2.00
7/1/2023	585,000	2.00
7/1/2024	595,000	2.00
7/1/2025	610,000	2.00
7/1/2026	620,000	2.00
7/1/2027	635,000	2.00
7/1/2028	645,000	2.00
7/1/2029	660,000	2.00
7/1/2030	670,000	2.00
7/1/2031	685,000	2.00
7/1/2032	700,000	2.00
7/1/2033	715,000	2.00
7/1/2034	730,000	2.00
7/1/2035	740,000	2.00
7/1/2036	755,000	2.00

EXHIBIT B

(see attached)

**EXHIBIT -L-
SCHEDULE OF MONTHLY PRINCIPAL AND INTEREST — SRF**

\$12,500,000

**Indiana Finance Authority
First Lien Wastewater Utility Revenue Bonds
Series 2016C (CWA Authority Project - SRF
Loan)**

Schedule of Monthly Transfers

Transfer Date	Transfer Amount		
	Principal	Interest	Total
11/1/2016	\$ 43,888.89	\$ 21,296.30	\$ 65,185.19
12/1/2016	\$ 43,888.89	\$ 21,296.30	\$ 65,185.19
1/1/2017	\$ 43,888.89	\$ 21,296.30	\$ 65,185.19
2/1/2017	\$ 43,888.89	\$ 20,833.33	\$ 64,722.22
3/1/2017	\$ 43,888.89	\$ 20,833.33	\$ 64,722.22
4/1/2017	\$ 43,888.89	\$ 20,833.33	\$ 64,722.22
5/1/2017	\$ 43,888.89	\$ 20,833.33	\$ 64,722.22
6/1/2017	\$ 43,888.89	\$ 20,833.33	\$ 64,722.22
7/1/2017	\$ 43,888.89	\$ 20,833.33	\$ 64,722.22
8/1/2017	\$ 44,166.67	\$ 20,175.00	\$ 64,341.67
9/1/2017	\$ 44,166.67	\$ 20,175.00	\$ 64,341.67
10/1/2017	\$ 44,166.67	\$ 20,175.00	\$ 64,341.67
11/1/2017	\$ 44,166.67	\$ 20,175.00	\$ 64,341.67
12/1/2017	\$ 44,166.67	\$ 20,175.00	\$ 64,341.67
1/1/2018	\$ 44,166.67	\$ 20,175.00	\$ 64,341.67
2/1/2018	\$ 44,166.67	\$ 20,175.00	\$ 64,341.67
3/1/2018	\$ 44,166.67	\$ 20,175.00	\$ 64,341.67
4/1/2018	\$ 44,166.67	\$ 20,175.00	\$ 64,341.67
5/1/2018	\$ 44,166.67	\$ 20,175.00	\$ 64,341.67
6/1/2018	\$ 44,166.67	\$ 20,175.00	\$ 64,341.67
7/1/2018	\$ 44,166.67	\$ 20,175.00	\$ 64,341.67
8/1/2018	\$ 45,000.00	\$ 19,291.67	\$ 64,291.67
9/1/2018	\$ 45,000.00	\$ 19,291.67	\$ 64,291.67
10/1/2018	\$ 45,000.00	\$ 19,291.67	\$ 64,291.67
11/1/2018	\$ 45,000.00	\$ 19,291.67	\$ 64,291.67
12/1/2018	\$ 45,000.00	\$ 19,291.67	\$ 64,291.67
1/1/2019	\$ 45,000.00	\$ 19,291.67	\$ 64,291.67
2/1/2019	\$ 45,000.00	\$ 19,291.67	\$ 64,291.67
3/1/2019	\$ 45,000.00	\$ 19,291.67	\$ 64,291.67

4/1/2019	\$	45,000.00	\$	19,291.67	\$	64,291.67
5/1/2019	\$	45,000.00	\$	19,291.67	\$	64,291.67
6/1/2019	\$	45,000.00	\$	19,291.67	\$	64,291.67
7/1/2019	\$	45,000.00	\$	19,291.67	\$	64,291.67
8/1/2019	\$	45,833.33	\$	18,391.67	\$	64,225.00
9/1/2019	\$	45,833.33	\$	18,391.67	\$	64,225.00
10/1/2019	\$	45,833.33	\$	18,391.67	\$	64,225.00
11/1/2019	\$	45,833.33	\$	18,391.67	\$	64,225.00
12/1/2019	\$	45,833.33	\$	18,391.67	\$	64,225.00
1/1/2020	\$	45,833.33	\$	18,391.67	\$	64,225.00
2/1/2020	\$	45,833.33	\$	18,391.67	\$	64,225.00
3/1/2020	\$	45,833.33	\$	18,391.67	\$	64,225.00
4/1/2020	\$	45,833.33	\$	18,391.67	\$	64,225.00
5/1/2020	\$	45,833.33	\$	18,391.67	\$	64,225.00
6/1/2020	\$	45,833.33	\$	18,391.67	\$	64,225.00
7/1/2020	\$	45,833.33	\$	18,391.67	\$	64,225.00
8/1/2020	\$	47,083.33	\$	17,475.00	\$	64,558.33
9/1/2020	\$	47,083.33	\$	17,475.00	\$	64,558.33
10/1/2020	\$	47,083.33	\$	17,475.00	\$	64,558.33
11/1/2020	\$	47,083.33	\$	17,475.00	\$	64,558.33
12/1/2020	\$	47,083.33	\$	17,475.00	\$	64,558.33
1/1/2021	\$	47,083.33	\$	17,475.00	\$	64,558.33
2/1/2021	\$	47,083.33	\$	17,475.00	\$	64,558.33
3/1/2021	\$	47,083.33	\$	17,475.00	\$	64,558.33
4/1/2021	\$	47,083.33	\$	17,475.00	\$	64,558.33
5 ¹ / ₂ 2021	\$	47,083.33	\$	17,475.00	\$	64,558.33
6/1/2021	\$	47,083.33	\$	17,475.00	\$	64,558.33
7/1/2021	\$	47,083.33	\$	17,475.00	\$	64,558.33
8/1/2021	\$	47,916.67	\$	16,533.33	\$	64,450.00
9/1/2021	\$	47,916.67	\$	16,533.33	\$	64,450.00
10/1/2021	\$	47,916.67	\$	16,533.33	\$	64,450.00
11/1/2021	\$	47,916.67	\$	16,533.33	\$	64,450.00
12/1/2021	\$	47,916.67	\$	16,533.33	\$	64,450.00
1/1/2022	\$	47,916.67	\$	16,533.33	\$	64,450.00
2/1/2022	\$	47,916.67	\$	16,533.33	\$	64,450.00
3/1/2022	\$	47,916.67	\$	16,533.33	\$	64,450.00
4/1/2022	\$	47,916.67	\$	16,533.33	\$	64,450.00
5/1/2022	\$	47,916.67	\$	16,533.33	\$	64,450.00
6/1/2022	\$	47,916.67	\$	16,533.33	\$	64,450.00
7/1/2022	\$	47,916.67	\$	16,533.33	\$	64,450.00
8/1/2022	\$	48,750.00	\$	15,575.00	\$	64,325.00
9/1/2022	\$	48,750.00	\$	15,575.00	\$	64,325.00

10/1/2022	\$	48,750.00	\$	15,575.00	\$	64,325.00
11/1/2022	\$	48,750.00	\$	15,575.00	\$	64,325.00
12/1/2022	\$	48,750.00	\$	15,575.00	\$	64,325.00
1/1/2023	\$	48,750.00	\$	15,575.00	\$	64,325.00
2/1/2023	\$	48,750.00	\$	15,575.00	\$	64,325.00
3/1/2023	\$	48,750.00	\$	15,575.00	\$	64,325.00
4/1/2023	\$	48,750.00	\$	15,575.00	\$	64,325.00
5/1/2023	\$	48,750.00	\$	15,575.00	\$	64,325.00
6/1/2023	\$	48,750.00	\$	15,575.00	\$	64,325.00
7/1/2023	\$	48,750.00	\$	15,575.00	\$	64,325.00
8/1/2023	\$	49,583.33	\$	14,600.00	\$	64,183.33
9/1/2023	\$	49,583.33	\$	14,600.00	\$	64,183.33
10/1/2023	\$	49,583.33	\$	14,600.00	\$	64,183.33
11/1/2023	\$	49,583.33	\$	14,600.00	\$	64,183.33
12/1/2023	\$	49,583.33	\$	14,600.00	\$	64,183.33
1/1/2024	\$	49,583.33	\$	14,600.00	\$	64,183.33
2/1/2024	\$	49,583.33	\$	14,600.00	\$	64,183.33
3/1/2024	\$	49,583.33	\$	14,600.00	\$	64,183.33
4/1/2024	\$	49,583.33	\$	14,600.00	\$	64,183.33
5/1/2024	\$	49,583.33	\$	14,600.00	\$	64,183.33
6/1/2024	\$	49,583.33	\$	14,600.00	\$	64,183.33
7/1/2024	\$	49,583.33	\$	14,600.00	\$	64,183.33
8/1/2024	\$	50,833.33	\$	13,608.33	\$	64,441.67
9/1/2024	\$	50,833.33	\$	13,608.33	\$	64,441.67
10/1/2024	\$	50,833.33	\$	13,608.33	\$	64,441.67
11/1/2024	\$	50,833.33	\$	13,608.33	\$	64,441.67
12/1/2024	\$	50,833.33	\$	13,608.33	\$	64,441.67
1/1/2025	\$	50,833.33	\$	13,608.33	\$	64,441.67
2/1/2025	\$	50,833.33	\$	13,608.33	\$	64,441.67
3/1/2025	\$	50,833.33	\$	13,608.33	\$	64,441.67
4/1/2025	\$	50,833.33	\$	13,608.33	\$	64,441.67
5/1/2025	\$	50,833.33	\$	13,608.33	\$	64,441.67
6/1/2025	\$	50,833.33	\$	13,608.33	\$	64,441.67
7/1/2025	\$	50,833.33	\$	13,608.33	\$	64,441.67
8/1/2025	\$	51,666.67	\$	12,591.67	\$	64,258.33
9/1/2025	\$	51,666.67	\$	12,591.67	\$	64,258.33
10/1/2025	\$	51,666.67	\$	12,591.67	\$	64,258.33
11/1/2025	\$	51,666.67	\$	12,591.67	\$	64,258.33
12/1/2025	\$	51,666.67	\$	12,591.67	\$	64,258.33
1/1/2026	\$	51,666.67	\$	12,591.67	\$	64,258.33
2/1/2026	\$	51,666.67	\$	12,591.67	\$	64,258.33
3/1/2026	\$	51,666.67	\$	12,591.67	\$	64,258.33

4/1/2026	\$	51,666.67	\$	12,591.67	\$	64,258.33
5/1/2026	\$	51,666.67	\$	12,591.67	\$	64,258.33
6/1/2026	\$	51,666.67	\$	12,591.67	\$	64,258.33
7/1/2026	\$	51,666.67	\$	12,591.67	\$	64,258.33
8/1/2026	\$	52,916.67	\$	11,558.33	\$	64,475.00
9/1/2026	\$	52,916.67	\$	11,558.33	\$	64,475.00
10/1/2026	\$	52,916.67	\$	11,558.33	\$	64,475.00
11/1/2026	\$	52,916.67	\$	11,558.33	\$	64,475.00
12/1/2026	\$	52,916.67	\$	11,558.33	\$	64,475.00
1/1/2027	\$	52,916.67	\$	11,558.33	\$	64,475.00
2/1/2027	\$	52,916.67	\$	11,558.33	\$	64,475.00
3/1/2027	\$	52,916.67	\$	11,558.33	\$	64,475.00
4/1/2027	\$	52,916.67	\$	11,558.33	\$	64,475.00
5/1/2027	\$	52,916.67	\$	11,558.33	\$	64,475.00
6/1/2027	\$	52,916.67	\$	11,558.33	\$	64,475.00
7/1/2027	\$	52,916.67	\$	11,558.33	\$	64,475.00
8/1/2027	\$	53,750.00	\$	10,500.00	\$	64,250.00
9/1/2027	\$	53,750.00	\$	10,500.00	\$	64,250.00
10/1/2027	\$	53,750.00	\$	10,500.00	\$	64,250.00
11/1/2027	\$	53,750.00	\$	10,500.00	\$	64,250.00
12/1/2027	\$	53,750.00	\$	10,500.00	\$	64,250.00
1/1/2028	\$	53,750.00	\$	10,500.00	\$	64,250.00
2/1/2028	\$	53,750.00	\$	10,500.00	\$	64,250.00
3/1/2028	\$	53,750.00	\$	10,500.00	\$	64,250.00
4/1/2028	\$	53,750.00	\$	10,500.00	\$	64,250.00
5/1/2028	\$	53,750.00	\$	10,500.00	\$	64,250.00
6/1/2028	\$	53,750.00	\$	10,500.00	\$	64,250.00
7/1/2028	\$	53,750.00	\$	10,500.00	\$	64,250.00
8/1/2028	\$	55,000.00	\$	9,425.00	\$	64,425.00
9/1/2028	\$	55,000.00	\$	9,425.00	\$	64,425.00
10/1/2028	\$	55,000.00	\$	9,425.00	\$	64,425.00
11/1/2028	\$	55,000.00	\$	9,425.00	\$	64,425.00
12/1/2028	\$	55,000.00	\$	9,425.00	\$	64,425.00
1/1/2029	\$	55,000.00	\$	9,425.00	\$	64,425.00
2/1/2029	\$	55,000.00	\$	9,425.00	\$	64,425.00
3/1/2029	\$	55,000.00	\$	9,425.00	\$	64,425.00
4/1/2029	\$	55,000.00	\$	9,425.00	\$	64,425.00
5/1/2029	\$	55,000.00	\$	9,425.00	\$	64,425.00
6/1/2029	\$	55,000.00	\$	9,425.00	\$	64,425.00
7/1/2029	\$	55,000.00	\$	9,425.00	\$	64,425.00
8/1/2029	\$	55,833.33	\$	8,325.00	\$	64,158.33
9/1/2029	\$	55,833.33	\$	8,325.00	\$	64,158.33

10/1/2029	\$	55,833.33	\$	8,325.00	\$	64,158.33
11/1/2029	\$	55,833.33	\$	8,325.00	\$	64,158.33
12/1/2029	\$	55,833.33	\$	8,325.00	\$	64,158.33
1/1/2030	\$	55,833.33	\$	8,325.00	\$	64,158.33
2/1/2030	\$	55,833.33	\$	8,325.00	\$	64,158.33
3/1/2030	\$	55,833.33	\$	8,325.00	\$	64,158.33
4/1/2030	\$	55,833.33	\$	8,325.00	\$	64,158.33
5/1/2030	\$	55,833.33	\$	8,325.00	\$	64,158.33
6/1/2030	\$	55,833.33	\$	8,325.00	\$	64,158.33
7/1/2030	\$	55,833.33	\$	8,325.00	\$	64,158.33
8/1/2030	\$	57,083.33	\$	7,208.33	\$	64,291.67
9/1/2030	\$	57,083.33	\$	7,208.33	\$	64,291.67
10/1/2030	\$	57,083.33	\$	7,208.33	\$	64,291.67
11/1/2030	\$	57,083.33	\$	7,208.33	\$	64,291.67
12/1/2030	\$	57,083.33	\$	7,208.33	\$	64,291.67
1/1/2031	\$	57,083.33	\$	7,208.33	\$	64,291.67
2/1/2031	\$	57,083.33	\$	7,208.33	\$	64,291.67
3/1/2031	\$	57,083.33	\$	7,208.33	\$	64,291.67
4/1/2031	\$	57,083.33	\$	7,208.33	\$	64,291.67
5/1/2031	\$	57,083.33	\$	7,208.33	\$	64,291.67
6/1/2031	\$	57,083.33	\$	7,208.33	\$	64,291.67
7/1/2031	\$	57,083.33	\$	7,208.33	\$	64,291.67
8/1/2031	\$	58,333.33	\$	6,066.67	\$	64,400.00
9/1/2031	\$	58,333.33	\$	6,066.67	\$	64,400.00
10/1/2031	\$	58,333.33	\$	6,066.67	\$	64,400.00
11/1/2031	\$	58,333.33	\$	6,066.67	\$	64,400.00
12/1/2031	\$	58,333.33	\$	6,066.67	\$	64,400.00
1/1/2032	\$	58,333.33	\$	6,066.67	\$	64,400.00
2/1/2032	\$	58,333.33	\$	6,066.67	\$	64,400.00
3/1/2032	\$	58,333.33	\$	6,066.67	\$	64,400.00
4/1/2032	\$	58,333.33	\$	6,066.67	\$	64,400.00
5/1/2032	\$	58,333.33	\$	6,066.67	\$	64,400.00
6/1/2032	\$	58,333.33	\$	6,066.67	\$	64,400.00
7/1/2032	\$	58,333.33	\$	6,066.67	\$	64,400.00
8/1/2032	\$	59,583.33	\$	4,900.00	\$	64,483.33
9/1/2032	\$	59,583.33	\$	4,900.00	\$	64,483.33
10/1/2032	\$	59,583.33	\$	4,900.00	\$	64,483.33
11/1/2032	\$	59,583.33	\$	4,900.00	\$	64,483.33
12/1/2032	\$	59,583.33	\$	4,900.00	\$	64,483.33
1/1/2033	\$	59,583.33	\$	4,900.00	\$	64,483.33
2/1/2033	\$	59,583.33	\$	4,900.00	\$	64,483.33
3/1/2033	\$	59,583.33	\$	4,900.00	\$	64,483.33

4/1/2033	\$	59,583.33	\$	4,900.00	\$	64,483.33
5/1/2033	\$	59,583.33	\$	4,900.00	\$	64,483.33
6/1/2033	\$	59,583.33	\$	4,900.00	\$	64,483.33
7/1/2033	\$	59,583.33	\$	4,900.00	\$	64,483.33
8/1/2033	\$	60,833.33	\$	3,708.33	\$	64,541.67
9/1/2033	\$	60,833.33	\$	3,708.33	\$	64,541.67
10/1/2033	\$	60,833.33	\$	3,708.33	\$	64,541.67
11/1/2033	\$	60,833.33	\$	3,708.33	\$	64,541.67
12/1/2033	\$	60,833.33	\$	3,708.33	\$	64,541.67
1/1/2034	\$	60,833.33	\$	3,708.33	\$	64,541.67
2/1/2034	\$	60,833.33	\$	3,708.33	\$	64,541.67
3/1/2034	\$	60,833.33	\$	3,708.33	\$	64,541.67
4/1/2034	\$	60,833.33	\$	3,708.33	\$	64,541.67
5/1/2034	\$	60,833.33	\$	3,708.33	\$	64,541.67
6/1/2034	\$	60,833.33	\$	3,708.33	\$	64,541.67
7/1/2034	\$	60,833.33	\$	3,708.33	\$	64,541.67
8/1/2034	\$	61,666.67	\$	2,491.67	\$	64,158.33
9/1/2034	\$	61,666.67	\$	2,491.67	\$	64,158.33
10/1/2034	\$	61,666.67	\$	2,491.67	\$	64,158.33
11/1/2034	\$	61,666.67	\$	2,491.67	\$	64,158.33
12/1/2034	\$	61,666.67	\$	2,491.67	\$	64,158.33
1/1/2035	\$	61,666.67	\$	2,491.67	\$	64,158.33
2/1/2035	\$	61,666.67	\$	2,491.67	\$	64,158.33
3/1/2035	\$	61,666.67	\$	2,491.67	\$	64,158.33
4/1/2035	\$	61,666.67	\$	2,491.67	\$	64,158.33
5/1/2035	\$	61,666.67	\$	2,491.67	\$	64,158.33
6/1/2035	\$	61,666.67	\$	2,491.67	\$	64,158.33
7/1/2035	\$	61,666.67	\$	2,491.67	\$	64,158.33
8/1/2035	\$	62,916.67	\$	1,258.33	\$	64,175.00
9/1/2035	\$	62,916.67	\$	1,258.33	\$	64,175.00
10/1/2035	\$	62,916.67	\$	1,258.33	\$	64,175.00
11/1/2035	\$	62,916.67	\$	1,258.33	\$	64,175.00
12/1/2035	\$	62,916.67	\$	1,258.33	\$	64,175.00
1/1/2036	\$	62,916.67	\$	1,258.33	\$	64,175.00
2/1/2036	\$	62,916.67	\$	1,258.33	\$	64,175.00
3/1/2036	\$	62,916.67	\$	1,258.33	\$	64,175.00
4/1/2036	\$	62,916.67	\$	1,258.33	\$	64,175.00
5/1/2036	\$	62,916.67	\$	1,258.33	\$	64,175.00
6/1/2036	\$	62,916.67	\$	1,258.33	\$	64,175.00
7/1/2036	\$	62,916.67	\$	1,258.33	\$	64,175.00
Total:	\$	12,500,000.00	\$	2,753,088.89	\$	15,253,088.89

**EXHIBIT -M-
SCHEDULE OF MONTHLY DEPOSITS INTO 2016C DSRF**

\$12,500,000

**Indiana Finance Authority
First Lien Wastewater Utility Revenue Bonds
Series 2016C (CWA Authority Project - SRF
Loan)**

Debt Service Reserve Funding Schedule

Monthly Deposits into DSRF

<u>Deposit Date</u>	<u>Deposit Amount</u>
11/1/2016	12,911.67
12/1/2016	12,911.67
1/1/2017	12,911.67
2/1/2017	12,911.67
3/1/2017	12,911.67
4/1/2017	12,911.67
5/1/2017	12,911.67
6/1/2017	12,911.67
7/1/2017	12,911.67
8/1/2017	12,911.67
9/1/2017	12,911.67
10/1/2017	12,911.67
11/1/2017	12,911.67
12/1/2017	12,911.67
1/1/2018	12,911.67
2/1/2018	12,911.67
3/1/2018	12,911.67
4/1/2018	12,911.67
5/1/2018	12,911.67
6/1/2018	12,911.67
7/1/2018	12,911.67
8/1/2018	12,911.67
9/1/2018	12,911.67
10/1/2018	12,911.67
11/1/2018	12,911.67
12/1/2018	12,911.67
1/1/2019	12,911.67
2/1/2019	12,911.67
3/1/2019	12,911.67
4/1/2019	12,911.67

5/1/2019	12,911.67
6/1/2019	12,911.67
7/1/2019	12,911.67
8/1/2019	12,911.67
9/1/2019	12,911.67
10/1/2019	12,911.67
11/1/2019	12,911.67
12/1/2019	12,911.67
1/1/2020	12,911.67
2/1/2020	12,911.67
3/1/2020	12,911.67
4/1/2020	12,911.67
5/1/2020	12,911.67
6/1/2020	12,911.67
7/1/2020	12,911.67
8/1/2020	12,911.67
9/1/2020	12,911.67
10/1/2020	12,911.67
11/1/2020	12,911.67
12/1/2020	12,911.67
1/1/2021	12,911.67
2/1/2021	12,911.67
3/1/2021	12,911.67
4/1/2021	12,911.67
5/1/2021	12,911.67
6/1/2021	12,911.67
7/1/2021	12,911.67
8/1/2021	12,911.67
9/1/2021	12,911.67
10/1/2021	12,911.67
Total:	\$ 774,700.00

STATE OF INDIANA
WASTEWATER REVOLVING LOAN PROGRAM

FINANCIAL ASSISTANCE AGREEMENT made as of the 29th day of September 2016 by and between the INDIANA FINANCE AUTHORITY (the "Finance Authority"), a body politic and corporate, not a state agency but an independent instrumentality of the State of Indiana (the "State") and the CWA AUTHORITY, INC. (the "Participant"), a participant as defined in I.C. 13-11-2-151.1 and a nonprofit public benefit corporation, created and existing as such pursuant to the Indiana Nonprofit Corporation Act of 1991, as amended (the "Nonprofit Act"), Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "Interlocal Agreement") among the City of Indianapolis (the "City"), the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District") and the Board of Directors for Utilities of the Department of Public Utilities of the City, d/b/a Citizens Energy Group ("Citizens"), witnesseth:

WHEREAS, the State's Wastewater Revolving Loan Program (the "Wastewater SRF Program") has been established in accordance with the federal Clean Water Act and the regulations promulgated thereunder, and pursuant to I.C. 13-18-13 (the "Wastewater SRF Act"), which Wastewater SRF Act also establishes the wastewater revolving loan fund (the "Wastewater SRF Fund"); and

WHEREAS, pursuant to the Wastewater SRF Act, the State was authorized to fund the Wastewater SRF Program with federal capitalization grants, together with required state matching funds therefor, and to operate the Wastewater SRF Program, and prior to May 15, 2005 so funded and operated the Wastewater SRF Program; and

WHEREAS, pursuant to Public Law 235 - 2005, by operation of law and effective May 15, 2005, the Finance Authority has become the successor to the State in all matters related to the Wastewater SRF Program (including use and acceptance of federal capitalization grants and required state matching funds and operation of the Wastewater SRF Program); and

WHEREAS, the Participant is a duly existing participant as defined in I.C. 13-11-2-151.1, lawfully empowered to undertake all transactions and execute all documents mentioned or contemplated herein; and

WHEREAS, the Participant has determined to undertake a wastewater treatment system project (as more fully described herein, the "Project") and to borrow money from the Wastewater SRF Program to construct and acquire the Project; and

WHEREAS, the Finance Authority and the Participant desire to set forth the terms of such financial assistance as hereinafter provided.

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the Finance Authority and the Participant agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Capitalized terms in the foregoing recitals and elsewhere in this Agreement shall, for all purposes of this Agreement, have the meaning ascribed therein. Additionally, the following terms shall, for all purposes of this Agreement, have the following meaning:

"Agency" shall mean the United States Environmental Protection Agency or its successor.

"APA" shall mean an Asset Purchase Agreement dated as of August 11, 2010 by and among the Sanitary District, the City, Citizens and the Participant.

"Authorizing Instrument(s)" shall mean (a) the First Lien Master Trust Indenture dated as of July 1, 2011 (the "Master Indenture"), between the Participant and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States, having a corporate trust office in Indianapolis, Indiana, as trustee (the "CWA Trustee"), as supplemented by the Series 2016C First Lien Supplemental Trust Indenture dated as of September 1, 2016 (the "SRF Supplemental Indenture"), between the Participant and the CWA Trustee; (b) the Interlocal Agreement; and (c) the order of the Commission approving the issuance of the Bonds; provided, however, that, unless the context otherwise requires, any reference to the Authorizing Instrument shall refer only to the Master Indenture.

"Authorized Representative" shall mean the Senior Vice President and Chief Financial Officer of the Participant or such other officer, official, or representative of the Participant duly authorized to act for and on behalf of the Participant as provided for herein.

"Bond" or **"Bonds"** shall mean the instrument(s) which evidence(s) the Loan, as authorized by the Authorizing Instrument and containing the terms set forth in Section 2.02 of this Agreement.

"Bond Fund" shall mean the separate and segregated Series 2016C Bond Account of the First Lien Bond Interest and Principal Fund established and created by the Participant pursuant to the Authorizing Instrument from which payment of the principal of and interest on the Bonds is required to be made by the Participant.

"Business Day" shall mean any day other than a Saturday, Sunday or State legal holiday or any other day on which financial institutions in the State are authorized by law to close and to remain closed.

"Clean Water Act" shall mean the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251-1387, and other laws, regulations and guidance supplemental thereto (including the 2014 Appropriations Act and the Water Resources Reform and Development Act of 2014), as amended and supplemented from time to time.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, together with the regulations related thereto.

"Commission" shall mean the Indiana Utility Regulatory Commission created under I.C. 8-1-1-2 or its successor.

"Construction Fund" shall mean separate and segregated fund or account, if any, established and created by the Participant pursuant to the Authorizing Instrument to receive proceeds of the Bonds and from which Eligible Costs of the Project may be paid by the Participant.

"Credit Instrument" means a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by a bank, insurance company, financial institution or other entity that is used by the Participant to meet all or a portion of any debt service reserve requirement securing the Bonds.

"Credit Provider" means a bank, insurance company, financial institution or other entity providing a Credit Instrument.

"Department" shall mean the Indiana Department of Environmental Management created under I.C. 13-13-1-1 or its successor.

"Director of Environmental Programs" shall mean the person designated by the Finance Authority as authorized to act as the Director of Environmental Programs (which designation includes such Director's assumption of the duties previously assigned to the Wastewater SRF Program Representative and the Wastewater SRF Program Director) and where not limited, such person's designee.

"Disbursement Agent" shall mean the party disbursing the Loan to or for the benefit of the Participant, which shall be the Trustee unless amounts are held in the Construction Fund, in which case the Disbursement Agent shall thereafter be the CWA Trustee as the party disbursing amounts that are held in the Construction Fund unless otherwise agreed by the Finance Authority.

"Disbursement Request" shall mean a request for a disbursement of the Loan made by an Authorized Representative in such form as the Finance Authority may from time to time prescribe.

"Eligible Cost" shall mean and include, whether incurred before or after the date of this Agreement, all costs which have been incurred and qualify for Financial Assistance, including

engineering, financing and legal costs related thereto.

"Finance Authority" shall mean the Indiana Finance Authority, a body politic and corporate, not a state agency but an independent instrumentality of the State.

"Finance Authority Bonds" shall mean (A) any Indiana Bond Bank State Revolving Fund Program Bonds issued as a part of the Wastewater SRF Program within the meaning of the Wastewater SRF Indenture and (B) any Finance Authority State Revolving Fund Program Bonds or other similar obligations of the Finance Authority issued as a part of the Wastewater SRF Program within the meaning of the Wastewater SRF Indenture.

"Financial Assistance" shall mean the financial assistance authorized by the Clean Water Act, including the Loan.

"First Lien Bonds" shall mean the bonds issued under the Authorizing Instrument as First Lien Bonds, including the Bonds.

"Loan" shall mean the purchase of the Bonds by the Finance Authority to finance the planning, designing, constructing, renovating, improving and expanding of the Participant's Treatment Works or refinance an existing debt obligation where such debt was incurred and building of such systems began after March 7, 1985, but does not mean the provision of other Financial Assistance.

"Non-Use Close-out Date" shall mean that date which is the earlier of (a) the first date as of which the full amount of the Loan has been disbursed on a cumulative basis (which shall also be deemed to have occurred when and if such amounts have been deposited in the Participant's Construction Fund) or (b) the date as of which the Participant binds itself that no further Loan disbursements will be made under this Agreement.

"Non-Use Fee" shall mean a fee in an amount determined by the Finance Authority charged to compensate it for costs and expenses within the Wastewater SRF Program. Such amount shall be the greater of (A) the product of the undrawn balance of the Loan on each applicable Non-Use Assessment Date multiplied by one percent (1%) or (B) One Thousand Dollars (\$1,000). Such fee shall apply and be payable under Section 5.09 herein with respect to each Non-Use Assessment Date until the Non-Use Close-out Date shall occur. A Non-Use Fee shall not be applicable if the full amount of the Loan has been disbursed and deposited in the Participant's Construction Fund by the Non-Use Assessment Date.

"Non-Use Assessment Date" shall mean October 1, 2018, and the first day of each sixth (6th) calendar month thereafter unless and until the Non-Use Close-out Date occurs in advance of any such Non-Use Assessment Date.

"Operation and Maintenance" shall mean the activities required to assure the continuing dependable and economic function of the Treatment Works, including maintaining compliance with National Pollutant Discharge Elimination System permits, as follows:

(1) Operation shall mean the control and management of the united processes and equipment which make up the Treatment Works, including financial and personnel management, records, reporting, laboratory control, process control, safety and emergency operation planning and operating activities.

(2) Maintenance shall mean the preservation of the functional integrity and efficiency of equipment and structures by implementing and maintaining systems of preventive and corrective maintenance, including replacements.

"Plans and Specifications" shall mean the detailed written descriptions of the work to be done in undertaking and completing the Project, including the written descriptions of the work to be performed and the drawings, cross-sections, profiles and the like which show the location, dimensions and details of the work to be performed.

"Preliminary Engineering Report" shall mean the information submitted by the Participant that is necessary for the Finance Authority to determine the technical, economic and environmental adequacy of the proposed Project.

"Project" shall mean the activities or tasks identified and described in Exhibit A to this Agreement, and incorporated herein, as amended or supplemented by the Participant and consented to by the Finance Authority, for which the Participant may expend the Loan.

"Purchase Account" shall mean the account by that name created by the Wastewater SRF Indenture and held as part of the Wastewater SRF Fund.

"SRF Policy Guidelines" shall mean guidance of general applicability (as from time to time published, amended and supplemented by the Finance Authority) pertaining to participants utilizing financial assistance in connection with their projects funded in whole or in part through the Wastewater SRF Program.

"State" shall mean the State of Indiana.

"Substantial Completion of Construction" shall mean the day on which the Finance Authority (or if designated by the Finance Authority, the Department) determines that all but minor components of the Project have been built, all equipment is operational and the Project is capable of functioning as designed; provided, however, that in the event no proceeds of the Loan are applied to costs of Construction, then the Project shall be considered substantially completed when the Participant has fully disbursed the proceeds of the Loan for Eligible Costs.

"Treatment Works" shall mean any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature to implement section 201 of the Clean Water Act, or necessary to recycle or reuse water at the most economical cost over the estimated life of the works, including intercepting sewers, outfall sewers, sewage collection systems, pumping, power, and other equipment, and their

appurtenances; extensions, improvements, remodeling, additions, and alterations thereof; elements essential to provide a reliable recycled supply such as standby treatment units and clear well facilities; and acquisition of the land that will be an integral part of the treatment process (including land use for the storage of treated wastewater in land treatment systems prior to land application) or will be used for ultimate disposal of residues resulting from such treatment and acquisition of other land, and interests in land, that are necessary for construction.

"Trustee" shall mean The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana, in its capacity as trustee or its successor under the Wastewater SRF Indenture.

"2014 Appropriations Act" shall mean the Consolidated Appropriations Act, 2014 (also known as H.R. 3457), and other laws, regulations and guidance supplemental thereto (including the Clean Water Act), as amended and supplemented from time to time.

"Wastewater SRF Fund" shall mean the wastewater revolving loan fund as established by I.C. 13-18-13-2.

"Wastewater SRF Indenture" shall mean the Sixth Amended and Restated Wastewater SRF Trust Indenture, dated as of April 1, 2007 between the Finance Authority (as successor by operation of law to the State in all matters related to the Wastewater SRF Program) and the Trustee, as amended and supplemented from time to time.

(End of Article I)

ARTICLE II

PURPOSE OF BORROWING AND LOAN TERMS

Section 2.01. Amount; Purpose. The Finance Authority agrees to Loan an amount not to exceed Twelve Million Five Hundred Thousand Dollars (\$12,500,000) in aggregate principal amount to the Participant as Financial Assistance to pay for the Eligible Costs, as hereinafter described, of the Project on, and subject to, the terms and conditions contained herein. The Loan shall be used only to pay the following Eligible Costs: (a) eligible planning services for the production of a Preliminary Engineering Report ("Planning"), (b) eligible design services for the production of Plans and Specifications ("Design") and (c) eligible construction costs, including financing and legal costs ("Construction"). The Loan shall be funded solely from available proceeds of the Finance Authority Bonds contained in the Purchase Account or from other sources that the Finance Authority may, in its sole discretion, designate. The Loan is evidenced by the Bonds executed and delivered by the Participant contemporaneously herewith. The Bonds shall be in fully registered form, with the Finance Authority registered as the registered owner. So long as the Finance Authority is the registered owner, the principal of and redemption premium, if any, and interest on the Bonds shall be paid to the Trustee by a wire transfer referenced as follows: The Bank of New York, ABA 021 000 018, For Credit to GLA: 111-565, For Final Credit: TAS #610026, Account Name: CWA Sewage Works, Attn: Derick Rush. The Participant agrees to undertake and complete the Project and to receive and expend the Loan proceeds in accordance with this Agreement.

Section 2.02. The Bonds.

(a) Until paid, the Bonds will bear interest at the per annum rate of two percent (2%). Such interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months, and be as provided in I.C. 13-18-13-10 and -15. Interest, if any, on the Bonds will be payable on January 1 and July 1 of each year, commencing January 1, 2017. The Bonds will be in the aggregate principal amount of Twelve Million Five Hundred Thousand Dollars (\$12,500,000). Subject to Section 2.05 and 2.06 herein, the Bonds will mature annually on July 1 as set forth in, and at the principal amount set opposite each such month and year set forth in the schedule contained in the attached Exhibit B to this Agreement (which is hereby incorporated by reference); provided, however, notwithstanding the foregoing or the terms of the Bonds to the contrary, no maturity of Bonds shall extend beyond the date which is twenty (20) years after Substantial Completion of Construction. If the maturity date for any Bond is beyond such date, unless otherwise agreed to, such Bonds, together with accrued and unpaid interest thereon, will be due and payable on such date.

(b) The Bonds will be subject to redemption by the Participant as provided in the Authorizing Instrument; provided however that in no event shall the Participant exercise any provision contained in the Authorizing Instrument or the Bonds permitting a redemption of the Bonds at the option of the Participant unless and until such has been consented by the Authority.

The Loan, and the Bonds evidencing it, will be subject to payment by the Participant as provided in this Agreement.

(c) The form and other terms of the Bonds will be in conformity with the Authorizing Instrument.

(d) The additional terms contained in the attached Exhibit D are applicable to this Loan (as and to the extent set forth in Exhibit D) to the same effect as if such were set forth in this section.

Section 2.03. Disbursement Conditions. Each of the following shall be a condition precedent to the disbursement of the Loan or any portion thereof (including from the Construction Fund):

(a) (1) With respect to procurement of professional services related to the Project to be paid from Loan proceeds, the Participant shall have complied with applicable State law and SRF Policy Guidelines. Additionally costs related to Planning and Design shall only be Eligible Costs upon compliance with paragraph A of the attached Exhibit D. (2) With respect to procurement of all other goods and services related to the Project to be paid from Loan proceeds, the Participant shall have complied with I.C. 36-1-12, if applicable, and SRF Policy Guidelines.

(b) No representation, warranty or covenant of the Participant contained in this Agreement or in any paper executed and delivered in connection with the transactions contemplated by this Agreement shall be false or inaccurate in any material respect.

(c) The Participant shall undertake and faithfully perform each of its obligations, agreements and covenants contained in this Agreement, the Authorizing Instrument and the Bonds.

(d) There shall be available to the Finance Authority uncommitted funds in an amount sufficient to satisfy the Finance Authority's obligations hereunder from the proceeds of Finance Authority Bonds in the Purchase Account or from other sources that the Finance Authority may, in its sole discretion, designate; provided however, once Loan proceeds have been deposited in the Construction Fund, such condition shall be deemed satisfied.

(e) The Participant shall have undertaken all actions necessary to comply with and satisfy the conditions and requirements for a Loan secured with money made available from the Wastewater SRF Fund as set forth in federal and State statutes, rules and regulations, including I.C. 13-18-13, SRF Policy Guidelines, the Clean Water Act and 40 C.F.R. Part 35.

(f) Prior to making any Loan disbursement to pay any Construction costs, the Project shall have been approved by the State's Historical Preservation Officer in a manner consistent with the policies and practices of the Wastewater SRF Program (the "Historical Preservation Approval"). Notwithstanding any provision of this Agreement to the contrary, in the event a Historical Preservation Approval has not been given within four (4) months after the date of this Agreement, the Finance Authority may, in its sole discretion, reduce the aggregate amount of the Loan to the amount then disbursed and outstanding under this Agreement. Upon giving notice to the Participant of such action, no further Loan disbursement (including from the Construction Fund) may be made under this Agreement unless consented to by the Finance Authority.

(g) In the event the Bonds are payable from rates and charges of the Treatment Works and if requested by the Finance Authority, the Participant shall provide evidence satisfactory to the Finance Authority demonstrating that such rates and charges are at a level adequate to produce and maintain sufficient Net Revenue (as hereafter defined) after providing for the proper Operation and Maintenance of the Treatment Works, on a proforma basis consistent with SRF Policy Guidelines, to the coverages required in Section 3.02(g).

Section 2.04. Disbursement Procedures. Loan proceeds (including any held from time to time in the Construction Fund) shall be disbursed to the Participant by the Disbursement Agent for actual Eligible Costs incurred with respect to the Project. The Finance Authority may, in its discretion, cause Loan disbursements to be made (a) directly to the person or entity identified in the Disbursement Request to whom payment is due, or (b) if advised in writing by the Participant that I.C. 36-1-12-14 or a similar law applies to the Project, to the Participant for purposes of collecting retainage, or some combination thereof. Any Loan proceeds in excess of the amount subject to retainage controlled by the Participant will be immediately remitted to the person or entity to whom payment is due, no later than three (3) Business Days after receipt or the date such Loan proceeds are no longer subject to retainage. The Finance Authority may, in its discretion, cause Loan disbursements to be made from time to time, in whole or in part, to the Participant's Construction Fund for disbursement consistent with this Agreement. Loan disbursements shall not be made more frequently than monthly and shall only be made following the submission of a Disbursement Request to the Finance Authority. Disbursement Requests shall be approved by the Director of Environmental Programs prior to submission to the Disbursement Agent for a Loan disbursement. Disbursement Requests shall be numbered sequentially, beginning with the number 1.

Section 2.05. Effect of Disbursements. Loan disbursements made to or for the benefit of the Participant shall be deemed to be a purchase of the Bonds in such amounts and with such maturities as achieves as level debt service as practicable, and with no maturity longer than the original maturity schedule; provided that any principal payments originally scheduled under Section 2.02 herein as being due prior to one year after Substantial Completion of Construction shall first be deemed to be a purchase of the Bonds in order of maturity. The deposit of Loan proceeds in the Construction Fund shall be deemed to be a purchase of the Bonds. Interest on the

Loan commences on disbursement of the Loan to or for the benefit of the Participant (including any amounts disbursed to the Construction Fund) by the Finance Authority and the Bonds shall be deemed to be purchased in the full amount thereof Each disbursement (including any amounts disbursed from the Construction Fund) shall be made pursuant to a Disbursement Request. In the event any Loan disbursement (including any amounts disbursed from the Construction Fund) shall be made in excess of Eligible Costs, such excess disbursements shall be immediately paid by the Participant to the Disbursement Agent (and if made from any amounts held in the Construction Fund, shall be immediately deposited by the Participant into such Construction Fund) and thereafter may, subject to the terms and conditions set forth in this Agreement, be applied thereafter to pay Eligible Costs of the Project by the Participant.

Section 2.06. Acknowledgment of Amount of Loan; Final Disbursement. Within 30 days after any request by the Finance Authority from time to time, the Participant shall execute and deliver to the Finance Authority an acknowledgment in the form prescribed by the Finance Authority which acknowledges the outstanding principal of and interest on the Bonds. Unless the Finance Authority consents in writing, no Loan disbursement shall be made more than one year after Substantial Completion of Construction. After Substantial Completion of Construction, upon the request of the Finance Authority, the Participant shall replace, at its expense, the Bonds with substitutes issued pursuant to the Authorizing Instrument to evidence the outstanding principal under the Loan.

(End of Article II)

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PARTICIPANT

Section 3.01. Planning, Design and Construction Covenants. The Participant hereby covenants and agrees with the Finance Authority that the Participant will:

- (a) Provide information as requested by the Finance Authority to determine the need for, or to complete any necessary, environmental review or analysis.
- (b) Comply with the procurement procedures and affirmative action requirements contained in SRF Policy Guidelines in the Planning, Design and Construction of the Project to the extent that such are to be paid from Loan proceeds.
- (c) With respect to prime and first tier contract awards, report minority and women business enterprise utilization in the Planning, Design and Construction of the Project, to the extent that such are to be paid from Loan proceeds, by executing and delivering Agency Form SF 5700-52 to the Finance Authority whenever any agreements or subagreements are awarded. (These reports must be submitted on regular reporting cycles consistent with SRF Policy Guidelines commencing after such agreement or subagreement is awarded.)
- (d) Comply with all applicable federal, State and local statutes, rules and regulations relating to the acquisition and construction of the Treatment Works.
- (e) In the event Construction is to be paid from Loan proceeds, prior to an award of any contract for Construction of the Project, obtain a construction permit from the Department and receive the written approval of the Finance Authority of the Preliminary Engineering Report.
- (f) In the event Construction is to be paid from Loan proceeds, obtain the property rights necessary to construct the Treatment Works and, in procuring any such rights comply with federal and State law.
- (g) In the event Construction is to be paid from Loan proceeds, comply with the federal Davis-Bacon Act, codified at 40 U.S.C. 276a-276a-5 unless separately waived by the Finance Authority.
- (h) In the event Construction is to be paid from Loan proceeds, execute and deliver to the Finance Authority Agency Form 4700-4 ("Pre-award Compliance Review Report for Wastewater Treatment Construction Grants") and such other forms as may be required by the Clean Water Act or SRF Policy Guidelines.
- (i) In the event Construction is to be paid from Loan proceeds, follow guidance

issued by the Finance Authority in procuring contracts for Construction, including (1) submission to the Finance Authority of Project change orders, (2) obtaining approval from the Director of Environmental Programs of any Project change order which significantly changes the scope or Design of the Project or, when taking into account other change orders and contracts, are reasonably expected to result in expenditures in an amount greater than the Loan, (3) receiving approval from the Director of Environmental Programs prior to the award of any contract for Construction and (4) receiving authorization from the Director of Environmental Programs prior to initiating procurement of Construction of the Project.

(j) In the event Construction is to be paid from Loan proceeds, before awarding Construction contracts, receive approval of the Director of Environmental Programs for the user charge system (including any use ordinance and interlocal agreement) associated with the Project.

(k) In the event Construction is to be paid from Loan proceeds, cause the Project to be constructed in accordance with the Preliminary Engineering Report and Plans and Specifications, using approved contract papers.

(l) Permit the Finance Authority and its agents to inspect from time to time (1) the Project, (2) the Treatment Works and (3) the books and other financial records of the Treatment Works, including the inspections described in SRF Policy Guidelines. Construction contracts shall provide that the Finance Authority or its agents will have access to the Project and the work related thereto and that the Participant's contractor will provide proper facilities for such access and inspection. All files and records pertaining to the Project shall be retained by the Participant for at least six years after Substantial Completion of Construction.

(m) Upon Substantial Completion of Construction and when requested by the Finance Authority, provide audited reports to the Finance Authority to permit the Finance Authority to determine that the Loan proceeds have been used in compliance with this Agreement.

(n) In the event Construction is to be paid from Loan proceeds, within one year of Substantial Completion of Construction, consistent with SRF Policy Guidelines, certify to the Finance Authority that the Project meets performance standards, or if not met, (1) submit to the Finance Authority (or if directed by the Finance Authority, to the Department) a corrective action plan and (2) promptly and diligently undertake any corrective action necessary to bring the Project into compliance with such standards.

(o) In the event Construction is to be paid from Loan proceeds, within one year of Substantial Completion of Construction, provide as-built plans for the Project to the Finance Authority (or if directed by the Finance Authority, to the Department).

Section 3.02. General Covenants. The Participant hereby covenants and agrees with the Finance Authority that the Participant will:

(a) Comply with all applicable federal, State and local statutes, rules and regulations relating to Operation and Maintenance.

(b) (1) Own, operate and maintain the Project and the Treatment Works for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Treatment Works in good condition and operate it in an efficient manner and at a reasonable cost; and (3) not sell, transfer, lease or otherwise encumber the Treatment Works or any portion thereof or any interest therein without the prior written consent of the Finance Authority, except as provided in the Asset Purchase Agreement and the Authorizing Instrument;

(c) Obtain and maintain the property rights necessary to operate and maintain the Treatment Works, and in procuring any such rights, comply with federal and State law.

(d) Establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the Treatment Works in accordance with (i) generally accepted accounting principles, as promulgated by the Financial Accounting Standards Board and (ii) the rules and requirements of the Commission.

(e) Provide to the Finance Authority such periodic financial and environmental reports as it may request from time to time, including (1) annual operating and capital budgets and (2) such other information requested or required of the Finance Authority or the Participant by the Agency.

(f) Provide notice to the Finance Authority under the circumstances contemplated, and undertake inspections as required, by SRF Policy Guidelines.

(g) (1) Establish and maintain just and equitable rates and charges for the use of and the service rendered by the Treatment Works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Treatment Works, or that in any way uses or is served by the Treatment Works and (2) establish, adjust and maintain rates and charges at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the Participant) to provide for the proper Operation and Maintenance of the Treatment Works, to comply with and satisfy all covenants contained herein and to pay all obligations of the Treatment Works and of the Participant with respect thereto; provided further that the Participant additionally will comply with the following:

- (A) Treatment Works rates and charges in each Fiscal Year (as defined in the Authorizing Instrument) will be sufficient after operating expenses (defined as Operation and Maintenance Expenses in the Authorizing Instrument) for such Fiscal Year ("Net Revenue") to (a) produce 1.20x coverage requirement on all actual First Lien Bonds (as defined in the Authorizing Instrument) payments due in such Fiscal Year, (b) produce 1.1x coverage requirement on the actual combined First Lien Bonds and Second Lien Bonds (as defined in the Authorizing Instrument) payments due in such Fiscal Year, and (c) provide for the timely payment from Net Revenue and other unencumbered and available resources of the actual combined First Lien Bond payments, Second Lien Bond payments and Other Payments (as hereinafter defined) due in such Fiscal Year.
- (B) Within one hundred fifty (150) days of the end of each Fiscal Year, the Participant shall annually certify to the Finance Authority that it is in compliance with such clause (A) of this subsection (h) including providing a report with sufficient detail to permit the Finance Authority to review the basis for the same.
- (C) If the Treatment Works rates and charges are less than the amounts specified above in a Fiscal Year pursuant to the report described in (B) above, the Participant must take appropriate action under the law and within its powers to revise the Participant's rates, fees and other charges or the method of operation of the Treatment Works in order to satisfy the foregoing requirements in the next following Fiscal Year (the "Current Fiscal Year"). Actions which may be taken shall include, but not be limited to the filing of a proceeding seeking additional revenues or other relief before the Commission. If any of such actions permit or require reasonable administrative or judicial review under the laws of the State of Indiana or the United States of America, such review shall be taken; provided, however, that (i) the Participant shall not be required to implement the procedures set forth above, if the Net Revenue the Participant would have received in the Tested Fiscal Year (as defined in the Authorizing Instrument) would have been sufficient to meet the requirements of subsection (A) hereof if the Treatment Works rates and charges for such Fiscal Year would have been sufficient by giving effect for the entire Fiscal Year to any increase or decrease in rates, fees, rentals or other charges which were authorized by an order of the Commission issued prior to the date that is within 120 days after the end of such Fiscal Year; and (ii) additional filings seeking increased revenues or other relief before the Commission shall not be required so long as an issue of law or fact substantially the same to that which would be raised by such additional filing is then pending or has been decided pursuant to a non-appealable order that prevents raising such issue in subsequent

proceedings on appeal or such an issue of law or fact was previously determined adversely on appeal. So long as the Participant substantially complies in a timely fashion with the above provisions, the Participant will not be deemed to have defaulted in the performance of its duties under this Section even if the resulting Treatment Works rates and charges are not sufficient to be in compliance with the covenant set forth above in the next following Fiscal Year, so long as there is no other event of default under this Agreement. The Participant shall report such actions to the Finance Authority within 150 days after the conclusion of the Tested Fiscal Year.

(h) Not issue First Lien Bonds or Second Lien Bonds, or incur of any obligations to make payments in lieu of property taxes (PILOT), payments to the City described in Section 2.04(e) of the APA (the "GO Payments") and any other Participant debt to finance the acquisition payments due under the APA ("Other Payments") except upon satisfaction of the following terms ("Agreement Additional Bonds Test");

(1) Prior to issuing additional First Lien Bonds (the "Additional First Lien Debt"), the Participant shall provide a certificate to the Finance Authority in advance of any such issuance demonstrating that the Net Revenue produce projected coverage ("projected coverage") in excess of tested payment obligations ("Tested Payment Obligations") as follows:

(a) either:

(i) 1.25x projected coverage demonstrated by comparing the Net Revenue for the immediately preceding Fiscal Year or any 12 consecutive months during the 18 months immediately preceding the issuance of the Additional First Lien Debt (the "Historical Period") against Tested Payment Obligations comprised of the maximum annual future payments on the existing First Lien Debt and the Additional First Lien Debt (provided however that the Historical Period shall only consist of twelve months or a Fiscal Year that occurs before the Closing); or

(ii) 1.25x projected coverage demonstrated by comparing the Net Revenue for the Historical Period against the Tested Payment Obligations comprised of the actual combined annual payments due in each Fiscal Year on existing First Lien Debt and the Additional First Lien Debt for each of the next three Fiscal Years of the Participant commencing in the first Fiscal Year in which payments are due on the Additional First Lien Debt;

(b) 1.1x projected coverage demonstrated by comparing the Net Revenue for the Historical Period against Tested Payment Obligations comprised of the actual combined annual payments due in the One Year Testing Period

(defined below) on First Lien Debt, including the Additional First Lien Debt, and Second Lien Debt; and

- (c) the ability to pay from Net Revenue and other resources the actual combined annual payments due for the One Year Testing Period on the First Lien Debt, including the Additional First Lien Debt, Second Lien Debt and Other Payments.
- (2) In the event that additional Second Lien Debt (the "Additional Second Lien Debt") is issued, the Participant shall provide a certificate to the Finance Authority in advance of any such issuance demonstrating that there is:
- (a) 1.1x projected coverage demonstrated by comparing the Net Revenue for the Historical Period against Tested Payment Obligations comprised of the actual combined annual payments due in the One Year Testing Period on the First Lien Debt and Second Lien Debt, including the Additional Second Lien Debt; and
 - (b) the ability to pay from Net Revenue and other resources the actual combined annual payments due in the One Year Testing Period on the First Lien Debt, Second Lien Debt, including the Additional Second Lien Debt, and Other Payments.
- (3) In the event that additional Other Payments (the "Additional Other Payments") are incurred, the Participant shall provide a certificate to the Finance Authority in advance of any such incurrence demonstrating that there is the ability to pay from Net Revenue and other resources the actual combined annual payments due in the One Year Testing Period on the First Lien Debt, Second Lien Debt and Other Payments, including the Additional Other Payments.

The "One Year Testing Period" shall be the first Fiscal Year of the Participant after payments are due on the additional obligations to be issued or incurred.

The Participant may consider as part of Net Revenue in its certificate described in clauses (1) —(3) above any increased revenues from rate increases that have been approved by the Commission or that may be implemented by the Participant pursuant to an existing Commission order.

For purposes of clause (1)-(3), amounts owed on Other Payments shall not be included in the annual payments on First Lien Bonds and Second Lien Bonds.

Notwithstanding the above provisions, in the event that any of the Agreement Additional Bonds Test cannot be met, if the Participant demonstrates to the Finance Authority other mitigating facts and circumstances (including without limitation pending rate cases before the Commission, which evidence an ability to make the

payments due on the First Lien Debt, Second Lien Debt and Other Payments in the One Year Testing Period consistent with such projected coverage requirements), then upon the written consent of the Finance Authority (which consent shall not be unreasonably withheld or delayed), the Agreement Additional Bonds Test shall be deemed satisfied.

(i) Comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d et seq., the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(j) Undertake all actions necessary to investigate all potential, material claims which the Participant may have against other persons with respect to the Treatment Works and the Project and take whatever action is necessary or appropriate to (1) recover on any actionable, material claims related to the Project or the Planning, Design or Construction thereof, (2) meet applicable Project performance standards and (3) otherwise operate the Treatment Works in accordance with applicable federal, State and local law.

(k) In the event the Participant adopts an ordinance or resolution to refund the Bonds, within 5 days of the adoption of the ordinance or resolution, provide written notice to the Finance Authority of the refunding. Any refunding of the Bonds shall only be undertaken by the Participant with the prior written consent of the Finance Authority.

(l) In any year in which total expenditures of Federal financial assistance received from all sources exceeds \$750,000 the Participant shall comply with the Federal Single Audit Act (SAA) of 1984, as amended by the Federal Single Audit Act Amendments of 1996 (see 2 CFR 200 Subpart F) and have an audit of their use of Federal financial assistance. The Participant agrees to provide the Finance Authority with a copy of the SAA audit within 9 months of the audit period.

(m) Inform the Finance Authority of any findings and recommendations pertaining to the SRF program contained in an audit of 2 CFR 200 Subpart F (a/k/a "Super Circular") matters in which SRF Federal financial assistance was less than \$750,000.

(n) Initiate within 6 months of the audit period corrective actions for those audit reports with findings and recommendations that impact the SRF financial assistance.

(o) Notwithstanding anything in the Authorizing Instrument related to the Bonds to the contrary, in the event any Credit Provider that has provided a Credit Instrument fails to be rated on a long term basis at least "A-/A3" by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, and Moody's Investors Service, Inc.,

and their successors (such Credit Instrument, a "Disqualified Instrument"), within 12 months of such failure (or pursuant to such other schedule as may be approved by the Finance Authority), the Participant shall cause cash (or a replacement Credit Instrument from a Credit Provider that is rated on a long term basis at least "AA-/Aa3" by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, and Moody's Investors Service, Inc., and their successors)(or some combination thereof) in an aggregate amount equal to the stated credit available under the Disqualified Instrument(s) to be deposited in the Series 2016C Account of the Revenue Bond Reserve Fund in lieu of such Disqualified Instrument(s). No Disqualified Instrument shall be included as part of the reserve balance which satisfies the reserve requirement for the Series 2016C Account of the Revenue Bond Reserve Fund under the Authorizing Instrument. Nothing in this subsection shall waive or modify additional requirements contained in the Authorizing Instrument; the provisions of this subsection and the Authorizing Instrument shall both be required to be met. Unless and until notice shall be given by the Finance Authority to the Participant, a surety policy issued by MBIA Insurance Corporation or Financial Guaranty Insurance Company that has been reinsured by National Public Finance Guarantee Corporation (formerly known as MBIA Insurance Corp. of Illinois) shall not be treated as a Disqualified Instrument.

(p) (i) comply with Title 40 CFR Part 34 (New Restrictions on Lobbying) and the Byrd Anti-Lobbying Amendment ("Lobbying Restrictions"); (ii) provide certifications and disclosures related to Lobbying Restrictions in a form and manner as may from time to time be required by SRF Policy Guidelines or the Clean Water Act including without limitation the Lobbying Restrictions; and (iii) pay any applicable civil penalty required by the Lobbying Restrictions as may be applicable to making a prohibited expenditure under Title 40 CFR Part 34, or failure to file any required certification or lobbying disclosures. The Participant understands and acknowledges that pursuant to such Lobbying Restrictions, the making of any such prohibited expenditure, or any such failure to file or disclose, is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.

(q) Comply with all federal requirements applicable to the Loan (including those imposed by the 2014 Appropriations Act and related SRF Policy Guidelines) which the Participant understands includes, among other, requirements that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Participant has requested and obtained a waiver from the Agency pertaining to the Project or (ii) the Finance Authority has otherwise advised the Participant in writing that the American Iron and Steel Requirement is not applicable to the Project.

(r) Comply with all record keeping and reporting requirements under the Clean Water Act, including any reports required by a Federal agency or the Finance Authority such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and

(ii) failure to comply with the Clean Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds and/or other remedial actions.

(s) Comply with all requirements of this Agreement applicable to the Loan (including those imposed by the attached Exhibit D).

Section 3.02.A. Additional Covenants. In furtherance of undertakings under the Authorizing Instrument, the Participant hereby covenants and agrees with the Finance Authority that:

(a) The Participant shall cause the Finance Authority to be informed of any matter restricted or provided for in this Section 3.02.A by (i) giving written notice thereof at least thirty (30) in advance of any such matter that is set forth in subsection (c) of this Section or no later than five (5) days after the occurrence of the event, which but for the passage of time, would be an Event of Default that is described in subsection (d) of this Section and (ii) promptly provide such further or additional information as may be requested by the Finance Authority related thereto. Unless the Finance Authority has been informed as to such matter pursuant to the prior sentence, the Participant shall cause the Finance Authority to be informed of any amendment or supplement to the Master Indenture pursuant to Articles VIII thereof, by notice given at least fifteen (15) days in advance of any such action.

(b) The Participant shall cause any notice or report that is required to be given by the Participant to the CWA Trustee (or by the CWA Trustee to the Participant) pursuant to Section 3.02(b), 4.01(b), 5.03(j) or (k), or 5.05, or pursuant to Articles VI or VII, of the Master Indenture to also be given to the Finance Authority at least fifteen (15) days in advance of any action being taken in respect of such notice and no later than when such is required to be given to the CWA Trustee or the Participant, as the case may be, pursuant to such sections or articles of the Master Indenture.

(c) The Participant agrees that it will not undertake any of the following actions under Master Indenture without the prior written consent of the Finance Authority:

(i) Appointing a successor CWA Trustee pursuant to Article VII of the Master Indenture;

(ii) Amending the Master Indenture pursuant to Section 3.03(a), Section 8.02(a), (g), (h), (i) or (j) or Section 8.03 thereof;

(iii) Amending the Interlocal Agreement or APA, or the Articles of Incorporation or Bylaws (or comparable organization papers) of the Participant, in any manner that the Finance Authority may reasonably determine materially and adversely affects its rights or interests under the Bonds, the Authorizing Instruments or this Agreement;

(iv) Any actions described under Section 5.03(j) of the Master Indenture;

(v) Any action taken to hold, use or apply any revenue determined by the Participant to constitute extraordinary revenue within the meaning of the Master Indenture unless such extraordinary revenue item shall be held and applied by the Participant in the same manner as Net Revenue is required to be held and applied pursuant to the Master Indenture; and

(vi) Any action inconsistent with subsection (e) of this Section 3.02.A..

(d) The Participant agrees that it will comply and perform its obligations in the following Sections of the Master Indenture and Sections of the SRF Supplemental Indenture as if such Sections were fully set forth in this Agreement, which Sections shall be incorporated by reference into the Agreement as if fully set forth herein:

(i) Articles III, IV, V and VIII of the Master Indenture; and

(ii) Sections 6, 8, 10, 11, 12, 14, 15 and 18 of the SRF Supplemental Indenture.

(e) The Participant shall cause the Authorizing Instrument to be applied consistent with the following:

(i) With respect only to the Series 2016C Bond Account and the Series 2016C Account of the Bond Reserve Fund (each as defined in the Authorizing Instrument) each application of any provision in the Authorizing Instrument shall be undertaken where the defined term "Permitted Investment" (as defined in the Authorizing Instrument) is applied such that any rating requirement therein pertains both to when a Permitted Investment for such fund or account is initially made and continuously so long as any such Permitted Investment is held for such fund or account under the Authorizing Instrument; and

(ii) In any application of Section 3.02(f) of the Authorizing Instrument that excludes any debt service paid during the Tested Fiscal Year by reason of such provision, there shall be a corresponding inclusion on the same accrual and/or set aside basis up to and including the final day of the Tested Fiscal Year for the principal and interest, as applicable, on the same First Lien Bonds that has been so excluded under Section 3.02(f) of the Authorizing Instrument, so that a full 12-months of debt service, and not more, shall have been included in the application of such tests under Section 3.02 of the Authorizing Instrument.

(f) The Participant shall take all actions or proceedings necessary and proper to require connection of all property where liquid and solid waste, sewage, night soil or industrial waste is produced, with available sanitary sewers. The Participant shall, insofar as possible, cause all such sanitary sewers to be connected with the Treatment Works.

Section 3.03. Representations and Warranties of the Participant. After due investigation and inquiry, the Participant hereby represents and warrants to the Finance Authority that:

(a) The Participant is duly organized and existing under state law, and constitutes a "participant" within the meaning of I.C. 13-11-2-151.1.

(b) The Participant and its Treatment Works are subject to the jurisdiction of the Commission in the manner provided in I.C. 8-1-11.1. The Commission has approved the Treatment Works rates and charges and the issuance of any indebtedness related to the acquisition of the Treatment Works. No additional approvals or consents are required to be obtained from the Commission related thereto.

(c) The Bonds are the valid and binding obligations of the Participant, enforceable in accordance with their terms as First Lien Bonds. The Bonds are payable from, and secured by, the Trust Estate (as defined by the Authorizing Instrument) as First Lien Bonds. The Authorizing Instrument and the Disclosure Agreement are valid and binding agreements of the Participant, enforceable in accordance with their terms. The Authorizing Instrument creates the valid pledge, which it purports to create, of the Trust Estate, subject to the application thereof to the purposes, and on the conditions, permitted by the Authorizing Instrument. Any payment obligations on the Bonds is prior to and senior in security to any payment of any Second Lien Bonds and Other Payments.

(d) The Participant had and continues to have full power and authority to execute and deliver the Authorizing Instrument and this Agreement and issue, execute and deliver the Bonds and perform its obligations hereunder and thereunder.

(e) By all required action, the Participant has duly adopted, executed and delivered the Authorizing Instrument and authorized the execution and delivery of this Agreement, the Bonds and all other papers delivered in connection herewith.

(f) Neither the execution of, nor the consummation of the transactions contemplated by, this Agreement, the APA, the Interlocal Agreement, the Authorizing Instrument, and the Bonds, nor the compliance with the terms and conditions of any other paper referred to herein or therein, shall conflict with, result in a breach of or constitute a default under, any indenture, mortgage, lease, agreement or instrument to which the Participant is a party or by which the Participant or its property, including the Treatment Works, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(g) There is no litigation pending or, to the knowledge of the Participant, upon investigation, threatened against the Participant or Citizens that (1) challenges or questions the validity or binding effect of this Agreement, the APA, the Interlocal Agreement, the Authorizing Instrument and the Bonds, or the authority or ability of the

Participant to execute and deliver this Agreement, the APA, the Interlocal Agreement, the Authorizing Instrument or the Bonds, and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Participant to meet its obligations under this Agreement, the APA, the Interlocal Agreement, the Authorizing Instrument and the Bonds.

(h) The Participant has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Participant.

(i) All information furnished by the Participant to the Finance Authority or any of the persons representing the Finance Authority in connection with the Loan is accurate and complete in all material respects including compliance with the obligations, requirements and undertakings imposed upon the Participant pursuant to this Agreement, the APA, the Interlocal Agreement, the Authorizing Instrument and the Bonds.

(h) The Participant has taken or will take all proceedings required by law to enable it to issue and sell the Bonds as contemplated by this Agreement.

(i) the Participant: (a) is qualified to own, operate and finance the Treatment Works under various federal and state statutes or regulations, subject to having obtained all necessary governmental approvals; (b) is exempt from federal taxation; (c) operates the Treatment Works through the employees of Citizens and others; (d) has all of the powers of Citizens, the Sanitary District and the City which are necessary, useful or appropriate for the acquisition, ownership and operation of the Treatment Works (except as set forth in the Interlocal Agreement, the City's power of taxation and taxing authority); (e) is an "issuer" under Indiana Code 5-1-14-4(a); (f) will meet the definition of an eligible authority under applicable environmental requirements; (g) will meet the State Revolving Fund/U.S. Environmental Protection Agency definition of a qualified owner/operator; (h) is a public body created pursuant to Indiana Code 36-1-7 and the Nonprofit Act; (i) is a "municipality" under 11 United States Code § 101(40); (j) has jurisdiction over disposal of sewage, industrial wastes or other wastes and qualifies as a publicly owned treatment works within the meaning of the Clean Water Act; (k) is not authorized under current Indiana law to become a debtor under the United States Bankruptcy Code; and (l) has the same power and authority with respect to debt, bonds and other financing as the City, the Sanitary District and Citizens have; and

(j) For any outstanding bonds payable from the revenues of the Treatment Works which are on a parity with the Bonds, each Credit Provider, if any, that has provided a Credit Instrument is currently at least rated on a long term basis "A-/A3" long term by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies and Moody's Investors Service, Inc., and their successors, except as represented and set forth in Exhibit C attached thereto (and with respect to which true, accurate and complete copies of each such Credit Instrument have been delivered to the Finance Authority).

Each of the foregoing representations and warranties will be deemed to have been made by the Participant as of the date of this Agreement and as of the date of any disbursement of Loan proceeds (including from the Construction Fund). Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the Finance Authority may have undertaken.

Section 3.04. Covenants Regarding Assignment. The Participant acknowledges that the Finance Authority may pledge, sell or assign the Bonds or cause the Bonds to be pledged, sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 5.02 herein. The Participant covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the Finance Authority, the Participant covenants and agrees with the Finance Authority that the Participant will, at its expense, furnish any information, financial or otherwise, with respect to the Participant, this Agreement, the Authorizing Instrument and the Bonds and the Treatment Works as the Finance Authority reasonably requests in writing to facilitate the sale or assignment of the Bonds.

Section 3.05. Nature of Information. Except for information that the Participant has marked confidential which qualifies for an exception to public disclosure under applicable law, all information furnished by the Participant to the Finance Authority or any person representing the Finance Authority in connection with the Loan or the Project may be furnished to any other person the Finance Authority, in its judgment, deems necessary or desirable in its operation and administration of the Wastewater SRF Program.

Section 3.06. Tax Covenants. (a) In the event the interest rate applicable to the Bonds is zero (0) percent, then subsection (c) of this Section shall be applicable and otherwise subsection (b) of this Section shall be applicable.

(b) The Participant hereby covenants that it will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause to permit to be taken by it or by any party under its control, any action that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code. The Participant further covenants that it will not do any act or thing that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code or "arbitrage bonds" within the meaning of Section 148 of the Code. In furtherance and not in limitation of the foregoing, the Participant shall take all action necessary and appropriate to comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable to the Participant or the Bonds, including accounting for and making provision for the payment of any and all amounts that may be required to be paid to the United States of America from time to time pursuant to Section 148 of the Code.

(c) The Participant hereby covenants that notwithstanding that there is no interest payable on the Bonds and therefore the Participant's actions could not result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code, the Participant will not do any act or thing that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code or otherwise take

any action that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on any Finance Authority Bonds pursuant to Section 103 of the Code.

Section 3.07. Non-Discrimination Covenant. Pursuant to and with the force and effect set forth in I.C. 22-9-1-10, the Participant hereby covenants that the Participant, and its contractor and subcontractor for the Project, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to the hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, sex, disability, national origin or ancestry.

(End of Article III)

ARTICLE IV - DEFAULTS

Section 4.01. Remedies. Each of the following events shall constitute an event of default under this Agreement: (a) if the Participant fails to undertake or perform in a timely manner any of its agreements, covenants, terms or conditions set forth herein or in any paper entered into or delivered in connection herewith (including the Authorizing Instrument and the Bonds); (b) the occurrence of any Event of Default (as defined in the Authorizing Instrument); or (c) if any representation or warranty made by the Participant as set forth herein or in any paper entered into or delivered in connection herewith is materially false or misleading. Upon the occurrence of an event of default as described above, the Finance Authority shall be entitled, other than by declaring the entire outstanding principal amount of the Loan or the Bonds immediately due and payable, to all rights and remedies at law or in equity, to institute any action, suit or other proceeding in equity (including any action to compel specific performance) or otherwise which it shall deem necessary or proper for the protection of its interests under this Agreement and the Finance Authority shall be entitled to specific performance against the Participant (it being acknowledged and understood by the Participant that monetary damages may not be an adequate remedy to the Finance Authority for the Participant's failure to observe its covenants hereunder); provided that the Finance Authority acknowledges and agrees that the exercise of its rights and remedies hereunder, as it pertains to an Event of Default under the Authorizing Instrument is limited to those rights set forth in the Authorizing Instrument for a holder of a First Lien Bond and subject to the provisions of the Authorizing Instrument limiting the rights of a holder of a First Lien Bond to exercise any such remedy. The Participant and the Finance Authority agree that the intent of this Section 4.1 and Section 15 of the SRF Supplemental Indenture is to allow the Finance Authority to be permitted, upon the occurrence of an event of default under this Section, including for failure of the Participant to comply with those Sections of the Authorizing Instruments incorporated by reference in Section 3.02A(d) hereof, to protect its interests under this Agreement by pursuing any action, suit or other proceeding in equity (including any action to compel specific performance) or otherwise (whether such rights or remedies so exercised are at law or in equity). Such actions of the Finance Authority shall not include declaring the entire outstanding principal amount of the Loan or the Bonds immediately due and payable, unilaterally requesting the appointment of a receiver, requesting or requiring the payment of the Bonds and the Loan prior to the payment of any other First Lien Bonds issued by the Participant under the Authorizing Instruments, causing an Event of Default under the Authorizing Instruments (other than as a First Lien Bondholder as provided for therein) for the Participant's failure to observe its covenants hereunder. The Finance Authority acknowledges, while the Finance Authority has rights under this Agreement separate from and in addition to its rights as the holder of the Bonds, the Finance Authority has no additional rights under the Authorizing Instruments than those of any other holder of First Lien Bonds.

Section 4.02. Effect of Default. Failure on the part of the Finance Authority in any instance or under any circumstance to observe or perform fully any obligation assumed by or imposed upon the Finance Authority by this Agreement or by law shall not make the Finance Authority liable in damages to the Participant or relieve the Participant from paying any Bond or fully performing any other obligation required of it under this Agreement or the Authorizing Instrument; provided, however, that the Participant may have and pursue any and all other

remedies provided by law for compelling performance by the Finance Authority of such obligation assumed by or imposed upon the Finance Authority. The obligations of the Finance Authority hereunder do not create a debt or a liability of the Finance Authority or the State under the constitution of the State or a pledge of the faith or credit of the Finance Authority or the State and do not directly, indirectly or contingently, obligate the Finance Authority or the State to levy any form of taxation for the payment thereof or to make any appropriation for their payment. Neither the Finance Authority or the State, nor any agent, attorney, member or employee of the Finance Authority or the State shall in any event be liable for damages, if any, for the nonperformance of any obligation or agreement of any kind whatsoever set forth in this Agreement.

(End of Article IV)

ARTICLE V

MISCELLANEOUS

Section 5.01. Citations. Any reference to a part, provision, section or other reference description of a federal or State statute, rule or regulation contained herein shall include any amendments, replacements or supplements to such statutes, rules or regulation as may be made effective from time to time. Any reference to a Loan disbursement shall include any disbursement from the Construction Fund. Any use of the term "including" herein shall not be a limitation as to any provision herein contained but shall mean and include, without limitation, the specific matters so referenced.

Section 5.02. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Participant without the prior written consent of the Finance Authority and any attempt at such an assignment without such consent shall be void. The Finance Authority may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Authorizing Instrument, and the Bonds to an agency of the State or to a separate body corporate and politic of the State or to a trustee under trust instrument to which the Finance Authority, the State or any assignee is a beneficiary or party. The Finance Authority may at its option pledge or assign all or a portion of its rights under this Agreement, the Authorizing Instrument, and the Bonds to any person. The Participant hereby consents to any such pledge or assignment by the Finance Authority. This Agreement shall be binding upon and inure to the benefit of any permitted secured party, successor and assign.

Section 5.03. No Waiver. Neither the failure of the Finance Authority nor the delay of the Finance Authority to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 5.04. Modifications. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto.

Section 5.05. Entire Agreement. This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Authorizing Instrument and the other papers delivered in connection herewith. In the event there is a conflict between the terms of this Agreement and the Authorizing Instrument, the terms of this Agreement shall control. It is expressly understood and agreed that except as otherwise provided herein this Agreement represents an integration of any and all prior and contemporaneous promises, agreements, conditions, undertakings, warranties and representations between the parties hereto.

Section 5.06. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Finance Authority and the Participant, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 5.07. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Agreement on the part of the Finance Authority or the Participant to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Bonds to be invalid as determined by a court of competent jurisdiction, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 5.08. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the Finance Authority shall be addressed to:

Indiana Finance Authority
SRF Programs
100 North Senate, Room 1275
Indianapolis, Indiana 46204
Attention: Director of Environmental Programs

or at such other address(es) or number(s) and to the attention of such other person(s) as the Finance Authority may designate by notice to the Participant. Notices to the Participant shall be addressed to:

CWA Authority, Inc.
2020 North Meridian Street
Indianapolis, Indiana 46202
Attention: Senior Vice President and Chief Financial Officer

or at such other address(es) or number(s) and to the attention of such other person(s) as the Participant may designate by notice to the Finance Authority. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) Business Days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) Business Day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 5.09. Expenses. The Participant covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Bonds and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses in connection with making and administering the Loan; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys' fees, incurred by the Finance Authority in connection with the enforcement of this Agreement, the Authorizing Instrument and the Bonds in the event of the breach by the Participant of or a default under this Agreement, the Authorizing Instrument or the Bonds. Notwithstanding clause (b) above, the Participant shall not be obligated to pay any of the fees, costs and expenses in connection with administering the Loan except as follows: (1) the Finance Authority may request and the Participant shall promptly pay (no later than the date first above written), a closing fee in connection with the Loan in an amount determined by the Finance Authority, but not exceeding \$1,000, which may not be paid from a Loan disbursement; (2) the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), an annual administrative fee in connection with the Loan in an amount determined by the Finance Authority, but not exceeding \$1,000, which may not be paid from a Loan disbursement; (3) the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a Non-Use Fee in connection with the Loan, which may not be paid from a Loan disbursement; (4) for so long as the Finance Authority is the registered owner of the Bonds, at the direction of the Finance Authority, the interest rate on the Bonds may be adjusted to lower the interest rate on the Bonds, and the difference between the amount payable as the original rate on the Bonds and the lower rate shall be deemed an additional administrative fee in connection with the Wastewater SRF Program; and (5) the Participant shall only be obligated to pay fees, costs and expenses of the Finance Authority's counsel and financial advisers in connection with making the Loan up to \$30,000, which may be paid from a Loan disbursement.

Section 5.10. Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Indiana.

Section 5.11. Term. This Agreement shall terminate at such time as the Participant has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Bonds or provision for the payment of the Bonds pursuant to the Authorizing Instrument.

Section 5.12. Non-Collusion. The undersigned attests, subject to the penalties of perjury, that he/she is an authorized officer or representative of the Participant, that he/she has not, nor has any other officer or representative of the Participant, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive pay, and that the undersigned has not received or paid any sum of money or other consideration for the execution of this Agreement other than that which appears upon the face of the agreement or is a payment to lawyers, accountants and engineers by the Participant related to customary services rendered in connection with the Loan.

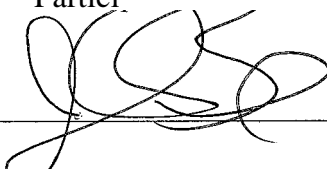
Section 5.13. Federal Award Information. The CFDA Number for the Finance Authority's Wastewater SRF Program (also known as the Clean Water SRF Loan Program) is 66.458 and the Federal Agency & Program Name is "US Environmental Protection Agency Capitalization Grant for Clean Water State Revolving Funds."

(End of Article V)

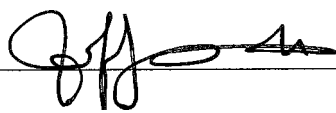
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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or officials, all as of the date first above written.

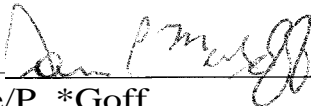
CWA AUTHORITY, INC.

"Partici
By: 
Printed: John R. Brehm

Title: Senior Vice President and Chief
Financial Officer

Attest: 

INDIANA FINANCE AUTHORITY

"Finance Authority"
By: 
Jame/P. *Goff
Director of Environmental Programs

Attested by Finance Authority Staff:

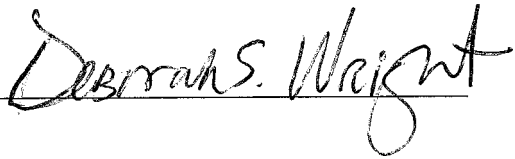
By: 

EXHIBIT A
PROJECT DESCRIPTION

The Project is solely to undertake engineering services constituting a Planning and Design function for any project or undertaking for which there is a Preliminary Engineering Report and the Plans and Specifications approved by the Finance Authority (or that is under review by and pending approval of the Authority). The Project will involve construction administration, engineering and inspection services during the construction phase of the DigIndy tunnel system. Citizens Water Authority is implementing the DigIndy project as part of the City of Indianapolis's Long Term Control Plan. The DigIndy project is a nearly 28-mile long network of 18-foot diameter deep rock tunnel built 250 feet below grade. The tunnel system will reduce the amount of combined sewer overflow contaminants discharged into Marion County waterways.

The Project is more fully described in, and shall be in accordance with, the Preliminary Engineering Report and the Plans and Specifications approved by the Finance Authority (or if designated by the Finance Authority, the Department).

[End of Exhibit A]

EXHIBIT B - Principal Payment Schedule

Date	Principal Amount
7/1/2017	\$ 395,000
7/1/2018	530,000
7/1/2019	540,000
7/1/2020	550,000
7/1/2021	565,000
7/1/2022	575,000
7/1/2023	585,000
7/1/2024	595,000
7/1/2025	610,000
7/1/2026	620,000
7/1/2027	635,000
7/1/2028	645,000
7/1/2029	660,000
7/1/2030	670,000
7/1/2031	685,000
7/1/2032	700,000
7/1/2033	715,000
7/1/2034	730,000
7/1/2035	740,000
7/1/2036	755,000
Total	\$12,500,000.00

[End of Exhibit B]

EXHIBIT C
Credit Instrument

Credit Providers rated on a long term basis lower than "A-/A3" long term by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies and Moody's Investors Service, Inc. are:

- None.

[End of Exhibit C]

Exhibit D
Additional Terms

- A. *The following additional terms in this Paragraph A (related to costs of Planning or Design being treated as Eligible Costs under this Agreement and the related defined terms) are NOT applicable to the Loan:*

"Equivalency Project" shall mean a project designated by the Finance Authority as an "equivalency project" under the Clean Water Act related to the "US Environmental Protection Agency Capitalization Grant for Clean Water State Revolving Funds" for the federal fiscal year ending September 30, 2015 (or such later federal fiscal year as the Finance Authority may otherwise designate).

"A/E Services" shall mean professional services related to the Planning or Design of the Project including for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services.

The Participant understands and acknowledges that the Project has been designated as an Equivalency Project and is required to meet the related applicable requirements of the Clean Water Act which among other requirements requires that for costs of Planning or Design (including costs for A/E Services) to be treated as Eligible Costs under this Agreement, such services (and the related contract) are required to be negotiated in the same manner as a contract for architectural and engineering services as negotiated under chapter 11 of title 40, United States Code (as amended). In connection with any request for disbursement of the Loan that is submitted by the Participant to the Finance Authority to provide for the payment of any costs of Planning or Design (including costs for A/E Services), the Participant represents and warrants that such costs relate only to services provided under a contract negotiated in the same manner as a contract for architectural and engineering services as negotiated under chapter 11 of title 40, United States Code (as amended).

- B. *The following additional terms in this Paragraph B (related to Fiscal Sustainability Plans and the related defined terms) are applicable to the Loan if the Participant submitted its Wastewater SRF Program application to the Finance Authority (or the Department) related to the Project on or after October 1, 2014:*

"Fiscal Sustainability Plan" means in connection with a project that provides for the repair, replacement, or expansion of an existing treatment works, a plan that is consistent with SRF Policy Guidelines including applicable requirements of the Wastewater SRF Act and includes (a) an inventory of critical assets that are a part of the treatment works; (b) an evaluation of the condition and performance of inventoried assets or asset groupings; (b) a certification that the Participant has evaluated and will be implementing water and energy conservation efforts as part of the plan; and (d) a plan for

maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities.

The Participant understands and acknowledges that if the Participant submitted its Wastewater SRF Program application to the Finance Authority (or the Department) related to the Project (as and when determined consistent with SRF Policy Guidelines including applicable requirements of the Wastewater SRF Act) on or after October 1, 2014, then this Paragraph B is applicable and unless the Participant has self-certified that the Participant has already developed and implemented a Fiscal Sustainability Plan that meets the requirements of this Paragraph, the Participant agrees to develop and implement a Fiscal Sustainability Plan that meets the requirements of this Paragraph B. The Participant acknowledges that its agreement to do a Fiscal Sustainability Plan as provided in this Paragraph was a condition of the Loan. The Participant further agrees to submit a certification (on and in a form as provided by the Finance Authority) related to the Participant's Fiscal Sustainability Plan prior to submitting its request for a final Loan disbursement related to the Project.

C. The following additional terms in this Paragraph C (related to GPR Projects and the related defined terms) are NOT applicable to the Loan:

"GPR Projects" shall mean Project components that meet the requirement of the "Green Project Reserve (GPR) Sustainability Incentive Program" consistent with SRF Policy Guidelines including applicable requirements of the Wastewater SRF Act.

"GPR Projects Adjustment Fee" shall mean an amount which would equal the gross additional interest that would have accrued on the Bonds from the date of this Agreement through their scheduled final maturity, had such Bonds been issued at an interest rate determined under the Wastewater SRF Program's interest rate policies and practices using the final, actual GPR Projects Expenditures (rather than the amount referenced in the Participant's business case or categorical exclusion posted at www.srf.in.gov), all as determined by the Finance Authority.

"GPR Projects Expenditures" shall mean those costs and expenses incurred by the Participant that are part of the Project which are GPR Projects in nature (within the meaning of the Wastewater SRF Act) as determined by the Finance Authority, in order for the Bonds to receive special interest rate treatment under the Wastewater SRF Program's interest rate policies and practices.

The Participant understands and acknowledges that a special interest rate has been applied to the Bonds as a result of a portion of the Project having been identified by the Participant as being a GPR Projects project. In the event GPR Projects Expenditures are hereafter determined by the Finance Authority to be less than the amount referenced in the Participant's business case or categorical exclusion, then the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a GPR Projects Adjustment Fee in connection with the Loan. Within ninety

(90) days following Substantial Completion of Construction, the Participant shall certify to the Finance Authority those Loan disbursements it represents to be its GPR Projects Expenditures. The Participant understands and acknowledges that it is required to submit a business case or categorical exclusion documenting GPR Projects prior to loan closing or if a request is made pursuant to Section 3.02(f) of this Agreement.

D. The following additional terms in this Paragraph D (related to Non-point Source Projects and the related defined terms) are NOT applicable to the Loan:

"Non-point Source Adjustment Fee" shall mean an amount which would equal the gross additional interest that would have accrued on the Bonds from the date of this Agreement through their scheduled final maturity, had such Bonds been issued at an interest rate determined under the Wastewater SRF Program's interest rate policies and practices using the final, actual Non-point Source Expenditures (rather than the amount referenced in the Participant's business case or categorical exclusion posted at www.srf.in.gov), all as determined by the Finance Authority.

"Non-point Source Expenditures" shall mean those costs and expenses incurred by the Participant that are Non-point Source Projects in order for the Bonds to receive special interest rate treatment under the Wastewater SRF Program's interest rate policies and practices.

"Non-point Source Projects" shall mean Project components that meet the requirement of SRF Policy Guidelines and the Wastewater SRF Act to be non-point source in nature as determined by the Finance Authority.

The Participant understands and acknowledges that a special interest rate has been applied to the Bonds as a result of a portion of the Project having been identified by the Participant as being a non-point source project. In the event Non-point Source Expenditures are hereafter determined by the Finance Authority to be less than the amount referenced in the Participant's business case or categorical exclusion, then the Finance Authority may request and the Participant shall promptly pay (no later than thirty (30) days after any request), a Non-point Source Adjustment Fee in connection with the Loan. Within ninety (90) days following Substantial Completion of Construction, the Participant shall certify to the Finance Authority those Loan disbursements it represents to be its Non-point Source Expenditures.

[End of Exhibit D]

CREDIT AGREEMENT

dated as of September 30, 2014

among

CWA AUTHORITY, INC. as Borrower,

JPMORGAN CHASE BANK, N.A., as Administrative Agent

and

THE OTHER LENDERS PARTY HERETO

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CREDIT AGREEMENT

This CREDIT AGREEMENT, dated as of September 30, 2014 (this "Agreement"), is being entered into among CWA AUTHORITY, INC. ("Borrower"), a nonprofit public benefit corporation created pursuant to the Authorizing Acts (as defined herein,) each lender from time to time party hereto (collectively, "Lenders " and individually, a "Lender"), and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

Borrower has requested that Lenders provide a revolving credit facility, and Lenders are willing to do so on the terms and conditions set forth herein. In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I - DEFINITIONS AND ACCOUNTING TERMS

Section 1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Accounts" has the meaning set forth in the First Lien Master Indenture.

"Administrative Agent" or "Agent" means JPMorgan in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means Agent's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as Agent may from time to time notify Borrower and Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by Agent.

"Adjusted One Month LIBOR Rate" means the quotient of (a) the LIBOR Rate (as defined in the next sentence) divided by (b) one minus the reserve requirement applicable to dollar deposits in the London interbank market with a maturity equal to one month (expressed as a percentage). For purposes of this definition, "LIBOR Rate" means the interest rate determined by Agent by reference to Reuters Screen LIBOR01, formerly known as Page 3750 of the Moneyline Telerate Service (together with any successor or substitute, the "Service") or any successor or substitute page of the Service providing rate quotations comparable to those currently provided on such page of the Service, as determined by Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market, to be the rate at approximately 11:00 a.m. (London time), one Business Day prior to the first day of the applicable Default Rate period with a maturity equal to one month. If no LIBOR Rate is available to Agent for this purpose, the applicable LIBOR Rate for the applicable Default Rate period shall instead be the rate determined by Agent to be the rate at which Agent offers to place U.S. dollar deposits having a maturity equal to one month with first-class banks in the London interbank market at approximately 11:00 a.m. (London time), one Business Day prior to the first day of such Default Rate period.

"Affiliate" means, with respect to any Person, another Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control

with the Person specified. For the avoidance of doubt, on the date of execution of this Agreement, Citizens, Citizens Westfield Utilities, LLC, and its subsidiaries and Citizens Resources are not Affiliates of the Borrower.

"Aggregate Commitments" means the Commitments of all Lenders.

"Agreement" means this Credit Agreement.

"Applicable Percentage" means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender's Commitment at such time. If the commitment of each Lender to make Loans has been terminated pursuant to Section 8.02 or if the Aggregate Commitments have terminated, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Appraisal" means that certain Appraisal of the City of Indianapolis Waterworks and Wastewater System, dated January 2010, and prepared by R.W. Beck.

"Asset Purchase Agreement" means that certain Asset Purchase Agreement, dated August 11, 2010, among the City, Citizens, the Sanitary District of the City and the Borrower.

"Assignee Group" means two or more Eligible Assignees that are Affiliates of one another.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by Agent, substantially in the form of Exhibit D or any other form approved by Agent.

"Authorizing Acts" has the meaning set forth in the First Lien Master Indenture.

"Availability Period" means the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Commitments pursuant to Section 2.04 and (c) the date of termination of the commitment of the Lenders to make Loans pursuant to Section 8.02.

"Base Rate" (also known as the "Corporate Bank Floating Rate") means the higher of: (a) the Prime Rate; and (b) the Adjusted One Month LIBOR Rate, plus 2.5% per annum.

"Bond Counsel" means Ice Miller LLP or any other nationally recognized bond counsel selected by the Borrower with the approval of Agent.

"Borrower" has the meaning specified in the introductory paragraph hereto.

"Borrowing" means a borrowing consisting of simultaneous Loans made by each of the Lenders pursuant to Section 2.01.

"Business Day" means (a) for all purposes other than as set forth in clause (b) below, any day other than a Saturday, Sunday or other day on which commercial banks in the State or the State of New York are authorized or required to close under the laws of such state or a day on which the New York Stock Exchange is closed, and (b) with respect to all notices and determinations in connection with, and payments of principal and interest on, the LIBOR Rate, any day that is a Business Day described in clause (a) and that is also a day for trading by and between banks in Dollar deposits in the London interbank market.

"Change of Law" means (a) any change after the date of this Agreement in the Risk-Based Capital Guidelines or (b) any adoption or taking effect of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender or any corporation controlling any Lender.

"Citizens" means the Board of Directors for Utilities of the City, doing business as Citizens Energy Group, with respect to the existing public charitable trust for gas and energy services.

"City" means the City of Indianapolis, Indiana.

"Closing Date" means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" has the meaning set forth in Section 2.13.

"Commitment" means, as to each Lender, its obligation to make Loans to Borrower pursuant to Section 2.01, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. It is hereby acknowledged and agreed that on the Closing Date, JPMorgan and Wells Fargo are the only Lenders hereunder and that the Commitments of JPMorgan and Wells Fargo are equal to \$72,500,000 and \$72,500,000, respectively.

"Compliance Certificate" means a certificate substantially in the form of Exhibit C

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Corporate Tax Rate" means the highest marginal statutory rate of federal income tax imposed on corporations and applicable to any Lender (expressed as a decimal of one and not a whole number).

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means the Base Rate, plus three percent per annum.

"Defaulting Lender" means any Lender that (a) has failed to fund any portion of the Loans required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder unless such failure has been cured, (b) has otherwise failed to pay over to Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute or unless such failure has been cured, or (c) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding.

"Designated Disbursement Account" means the account of the Borrower maintained with the Agent and designated in writing to the Agent as the Borrower's Designated Disbursement Account (or such other account as the Borrower and the Agent may otherwise agree).

"Determination of Taxability" means and shall be deemed to have occurred on the first to occur of the following:

(a) on that date when the Borrower files any statement, supplemental statement or other tax schedule, return or document, which discloses that an Event of Taxability shall have in fact occurred;

(b) on the date when any Lender notifies the Borrower that it has received a written opinion by a nationally recognized attorney or firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred, unless, within one hundred eighty (180) days after receipt by the Borrower of such notification from such Lender, the Borrower shall deliver to such Lender a ruling or determination letter issued to or on behalf of the Borrower by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(c) on the date when the Borrower shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or

agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Borrower, or upon any review or audit of the Borrower or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(d) on that date when the Borrower shall receive notice from such Lender that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Lender the interest on the Loans due to the occurrence of an Event of Taxability (and evidence reasonably satisfactory to the Borrower of such inclusion); provided, however, no Determination of Taxability shall occur under subparagraph (c) or (d) above unless the Borrower has been afforded the opportunity, at its expense, to contest any such review, inquiry, audit or other similar proceeding, or any assessment then made, and, further, no Determination of Taxability shall occur until such contest, if made, is non-appealable and has been finally determined; provided further, however, that upon demand from any Lender, the Borrower shall promptly reimburse such Lender for any payments, including any taxes, interest, penalties or other charges such Lender shall be obligated to make as a result of the Determination of Taxability, in each case, arising during or with respect to such period as the Loans accrue interest at a rate other than the Taxable Rate.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Dollar" and "\$" mean lawful money of the United States.

"Eligible Assignee" means (a) a Lender; (b) an Affiliate of a Lender; and (c) any other Person (other than a natural person) approved by (i) Agent, and (ii) unless an Event of Default has occurred and is continuing, Borrower (each such approval not to be unreasonably withheld or delayed, it being agreed and understood that the failure of the Borrower to approve any Person who does not satisfy the minimum rating requirement set forth in Section 10.06(b)(i)(G) hereof shall not be considered unreasonable); provided, that notwithstanding the foregoing, "Eligible Assignee" shall not include Borrower or any of Borrower's Affiliates.

"Event of Taxability" means a determination that the interest on a Note is includable in the gross income of any current or former holder of the Note for federal income tax purposes.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Agent on such day on such transactions as determined by Agent.

"Fee Agreement" means that certain Fee Agreement dated as of the date hereof by and between the Borrower and the Agent, as the same may be amended, modified, restated or supplemented from time to time.

"First Lien Bond Interest and Principal Fund" means the Bond Interest and Principal Fund established in the First Lien Master Indenture.

"First Lien Bond Reserve Fund" means the Bond Reserve Fund established in the First Lien Master Indenture.

"First Lien Bonds" means the Bonds as defined in the First Lien Master Indenture.

"First Lien Master Indenture" means that certain First Lien Master Indenture, dated as of July 1, 2011, by and between the Borrower and The Bank of New York Mellon Trust Company, N.A., as First Lien Trustee, as the same may be amended, modified, supplemented or restated from time to time in accordance with the terms hereof and thereof

"First Lien Parity Obligations" has the meaning assigned to the term "Parity Obligations" in the First Lien Master Indenture.

"Fitch" means Fitch, Inc., and its successors.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fund" has the meaning set forth in the Second Lien Master Indenture.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"General Fund" has the meaning set forth in the First Lien Master Indenture.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guaranty" or "Guaranties" means, as to any Person:

(a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and

including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part); or

(b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien).

The amount of any Guaranty shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guaranty " as a verb has a corresponding meaning.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments issued pursuant to the Master Indentures;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments issued pursuant to the Master Indentures;

(c) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments issued pursuant to the Credit Agreement or the Fee Agreement, including the Notes;

(d) all obligations of such Person to pay the deferred purchase price of property or services in excess of \$1,000,000 (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 60 days after the date on which such trade account payable was created);

(e) indebtedness in excess of \$5,000,000 (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; and

(f) all Guaranties of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall specifically include, in addition to the Indebtedness described above in this definition, the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person.

"Indemnified Taxes" means Taxes other than Other Taxes.

"Indemnitees" has the meaning specified in Section 10.04(b).

"Information" has the meaning specified in Section 10.07.

"Interest Period" means with respect to each Borrowing, the period commencing on the Business Day such Borrowing is disbursed or on the Interest Period Payment Date that it is renewed pursuant to Section 2.02(a) or deemed renewed pursuant to Section 2.02(b) and ending on the date one, two or three months thereafter as selected by the Borrower pursuant to Section 2.02(a). Such Interest Period shall end on the day which corresponds numerically to such date one, two or three months thereafter; provided, however, that if there is no such numerically corresponding day in such next, second or third succeeding month, such Interest Period shall end on the last Business Day of such next, second or third succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day; provided, however, that if such next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day.

"Interest Period Payment Date" means the last day of each applicable Interest Period and the Maturity Date.

"IRS" means the United States Internal Revenue Service.

"JPMorgan" means JPMorgan Chase Bank, N.A., and its successors.

"Laws" means, collectively, all applicable international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

"Lender" has the meaning specified in the introductory paragraph hereto.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify Borrower and Agent.

"LIBOR" means, for each Interest Period in respect of a Borrowing, the interest rate determined by Agent by reference to the Service or any successor or substitute page of the Service providing rate quotations comparable to those currently provided on such page of the Service, as determined by Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market, to be the rate at approximately 11:00 a.m. (London time), two Business Days prior to the first day of the applicable Interest Period for dollar deposits with a maturity equal to such Interest Period. If no LIBOR rate is available to Agent for this purpose, the applicable LIBOR rate for the relevant Interest Period shall instead be the rate determined by Agent to be the rate at which Agent offers to place U.S. dollar deposits having a maturity equal to such Interest Period with first-class banks in the London interbank market at approximately 11:00 a.m. (London time), two Business Days prior to the first day of such Interest Period.

"LIBOR Rate" means for each Interest Period in respect of a Borrowing, an interest rate per annum equal to the sum of 72% of LIBOR, plus 84 basis points.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Loan" means a loan made by Agent to the Borrower pursuant to this Agreement.

"Loan Documents" means this Agreement, the Fee Agreement and each Note.

"Loan Notice" means a notice of a Borrowing pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit A.

"Master Indentures" shall mean collectively the First Lien Master Indenture and the Second Lien Master Indenture.

"Material Adverse Effect" means: (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), and condition (financial or otherwise) of Borrower; (b) a material impairment of the ability of Borrower to perform its obligations under any Related Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against Borrower of any Related Document to which it is a party.

"Maturity Date" means September 30, 2017.

"Maximum Rate" has the meaning set forth in Section 10.09.

"Moody's " means Moody's Investors Service, and its successors.

"Net Revenues " has the meaning set forth in the First Lien Master Indenture.

"Note" means a certificate of indebtedness issued by Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit B.

"Obligations" means the fees relating to this Agreement and the Fee Agreement and all other obligations of Borrower to Agent and Lenders arising under or in relation to this Agreement, the Fee Agreement and the other Related Documents.

"OFAC" means the Office of Foreign Assets Control.

"Other Taxes" has the meaning ascribed to such term in Section 3.01(a).

"Outstanding Amount" means on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

"Parity Debt" means any Indebtedness of the Borrower payable in any manner, whether directly or indirectly, from the Net Revenues on a basis equal to the Obligations or secured by a Lien and security interest on the Collateral that ranks pari passu with the Agent's Lien on and security interest in the Collateral.

"Participant" has the meaning specified in Section 10.04(b).

"Participating Interests" has the meaning specified in Section 10.04(b).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Prime Rate" means a rate per annum equal to the prime rate of interest announced from time to time by the Agent or by the Agent's parent (which is not necessarily the lowest rate charged to any customer), changing when and as such prime rate changes.

"Property" means any and all right, title and interest of the Borrower in and to any and all property whether real or personal, tangible or intangible, and wherever situated.

"Rate Stabilization Fund" has the meaning set forth in the First Lien Master Indenture.

"Register" has the meaning specified in Section 10.06(c).

"Related Documents" means the Loan Documents, the First Lien Master Indenture and the Second Lien Master Indenture.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"Request for Borrowing" means, with respect to a Borrowing, a Loan Notice.

"Required Lenders" means, as of any date of determination, Lenders having more than 50% of the Aggregate Commitments or, if the commitment of each Lender to make Loans has been terminated pursuant to Section 8.02, Lenders holding in the aggregate more than 50% of the Total Outstandings; provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Responsible Officer" means the chief executive officer, president, vice president, chief financial officer, director of treasury or assistant treasurer, or secretary or assistant secretary of the Borrower. Any document delivered hereunder that is signed by a Responsible Officer of the Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower.

"Risk-Based Capital Guidelines" means (a) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States, including transition rules, any amendments to such regulations adopted prior to the date of this Agreement and specifically, but without limitation, all requests, rules, guidelines or directives in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act and all rules, guidelines or directives promulgated by the Bank of International Settlements or the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority), regardless of the date enacted, adopted, issued, promulgated or implemented.

"Scheduled Debt Service" has the meaning set forth in Section 7.11.

"SEC" means the Securities and Exchange Commission or any Governmental Authority succeeding to any of its principal functions.

"Second Lien Bonds" has the meaning specified in the Second Lien Master Indenture.

"Second Lien Master Indenture" means that certain Second Lien Master Indenture, dated as of July 1, 2011, by and between the Borrower and U.S. Bank National Association, as Second Lien Trustee, as the same may be amended, modified, supplemented or restated from time to time in accordance with the terms hereof and thereof.

"Second Lien Parity Obligation" has the meaning specified in the Second Lien Master Agreement.

"Second Lien Pledged Funds" has the meaning set forth in the Second Lien Master Indenture.

"Standard & Poor's" means Standard & Poor's Ratings Service, a Division of The McGraw-Hill Companies, and its successors.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than

securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of Borrower, excluding, however, Citizens Westfield Utilities, LLC, its subsidiaries and Citizens Resources.

"Swap Contract" means: (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement; and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement including any such obligations or liabilities under any such master agreement (in each case, together with any related schedules).

"Taxable Date" means the date as of which interest on the Loans is first includable in gross income of any Lender thereof as a result of an Event of Taxability as such a date is established pursuant to either (i) a Determination of Taxability or (ii) an opinion of Bond Counsel.

"Taxable Period" has the meaning ascribed to such term in Section 2.14(a) hereof.

"Taxable Rate" means, with respect to a Taxable Period, the product of (a) the average interest rate on the Loans during such Period and (b) 1.54.

"Taxes" has the meaning ascribed to such term in Section 3.01(a).

"Threshold Amount" means \$5,000,000.

"Total Outstandings" means the aggregate Outstanding Amount of all Loans.

"Wastewater System" has the meaning set forth in the First Lien Master Indenture.

"Wells Fargo" means Wells Fargo Bank, National Association, and its successors.

"United States" and "U.S." mean the United States of America.

Section 1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Except as specifically provided herein, the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date: the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

Section 1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower or the Required Lenders shall so request, Agent, Lenders and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Borrower shall provide to Agent and Lenders financial statements and other documents required under this Agreement or as reasonably requested

hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Section 1.04 Rounding. Any financial ratios required to be maintained by Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other appropriate component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

Section 1.05 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

ARTICLE II - THE COMMITMENTS AND CREDIT EXTENSIONS

Section 2.01 Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Loan ") to Borrower from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Commitment; provided, however, that after giving effect to any Borrowing, (a) the Total Outstandings shall not exceed the Aggregate Commitments, and (b) the aggregate Outstanding Amount of the Loans of any Lender, shall not exceed such Lender's Commitment. Within the limits of each Lender's Commitment and subject to the other terms and conditions hereof, Borrower may borrow under this Section 2.01, prepay under Section 2.03, and reborrow under this Section 2.01.

Section 2.02 Borrowings of Loans.

(a) Each Borrowing shall be made upon Borrower's irrevocable notice to Agent. Each such notice must be given by delivery to Agent of a written Loan Notice, appropriately completed and signed by a Responsible Officer of Borrower and must be received by Agent not later than 12:00 noon three Business Days prior to the date of any Borrowing. Each Borrowing shall be in a principal amount of at least \$300,000. Each Loan Notice shall specify (i) the requested date of the Borrowing (which shall be a Business Day), (ii) the principal amount of Loans to be borrowed and (iii) the applicable Interest Period. The Lenders shall not be required to fund more than one Borrowing request if the requested date of such Borrowings are the same day.

(b) The Issuer shall be deemed to have elected to renew a Borrowing with the same Interest Period that the Borrowing had prior to renewal if, on or before the third Business Day prior to the expiration of any Interest Period applicable to a Borrowing, Borrower has failed to do one of the following: (i) notify the Agent of its intention to prepay the Borrowing pursuant to Section 2.03; or (ii) elected to renew the Borrowing with a different Interest Period pursuant to subsection (a) above.

(c) Following receipt of a Loan Notice, Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Loans. In the case of a Borrowing, each Lender shall make the amount of its Loan available to Agent in immediately available funds at Agent's Office not later than 2:00 p.m. on the Business Day specified in the applicable Loan

Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Borrowing, Section 4.01), Agent shall make all funds so received available to Borrower by 3:00 p.m. on the Business Day specified in the applicable Loan Notice in like funds as received by Agent by depositing such funds into the Designated Disbursement Account, or if such Borrowing is the initial Borrowing, by wiring such funds in accordance with the Borrower's written instructions.

(d) During the existence of a Default or an Event of Default, no Loans may be requested without the consent of the Required Lenders.

(e) Agent shall promptly notify Borrower and Lenders of the interest rate applicable to any Loans upon determination of such interest rate.

Section 2.03 Prepayments.

(a) The Borrower may repay any Loan on any Business Day following at least one Business Day's notice to Agent, without premium or penalty, in a minimum principal amount of \$300,000 and multiples of \$10,000 in excess thereof or, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment. Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by Borrower, Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of Loans shall be accompanied by the accrued interest on the amount prepaid. Each such prepayment shall be applied to the Loans of Lenders in accordance with their respective Applicable Percentages.

(b) If for any reason the Total Outstandings at any time exceed the Aggregate Commitments then in effect, Borrower shall immediately prepay Loans in an aggregate amount equal to such excess.

Section 2.04 Termination or Reduction of Commitments. Borrower may, upon notice to Agent, terminate or reduce the Aggregate Commitments; provided that (a) any such notice shall be received by Agent not later than 11:00 a.m. five (5) Business Days prior to the date of termination or reduction and (b) Borrower shall not terminate or reduce the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Outstandings would exceed the Aggregate Commitments. Agent will promptly notify the Lenders of any such notice of termination or reduction of the Aggregate Commitments. All fees accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination. Each reduction of the Aggregate Commitments shall be in an amount that is an integral multiple of \$100,000 and not less than \$10,000,000. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable and delivered substantially in the form of Exhibit E. Any termination or reduction of the Aggregate Commitments shall be permanent. Each reduction of the Aggregate Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

Section 2.05 Repayment of Loans. Borrower shall repay to Lenders on the Maturity Date the aggregate principal amount of Loans outstanding on such date; provided, however,

upon the election of the Lenders after the occurrence of an Event of Default, the outstanding principal amount of the Loans shall be due and payable in equal quarterly installments (commencing on the first date occurring after such election) to and including the third anniversary after such election, at which time all outstanding principal and accrued interest shall be paid.

Section 2.06 Interest.

(a) Subject to the provisions of subsections (b) and (c) below, each Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the LIBOR Rate in effect at such time, subject to the provisions of Section 10.09. The LIBOR Rate shall be rounded upward to the third decimal place.

(b) While any Event of Default exists, Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws. Accrued and unpaid interest at the Default Rate shall be due and payable upon demand.

(c) Anything herein to the contrary notwithstanding, from and after any Taxable Date each Loan shall bear interest on the outstanding principal amount thereof at the Taxable Rate.

(d) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

Section 2.07 Fees. The Borrower agrees to the pay Agent such fees in the amounts and at the time set forth in the Fee Agreement.

Section 2.08 Computation of Interest and Fees. All computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.10(a), bear interest for one day. Each determination by Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 2.09 Evidence of Debt. The Borrowings made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by Agent in the ordinary course of business. The accounts or records maintained by Agent and each Lender shall be conclusive absent manifest error of the amount of the Borrowings made by Lenders to Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of Agent in respect of such matters, the accounts and records of Agent shall control in the absence of manifest error. Upon the request of any Lender made through Agent, Borrower shall execute and deliver to such

Lender (through Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

Section 2.10 Payments.

(a) General. All payments to be made by Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by Borrower hereunder shall be made to Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 12:00 noon on the date specified herein. Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by Agent after 12:00 noon shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) Agent's Clawback.

(i) Funding by Lenders; Presumption by Agent. Unless Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Loans that such Lender will not make available to Agent such Lender's share of such Borrowing, Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 and may, in reliance upon such assumption, make available to Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to Agent, then the applicable Lender and Borrower severally agree to pay to Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to Borrower to but excluding the date of payment to Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by Agent in connection with the foregoing and (B) in the case of a payment to be made by Borrower, the interest rate applicable to Loans. If Borrower and such Lender shall pay such interest to Agent for the same or an overlapping period, Agent shall promptly remit to Borrower the amount of such interest paid by Borrower for such period. If such Lender pays its share of the applicable Borrowing to Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by Borrower shall be without prejudice to any claim Borrower may have against a Lender that shall have failed to make such payment to Agent.

(ii) Payments by Borrower; Presumptions by Agent. Unless Agent shall have received notice from Borrower prior to the date on which any payment is due to Agent for the account of the Lenders hereunder that Borrower will not make such payment, Agent may assume that Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to Lenders the amount due. In such event, if Borrower has not

in fact made such payment, then each of Lenders severally agrees to repay to Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to Agent, at the greater of the Federal Funds Rate and a rate determined by Agent in accordance with banking industry rules on interbank compensation.

(iii) Notice of Agent Conclusive. A notice of Agent to any Lender or Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to Borrower by Agent because the conditions to the applicable Borrowing set forth in Article IV are not satisfied or waived in accordance with the terms hereof, Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of Lenders hereunder to make Loans and to make payments under Section 10.04(c) are several and not joint. The failure of any Lender to make any Loan or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment under Section 10.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

Section 2.11 Sharing of Payments.

(a) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (i) notify Agent of such fact, and (ii) purchase (for cash at face value) participations in the Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by Borrower pursuant to and in accordance with the express terms of this

Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to Borrower (as to which the provisions of this Section shall apply).

(b) The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

Section 2.12 Extension of Maturity Date. At least ninety (90) days and no more than one year prior to the Maturity Date, the Borrower may make a request to the Agent and each Lender, upon written notice, to extend the Maturity Date for a period not to exceed three (3) years. Not more than sixty (60) days from the date on which the Agent and each Lender shall have received any such notice from the Borrower pursuant to the preceding sentence, the Agent and each Lender shall notify the Borrower of the initial consent or nonconsent of the Lenders to such extension request, which consent shall be given at the sole and absolute discretion of each respective Lender. If the Lenders shall have consented to such extension request, the Agent shall deliver to the Borrower written notice of the Lenders' election to extend Maturity Date. The Lenders' final consent shall be subject to the preparation, execution and delivery of any required legal documentation in form and substance reasonably satisfactory to the Agent and its counsel incorporating substantially the terms and conditions contained in the extension request. Failure of the Agent or any Lender to respond to a request for extension of the Maturity Date shall constitute denial of such extension.

Section 2.13 Security for Notes; Grant of Security.

(a) The Borrower hereby grants a lien and security interest to the Agent, for the benefit of the Lenders, a lien and security interest on the Net Revenues, the General Fund and the Rate Stabilization Fund (the "Collateral") to secure the payment of principal of and interest on the Loans and all other Obligations owed to the Agent and the Lenders hereunder and the other Loan Documents. The Agent's lien and security interest on the Collateral shall be junior in priority to the liens and security interests granted to secure the First Lien Priority Obligations and the Second Lien Priority Obligations.

(b) The Borrower agrees to execute and deliver to the Agent, in addition to the Agreement, such further agreements, assignments, instruments and documents and to do all such other things as the Agent may reasonably deem necessary or appropriate to assure the Agent of its lien and security interest hereunder, including, without limitation, such financing statements, and amendments thereof or supplements thereto, and such other instruments and documents as the Agent may from time to time reasonably require in order to comply with the Uniform Commercial Code for the State of Indiana and any other applicable law. The Borrower hereby agrees that a carbon, photographic or other reproduction of this Agreement or any such financing statement is sufficient for filing as a financing statement by the Agent without notice thereof to the Borrower wherever the Agent in its sole discretion desires to file the same. The Borrower hereby authorizes the Agent to file any and all financing statements covering the Collateral or any part thereof as the Agent may require. The Agent may order lien searches from time to time

against the Borrower and the Collateral, and the Borrower shall promptly reimburse the Agent for all reasonable costs and expenses incurred in connection with such lien searches. In the event for any reason the law of any jurisdiction other than Indiana becomes or is applicable to the Collateral or any part thereof or to any of the Obligations, the Borrower agrees to execute and deliver all such instruments and documents and to do all such other things as the Agent in its sole discretion deems necessary or appropriate to preserve, protect and enforce the lien and security interest of the Agent under the law of such other jurisdiction.

Section 2.14 Determination of Taxability.

(a) In the event a Determination of Taxability occurs, the Borrower hereby agrees to pay to each Lender on demand therefor (i) an amount equal to the difference between (A) the amount of interest that would have been paid to such Lender on the Loans during the Taxable Period (as defined below) if the Loans had borne interest at the Taxable Rate and (B) the amount of interest actually paid to such Lender during the Taxable Period, and (ii) an amount equal to any interest, penalties or charges owed by such Lender as a result of interest on the Loans becoming includable in the gross income of such Lender, together with any and all reasonable attorneys' fees, court costs or other out-of-pocket costs incurred by such Lender in connection therewith. The "Taxable Period" will begin on the Taxable Date and shall continue so long as either the Loans remain unpaid or the interest rate on the Loans has been increased to the Taxable Rate in the manner provided in Section 2.06(c). Each Lender agrees to use commercially reasonable efforts to notify the Borrower promptly of any event giving rise to the amounts described in the preceding sentence.

(b) Subject to the provisions of subsections (c) and (d) below, such Lender shall afford the Borrower the opportunity, at the Borrower's sole cost and expense, to contest (i) the validity of any amendment to the Code which causes the interest on the Loans to be includable in the gross income of such Lender or (ii) any challenge to the validity of the tax exemption with respect to the interest on the Loans, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(c) As a condition precedent to the exercise by the Borrower of its right to contest set forth in subsection (b) above, the Borrower shall, on demand, immediately reimburse such Lender for any and all reasonable expenses (including attorneys' fees for services that may be required or desirable, as determined by such Lender in its sole discretion) that may be incurred by such Lender in connection with any such contest, and shall, within thirty (30) days of demand by such Lender, reimburse Lender for any and all penalties or other charges payable by such Lender for failure to include such interest in its gross income; and

(d) The obligations of the Borrower under this Section 2.14 shall survive the termination of this Agreement and the payment in full of the Loans.

ARTICLE IIIARTICLE III — TAXES, YIELD PROTECTION AND ILLEGALITY

Section 3.01 Net of Taxes, Etc.

(a) Taxes.

(i) Any and all payments to Agent by Borrower hereunder and under the Fee Agreement shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed as a result of a Change of Law, excluding, however: (A) taxes imposed on or measured by the net income or capital of a Lender by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between such Lender and such jurisdiction or political subdivision; (B) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which Borrower is located; (C) any backup withholding tax that is required by the Code to be withheld from amounts payable to a Lender that has failed to comply with Section 3.01(e)(ii); (d) taxes due in respect of fees paid to the Agent or any Lender, including fees paid pursuant to Section 2.07; and (e) any state income taxes payable by any Lender in connection with its receipt of interest on the Loans which is excludable from the gross income of such Lender for federal income tax purposes (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes").

(ii) If, as a result of a Change of Law, Borrower shall be required by Law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof or any other taxing authority from or in respect of any sum payable hereunder or under the Fee Agreement to Agent, (A) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), Agent receives an amount equal to the sum it would have received had no such deductions been made, (B) Borrower shall make such deductions and (C) Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable Law. In addition, Borrower agrees to pay any present or future stamp, recording or documentary taxes and, if as a result of a Change of Law, any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America, the State of New York, the State of Indiana or any other political subdivision or taxing authority from any payment made hereunder or under the Fee Agreement or from the execution or delivery or otherwise with respect to this Agreement or the Fee Agreement, excluding, however, taxes imposed on or measured by the net income or capital of a Lender by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between such Lender and such jurisdiction or political subdivision (herein referred to as "Other Taxes"). Such Lender shall provide to Borrower within a reasonable time a copy of any written notification it receives with respect to Other Taxes owing by Borrower to such Lender hereunder; provided that such Lender's failure to send such notice shall not relieve Borrower of its obligation to pay such amounts hereunder.

(b) Indemnity. Borrower shall, to the fullest extent permitted by Law, indemnify each Lender for the full amount of Taxes and Other Taxes, including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section, paid by a Lender or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; provided that Borrower shall not be obligated to indemnify a Lender for any penalties, interest or expenses relating to Taxes or Other Taxes arising from a Lender's gross negligence or willful misconduct.

(c) Notice. Within thirty (30) days after the date of any payment of Taxes or Other Taxes by Borrower, Borrower shall furnish to Agent, the original or a certified copy of a receipt evidencing payment thereof.

(d) Survival of Obligations. The obligations of Borrower under this Section shall survive the termination of this Agreement.

(e) Status of Lenders.

(i) Each Lender shall deliver to Borrower and to Agent, at the time or times prescribed by applicable Laws or when reasonably requested by Borrower or Agent, such properly completed and executed documentation prescribed by applicable Laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit Borrower or Agent, as the case may be, to determine (A) whether or not payments made hereunder or under any other Loan Document are subject to Taxes or Other Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes or Other Taxes in respect of all payments to be made to such Lender by Borrower pursuant to this Agreement or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdiction.

(ii) Without limiting the generality of the foregoing, if Borrower is resident for tax purposes in the United States, any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to Borrower and Agent executed originals of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable Laws or reasonably requested by Borrower or Agent as will enable Borrower or Agent, as the case may be, to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

(iii) Each Lender shall promptly (A) notify Borrower and Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (B) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Lender, and as may be reasonably necessary (including the re-designation of its Lending Office) to avoid any requirement of applicable Laws of any jurisdiction that Borrower or Agent make any withholding or deduction for taxes from amounts payable to such Lender.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes or Other Taxes withheld or deducted from funds paid for the account of such Lender. If Agent or any Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by Borrower or with respect to which Borrower has paid additional amounts pursuant to this Section, it shall pay to Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses incurred by Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided

that Borrower, upon the request of Agent or such Lender agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to Agent or such Lender in the event Agent or such Lender is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require Agent or any Lender or make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

Section 3.02 Increased Costs.

(a) Increased Costs Generally. If a Lender shall have reasonably determined that a Change of Law shall (i) change the basis of taxation of payments to such Lender or its holding company of any amounts payable hereunder or under the Fee Agreement (except for taxes on the overall net income of such Lender), (ii) impose, modify or deem applicable any reserve, special deposit or similar requirement against making or maintaining its obligations under this Agreement or assets held by, or deposit with or for the account of, such Lender or its holding company or (iii) impose on such Lender or its holding company any other condition regarding this Agreement, and the result of any event referred to in clause (i), (ii) or (iii) above shall be to increase the cost to such Lender or its holding company of making or maintaining its obligations hereunder, or to reduce the amount of any sum received or receivable by such Lender hereunder or under the Fee Agreement, then Borrower shall pay to such Lender, at such time and in such amount as is set forth in subsection (d) below, such additional amount or amounts as will compensate such Lender or its holding company for such increased costs or reductions in amount received or receivable; provided, however, that such Lender shall not be entitled to make such a claim for compensation from Borrower hereunder if such Lender is not generally making claims for compensation under similar circumstances against other customers similarly situated under credit agreements with provisions comparable to this Section 3.02 entitling the Lenders to make such a claim.

(b) Capital Requirements. If a Lender shall have determined that a Change of Law shall impose, modify or deem applicable any capital adequacy, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which such Lender or its holding company allocates capital resources to its commitments, including its obligations under lines of credit) that either (i) affects or would affect the amount of capital or liquidity to be maintained by such Lender or its holding company or (ii) reduces or would reduce the rate of return on the capital of such Lender or its holding company to a level below that which such Lender or its holding company could have achieved but for such circumstances (taking into consideration the policies of such Lender or its holding company with respect to capital adequacy), then Borrower shall pay to such Lender at such time and in such amount as is set forth in subsection (d) below, such additional amount or amounts as will compensate such Lender or its holding company for such cost of maintaining such increased capital or liquidity or such reduction in the rate of return on the capital of such Lender or its holding company.

(c) Other Rules, Guidelines or Directives. Notwithstanding the foregoing, for purposes of this Section 3.02, all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Authority shall be deemed a Change of Law regardless of the date enacted, adopted or issued.

(d) Certificates of Reimbursement. All payments of amounts referred to in subsections (a) and (b) above shall be due and payable 10 days following Borrower's receipt of notice thereof Interest on the sums due as described in subsections (a) and (b) above and in the preceding sentence, shall begin to accrue from the date when the payments were first due at a rate per annum equal to the Default Rate until such delinquent payments have been paid in full and shall be payable on demand. A certificate as to such increased cost, increased capital or reduction in return incurred by a Lender as a result of any event mentioned in subsections (a) or (b) above, setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by such Lender to Borrower and shall be conclusive (absent manifest error) as to the amount thereof. In making the determinations contemplated by such certificate, such Lender may make such reasonable estimates, assumptions, allocations and the like as the Lender in good faith determines to be appropriate.

(e) Change in Corporate Tax Rate. In the event a change in the Corporate Tax Rate occurs during any period when interest is accruing on any Loan on a federally tax-exempt basis and such change causes a reduction in the tax equivalent yield on such Loan to any Lender, a fee payable quarterly in arrears will be assessed to compensate such Lender for such change in the effective yield on such Loan in an amount equal to the difference between: (i) the interest that would have accrued on such Loan during such period if the rate of interest borne by such Loan would have been equal to the product of (A) the Loan interest rate during that period in such quarter when the change in the Corporate Tax Rate is in effect and (B) the ratio equal to $(1 - A)$ divided by $(1 - B)$, where "A" equals the Corporate Tax Rate in effect as of the date of the corporate tax rate adjustment as required by Law and "B" equals the Corporate Tax Rate in effect on the date of the original issuance of the initial Loans; and (ii) the interest that actually accrued on such Loan during such period. A certificate as to such fee, setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by such Lender to Borrower and shall be conclusive (absent manifest error) as to the amount thereof. In making the determinations contemplated by such certificate, such Lender may make such reasonable estimates, assumptions, allocations and the like as the Lender in good faith determines to be appropriate.

(f) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's right to demand such compensation, provided that Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender notifies Borrower of the Change of Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change of Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.03 Survival. All of Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments and repayment of all other Obligations hereunder and resignation of the Agent.

ARTICLE IV ARTICLE IV - CONDITIONS PRECEDENT TO BORROWINGS

Section 4.01 Conditions of Closing.

(a) This Agreement shall become binding on the parties hereto upon the satisfaction of the following conditions precedent (all Loan Documents and other documents to be delivered to Administrative Agent or any Lender pursuant to this Section 4.01 shall be subject to prior approval as to form and substance by Lenders and Administrative Agent, with delivery by a Lender or Administrative Agent of its signature page to this Agreement evidencing such Person's acknowledgement that the conditions set forth in this Section 4.01 have been satisfied, unless otherwise waived in writing):

(i) Agent's receipt of the following, each of which shall be originals or telecopies (followed promptly by originals), unless otherwise specified, each properly executed by a Responsible Officer of the Borrower, each dated the Closing Date (or, in the case of certificates of governmental officials (other than the Borrower or its Affiliates), a recent date before the Closing Date) and each in form and substance satisfactory to Agent and each of the Lenders:

(A) executed counterparts of this Agreement and copies of the First Lien Master Indenture and the Second Lien Master Indenture, in each case together with any amendments thereto, each certified by the Secretary or an Assistant Secretary of the Borrower on the Closing Date as being in full force and effect;

(B) a Note executed by Borrower in favor of each Lender requesting a Note;

(C) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Borrower as Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which the Borrower is a party;

(D) such documents and certifications as Agent may reasonably require to evidence that the Borrower is duly organized or formed, and is validly existing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(E) a favorable opinion of counsel to the Borrower acceptable to Agent addressed to Agent and each Lender, as to the matters set forth concerning the Borrower and the Loan Documents in form and substance satisfactory to Agent;

(F) the unqualified approving opinion of Bond Counsel to the Borrower, in form and substance satisfactory to Agent, relating to the legality of the Notes;

(G) a certificate of a Responsible Officer of the Borrower either (I) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by the Borrower and the validity against the Borrower of

the Related Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (II) stating that no such consents, licenses or approvals are so required;

(H) a certificate signed by a Responsible Officer of Borrower certifying (I) that the conditions specified in Sections 4.02(a)(i) and (ii) have been satisfied, and (II) to the best of the Borrower's knowledge after due inquiry, since September 30, 2013, there has been no material adverse change in, or a Material Adverse Effect upon, the operations, business, properties, liabilities (actual or contingent) and condition (financial or otherwise) of the Wastewater System and nothing has come to the attention of the Borrower that the information contained in the Appraisal is incorrect in any material respect;

(I) the effective pledge by the Borrower of the Collateral to secure the Obligations of the Borrower to the Agent under this Agreement;

(J) the fully executed Fee Agreement;

(K) financing statement, tax, and judgment lien search results against the property of the Borrower evidencing the absence of Liens on its property except as permitted by Section 7.01;

(L) evidence that the long-term unenhanced debt rating assigned to the Second Lien Parity Obligations by Standard & Poor's is "AA-"; and

(M) such other assurances, certificates, documents, consents or opinions as Agent or the Required Lenders reasonably may require.

(ii) Any fees required to be paid on or before the Closing Date shall have been paid, including, without limitation, the fees and assignments of counsel to Agent in the amount of \$20,000.

(iii) The Closing Date shall have occurred on or before September 30, 2014.

(b) Without limiting the generality of the provisions of Section 9.04, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender, unless Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

Section 4.02 Conditions to all Borrowings.

(a) The obligation of each Lender to honor any Request for Borrowing is subject to the following conditions precedent:

(i) The representations and warranties of Borrower contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct on and as of the date of such Borrowing, except to the extent that such representations and warranties specifically refer to an

earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01.

(ii) No Default shall exist, or would result from such proposed Borrowing or from the application of the proceeds thereof, unless the consent of the Required Lenders shall have been obtained as required by Section 2.02(d) hereof.

(iii) Agent shall have received a Request for Borrowing in accordance with the requirements hereof.

(iv) After giving effect to any Loan, the aggregate principal amount of all Loans outstanding hereunder shall not exceed the Aggregate Commitments.

(v) Such Borrowing shall not violate any order, judgment or decree of any court or authority of competent jurisdiction or any provision of law as then in effect.

(vi) Agent shall have received, in connection with the initial Request for Borrowing only, an opinion of Bond Counsel to the Borrower, in form and substance satisfactory to Agent, relating to the excludability of the interest on the Notes from gross income for federal income tax purposes and the exemption of the interest on the Notes from income taxation in the State of Indiana.

(vii) Agent shall have received, in connection with the initial Request for Borrowing only, a copy of the executed Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, with respect to the Notes.

(viii) Agent shall have received, in form and substance satisfactory to it, such other assurances, certificates, documents or consents related to the foregoing as Agent or the Required Lenders reasonably may require.

(b) Each Request for Borrowing submitted by Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a)(i) and (ii) have been satisfied on and as of the date of the applicable Borrowing.

ARTICLE VARTICLE V REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Agent and the Lenders that:

Section 5.01 Existence, Qualification and Power; Compliance with Laws. **The** Borrower (a) is a non-profit public benefit corporation of the State of Indiana, duly established and validly existing under and pursuant to the laws of the State of Indiana, (b) has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and to execute, deliver and perform its obligations under the Related Documents, to which it is a party, and (c) is licensed or qualified to do

business in each jurisdiction where the ownership of property or the conduct of its business requires such qualification.

Section 5.02 Authorization; No Contravention. The execution, delivery and performance by the Borrower of each Related Document, to which it is party, are within the Borrower's power and authority, have been duly authorized by all necessary corporate or other organizational action and do not and will not contravene or result in the violation of or constitute a default under, any provision of the Constitution of the State of Indiana or applicable law or regulation or any order, rule or regulation of any court, governmental agency or instrumentality or any other agreement, resolution or instrument, to which the Borrower is a party or by which it or any of its property is bound.

Section 5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Agreement or any other Related Document, except such consents, authorizations, orders and approvals (copies of which have been furnished to the Agent and the Lenders) as have been obtained, were validly issued and are in full force and effect.

Section 5.04 Binding Effect. Each of the Related Documents and this Agreement constitutes a valid and binding agreement of the Borrower, and the Notes, when duly executed on behalf of the Borrower and delivered in accordance with this Agreement and the Second Lien Master Indenture, will constitute valid and binding obligations of the Borrower, in each case, enforceable in accordance with their respective terms, except as such enforceability may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles relating to or affecting creditors' rights generally from time to time in effect.

Section 5.05 Financial Statements; No Material Adverse Effect.

(a) The most recent financial statements furnished to the Agent and the Lenders pursuant to Sections 6.01(a) and (b) fairly present in all material respects the financial condition of the Borrower (or with respect to the year-end audit, the combined financial statement of Citizens) as at said dates and the results of operations and changes in financial position for the periods then ended in conformity with GAAP consistently applied (except as stated therein and, with respect to the unaudited financial statements, subject to the absence of footnotes and to normal year end adjustments).

(b) With respect to the period prior to the date the first financial statements are delivered in accordance with Section 6.01(a): (i) to the best of the Borrower's knowledge after due inquiry, there has been no Material Adverse Effect upon the operations, business, properties, liabilities (actual or contingent) and condition (financial or otherwise) of the Wastewater System since September 30, 2013, and nothing has come to the attention of the Borrower that the information contained in the Appraisal is materially incorrect; (ii) there has been no material impairment of the ability of Borrower to perform its obligations under any Related Document to

which it is a party since the Closing Date; or (iii) there has been no Material Adverse Effect upon the legality, validity, binding effect or enforceability against Borrower of any Related Document to which it is a party since the Closing Date.

(c) With respect to the period from and after the date the financial statements are first delivered in accordance with Section 6.01(a), there has been no change in the business, financial position or results of operation of the Borrower that has had or could reasonably be expected to have a Material Adverse Effect since the date such financial statements are first delivered in connection with Section 6.01(a).

Section 5.06 Litigation. There is no action, suit, proceeding or investigation pending or, to the best of the knowledge of the Borrower, threatened against or affecting the Borrower, or relating to the Related Documents, this Agreement or the Notes, in any court or before or by any Governmental Authority (nor to the best of the knowledge of the Borrower is there any basis therefor), which, if adversely determined, might materially affect the ability or authority of the Borrower to perform its obligations under this Agreement and the Notes, or which in any manner questions the validity or enforceability of any of the Related Documents, this Agreement or the Notes or which could reasonably be expected to have a Material Adverse Effect.

Section 5.07 No Default. To the knowledge of the Borrower after due inquiry, Borrower is not in default under (a) any order, writ, injunction or decree of any court or governmental body, agency or other instrumentality applicable to it, or (b) any law or regulation, or (c) any bonds or other Indebtedness, or (d) any contract, agreement or instrument to which Borrower is a party or by which it or its property is bound (including, without limitation, the Master Indentures), which default could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, nor has any event occurred, which, with notice or the passage of time or both, would constitute such a default under any such documents, which, when taken as a whole, would, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Related Document.

Section 5.08 Insurance. Borrower has maintained insurance in accordance with and otherwise complied with the provisions of Section 5.04 of the Second Lien Master Indenture.

Section 5.09 Taxes. Borrower has filed all Federal, state and other material tax returns and reports required to be filed and has paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against Borrower that would, if made, have a Material Adverse Effect.

Section 5.10 ERISA Compliance. The Borrower does not maintain a retirement plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974.

Section 5.11 Subsidiaries. As of the Closing Date, Borrower has no Subsidiaries.

Section 5.12 Margin Regulations: Investment Company Act.

(a) Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any Loans by the Lenders hereunder will be used to purchase or carry any such margin stock or extend credit to others for the purpose of purchasing or carrying any such margin stock

(b) Neither the Borrower nor any Person Controlling Borrower is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

Section 5.13 Disclosure. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of Borrower to Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Related Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time. There is no fact known to the Borrower which the Borrower has not disclosed to the Agent (in writing) and which adversely affects or, so far as the Borrower can now reasonably foresee, is likely to adversely affect, the validity or enforceability of, or the authority or ability of the Borrower to perform its obligations under, this Agreement and the Related Documents to which it is a party, or which is likely to have a Material Adverse Effect.

Section 5.14 Compliance with Laws. Borrower is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 5.15 Intellectual Property; Licenses, Etc. Borrower owns, or possesses the rights to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights that are reasonably necessary for the operation of its respective businesses, without conflict with the rights of any other Person, the failure to own or possess the right to use which could reasonably be expected to have a Material Adverse Effect. To the best knowledge of Borrower, no slogan or other advertising device, product, process, method, substance, part or other material now employed or now contemplated to be employed by Borrower infringes upon any rights held by any other Person, which infringement could reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of Borrower, threatened, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 5.16 Location/State of Incorporation. The state of incorporation of the Borrower is the State of Indiana and its chief executive office is located at 2020 N. Meridian St, Indianapolis, IN 46202.

Section 5.17 No Immunity. To the extent permitted by law, the Borrower is not entitled to raise the defense of sovereign immunity in connection with any legal proceeding to enforce or collect upon its obligations hereunder or under any other Related Document, including the payment of the Obligations hereunder or any obligations thereunder and, to the fullest extent permitted by law, the Borrower hereby waives any future right of sovereign immunity which it obtains in connection with any legal proceeding to enforce or collect upon its obligations hereunder or under any other Related Document or the transactions contemplated hereby or thereby, including the payment of the Obligations hereunder and any obligations thereunder.

Section 5.18 Environmental Laws. Except as described in the Official Statement, dated June 10, 2014, relating to certain First Lien Bonds and Second Lien Bonds, the Borrower has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which noncompliance or remedial action, when taken as a whole, would have a Material Adverse Effect on the Borrower's ability to perform its obligations under this Agreement or the Notes.

Section 5.19 Use of Proceeds. The proceeds of the Loans made under this Agreement will be applied by the Borrower to finance capital expenditures relating to the improvement of the Wastewater System.

Section 5.20 No Proposed Legal Changes. There is no amendment, or to the knowledge of Borrower, proposed amendment certified for placement on any ballot in the State of Indiana, or any legislation that has passed either house of the State of Indiana's legislature or the United States Congress, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect the validity of the Loans or the ability of Borrower to execute, deliver and perform its obligations under this Agreement, the other Loan Documents or the Related Documents.

Section 5.21 Solvency. Borrower is solvent and able to pay its debts as they become due and has sufficient capital to carry on its business and all businesses in which it is about to engage.

Section 5.22 Tax-Exempt Status. The Borrower has not taken any action or omitted to take any action and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the excludability of the interest on the Notes from gross income for federal income tax purposes.

Section 5.23 Ownership of Property; Liens. The Borrower has good record and marketable title in fee simple to, valid leasehold interests in, or other rights to use, all property necessary or used in the ordinary conduct of its business, except for such defects in title as could

not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of the Borrower is not subject to any Liens, other than Liens permitted under the Second Lien Master Indenture.

Section 5.24 OFAC Compliance. The Borrower is not subject to the requirements of OFAC.

Section 5.25 Priority Indebtedness. No other Indebtedness or Liens on or security interest in the Collateral securing such Indebtedness is on parity with or superior to the Obligations and the Agent's Lien on and security interest in the Collateral except for (a) the First Lien Parity Obligations, (b) the Second Lien Parity Obligations and (c) any Parity Debt permitted by Section 7.10, and in each case with respect to the foregoing clauses, the Liens securing such obligations.

Section 5.26 No Existing Right to Accelerate. As of the Closing Date, no Person, including, without limitation, any credit facility provider or liquidity provider, either of which provides credit enhancement or liquidity support to any First Lien Parity Obligations or Second Lien Parity Obligations or other Indebtedness of the Borrower secured by Net Revenues on a parity with or prior to the Lien and security interest of this Agreement, or any holder of First Lien Parity Obligations or Second Lien Parity Obligations or other Indebtedness of the Borrower secured by Net Revenues on a parity with or prior to the Lien and security interest of this Agreement, has a right under any indenture, or supplemental indenture relating to any such Indebtedness of the Borrower or under any other document or agreement relating to such Indebtedness of the Borrower, to direct the trustee to, or to otherwise declare the principal of and interest on such Indebtedness of the Borrower to be immediately due and payable.

ARTICLE VIARTICLE VI - AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, Borrower shall:

Section 6.01 Financial Statements. Deliver to Agent a sufficient number of copies for delivery by Agent to each Lender, in form and detail satisfactory to Agent and the Required Lenders:

(a) as soon as available and in any event within 150 days after the end of each fiscal year of the Borrower, a copy of the annual combined audit report of Citizens, certified to the Borrower as having been prepared in accordance with GAAP consistently applied by independent certified public accountants of recognized standing and acceptable to the Agent, including a combined balance sheet of Citizens as of the end of such fiscal year and related statements of net earnings and accumulated earnings and changes in financial position for the fiscal year ended, which shall specifically include appropriate separate information about the Borrower or the Wastewater System to demonstrate compliance with any provisions of this Agreement, together with the written statement of such accountants that, in making their audit, they obtained no knowledge of any Default or Event of Default solely with respect to Sections 6.15 and 7.11, or if they did, specifying the nature of such Default or Event of Default and the period of its existence; and

(b) as soon as available and in any event within 60 days after the close of each fiscal quarter of the Borrower, the unaudited balance sheet of the Borrower as of the end of such fiscal quarter and related unaudited statement of net earnings for such quarter and for the portion of the fiscal year ended with such quarter, each prepared from the books and records of the Borrower in conformity with GAAP consistently applied and with respect to which, in the opinion of the Borrower, all adjustments necessary to a fair representation in conformity with GAAP consistently applied have been made and so certified by an Authorized Officer of the Borrower.

Section 6.02 Certificates: Other Information. Deliver to Agent a sufficient number of copies for delivery by Agent to each Lender, in form and detail satisfactory to Agent and the Required Lenders:

(a) concurrently with the delivery of the financial statements referred to in Section 6.01, a duly completed Compliance Certificate signed by a Responsible Officer of Borrower;

(b) promptly after any reasonable request by Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of Borrower by independent accountants in connection with the accounts or books of Borrower, or any audit of Borrower;

(c) promptly, and in any event within ten Business Days after receipt thereof by Borrower, copies of each notice or other correspondence received from the Securities and Exchange Commission (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of Borrower;

(d) as soon as practicable but in any event within 10 Business Days after the issuance thereof, copies of any prospectus, official statement, offering circular, placement memorandum or similar or corresponding document, and any supplements thereto and updates and amendments thereof, that the Borrower makes available in connection with the offering for sale of any securities of which it is the issuer, and, on request reasonably specifying the same, copies of all annual reports, and notices of filing of all other reports, that the Borrower may be required to file with any governmental department, commission, board, bureau, agency or instrumentality, federal or state;

(e) promptly, such additional information regarding the business, financial or corporate affairs of Borrower, or compliance with the terms of the Loan Documents, as Agent or any Lender may from time to time reasonably request; and

(f) as soon as practicable and in any event no later than thirty (30) days after the end of each fiscal year of the Borrower, a copy of Borrower's annual budget for the following fiscal year.

Section 6.03 Notices.

(a) Promptly notify Agent and each Lender:

- (i) of the occurrence of any Default or Event of Default;
- (ii) of any litigation, legal proceeding or dispute with any Governmental Authority or any other party, which, individually or in the aggregate, could, in the event of an unfavorable outcome, have a Material Adverse Effect;
- (iii) of any material change in accounting policies or financial reporting practices by Borrower;
- (iv) of the occurrence of any default or event of default under any Related Document; and
- (v) of any proposed amendments to, modifications or waivers of any provisions of the First Lien Master Indenture or the Second Lien Master Indenture.

(b) Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of Borrower setting forth details of the occurrence referred to therein and stating what action Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a)(i) shall describe with particularity any and all provisions of this Agreement and any other Related Document that have been breached.

Section 6.04 Taxes and Liabilities. Pay and discharge, as the same shall become due and payable, all its obligations and liabilities, including: (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower; (b) all lawful claims, which, if unpaid, would by law become a Lien (other than a Lien permitted by Section 7.01) upon its property; and (c) all Indebtedness of the Borrower payable from the Net Revenues, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness of the Borrower payable from the Net Revenues.

Section 6.05 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.02 throughout the term of this Agreement; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the nonpreservation of which could reasonably be expected to have a Material Adverse Effect.

Section 6.06 Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

Section 6.07 Maintenance and Operation of the Wastewater System. Maintain the Wastewater System in accordance with and otherwise comply with the provisions of Section 5.02 of the Second Lien Master Indenture,

Section 6.08 Maintenance of Insurance. Maintain insurance in accordance with and otherwise comply with the provisions of Section 5.04 of the Second Lien Master Indenture.

Section 6.09 Compliance with Laws. Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, including its internal investment policies and guidelines, if any, if the failure to comply could have a Material Adverse Effect.

Section 6.10 Books and Records. (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of Borrower; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over Borrower.

Section 6.11 Inspection Rights. Permit representatives and independent contractors of Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records and make copies thereof or abstracts therefrom and to discuss its affairs, finances and accounts with its directors, officers and independent public accountants, at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Borrower; provided, however, that when an Event of Default exists, Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of Borrower at any time during normal business hours and without advance notice, except as otherwise required by Law.

Section 6.12 ERISA. To the extent the Borrower has a retirement plan subject to the Employee Retirement Income Security Act of 1974, comply in all material respects with Title IV of the Employee Retirement Income Security Act of 1974, if, when and to the extent possible.

Section 6.13 Maintenance of Ratings. The Borrower shall maintain an underlying rating of the long-term, unenhanced, First Lien Priority Obligations by any two of Fitch, Moody's and Standard & Poor's. Additionally, no rating shall be terminated by the Borrower due solely to the credit quality of the Borrower.

Section 6.14 Further Assurances. Borrower shall, at any and all times, insofar as it may be authorized so to do by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, recordings, filings, transfers and assurances as may be necessary or, in the reasonable judgment of Agent or any Lender, desirable to effectuate the provisions of this Agreement, the other Loan Documents and the Second Lien Master Indenture.

Section 6.15 Rate Covenant. The Borrower shall at all times, fix, charge, impose and collect rates, fees and other charges for the use of, and services provided by the Wastewater System as and to the extent necessary to cause the Net Revenues in such fiscal year to equal an amount sufficient to satisfy the provisions of Section 3.02 of the First Lien Master Indenture and

Section 3.02 of the Second Lien Master Indenture and to ensure that the Net Revenues in such fiscal year are not less than 100% of the actual interest and principal payable with respect to all Indebtedness during such fiscal year. The Borrower shall make the computations of Net Revenues and debt service in the same manner as is required under the First Lien Master Indenture.

Section 6.16 Right to Accelerate. The Borrower shall not, without the consent of the Agent, directly or indirectly, enter into or otherwise consent to any credit agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto), under which, directly or indirectly, any Person or Persons undertakes to make loans or extend credit or liquidity to the Borrower in connection with any Indebtedness of the Borrower payable from or secured by Net Revenues or provide credit enhancement with respect thereto, which includes the right to accelerate the payment of the principal of or interest on any Indebtedness of the Borrower payable from or secured by Net Revenues. In the event that Borrower shall enter into or otherwise consent to any such agreement or instrument (or any amendment, supplement or modification thereto), without the consent of Agent, then Agent shall have the right, upon the occurrence of an Event of Default (excluding an Event of Default arising solely from the failure to observe the covenant in the first sentence of this Section 6.16), to accelerate the payment of the principal of and interest on the Loans; provided that upon the occurrence of an Event of Default under Section 8.01(f), (g) or (1), the principal of and interest on the Loans or acceleration shall automatically become due and payable or automatically occur, as applicable, and without any notice.

ARTICLE VIIARTICLE VII - NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, Borrower shall not directly or indirectly:

Section 7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of the Collateral, whether now owned or hereafter acquired, other than (a) the Liens pursuant to or in accordance with the Related Documents, (b) any Lien that is expressly subordinated to the Agent's Lien on and security interest in the Collateral and (c) any Lien on any Parity Debt permitted by Section 7.10.

Section 7.02 Fundamental Changes. Merge, dissolve, liquidate, consolidate with or into another Person or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, unless (a) no Default exists or would result therefrom and (b) the Borrower shall be the surviving corporation of such merger or consolidation.

Section 7.03 Amendments. Amend, supplement, modify or waive any of the provisions of any Related Document or consent to any of the foregoing, without the prior written consent of Required Lenders if such amendment, supplement, modification, waiver or consent is materially adverse to the rights, interests, remedies or security of the Lenders or the priority of the Agent's Lien on or security interest in the Collateral. The foregoing notwithstanding, the Borrower may amend or modify any Related Document in the manner permitted therein, even if the consent of

the Required Lenders is not obtained so long as the provisions of such Related Document prior to the effect of such amendment or modification not consented to by the Required Lenders shall continue to apply for purposes of this Agreement.

Section 7.04 Change in Nature of Business. Engage in any material line of business substantially different from those lines of business conducted by Borrower on the date hereof or any business substantially related or incidental thereto.

Section 7.05 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to Borrower as would be obtainable by Borrower at the time in a comparable arm's length transaction with a Person other than an Affiliate.

Section 7.06 Use of Proceeds. Use the proceeds of any Borrowing, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund Indebtedness originally incurred for such purpose. None of the funds borrowed by virtue of this Agreement will be used in any manner or for any purpose except in the manner and for the purposes authorized by the laws of the State of Indiana and for the purposes set forth in, or otherwise permitted by, Section 5.19.

Section 7.07 Subsidiaries. Establish any Subsidiaries; provided, however, that the Borrower may establish Subsidiaries so long as (a) such Subsidiary does not enter into any activity which would be prohibited pursuant to the terms of this Agreement or any other Related Document, and (b) the Borrower does not capitalize such Subsidiary or transfer any assets to such Subsidiary, if the result of which could reasonably be expected to have a Material Adverse Effect or cause a Default or an Event of Default.

Section 7.08 Swap Termination Payments. In no event shall any termination payments on any Swap Contract be first to or *pari passu* in priority of payment and in all other respects with the First Lien Parity Obligations, the Second Lien Parity Obligations, the Loans or the obligations owed to the Agent and the Lenders hereunder. The Borrower shall not provide any collateral to support the obligations of the Borrower under any Swap Contract, other than a Lien on Net Revenues, except in the normal course of business.

Section 7.09 Sale or Encumbrance of Wastewater System. Sell, Dispose of or, except as permitted hereunder, create any lien, security interest or other encumbrance on the Wastewater System or on any of its Net Revenues, except in accordance with the terms of the Master Indentures. Net proceeds from any such Disposition shall be used only for such purposes provided in the Master Indentures. Any agreement pursuant to which Borrower contracts with a person, corporation, municipal corporation or political subdivision to operate the Wastewater System or to lease and/or operate all or part of the Wastewater System shall not be considered as an encumbrance of the Wastewater System.

Section 7.10 Additional Bonds Test. Issue any obligations payable from or secured by Net Revenues that have any priority in or are on a parity with the payment of principal of or premium, if any, or interest on the Obligations, except (a) the First Lien Parity Obligations, (b)

the Second Lien Parity Obligations and (c) any Parity Debt, so long as immediately prior to and after giving effect to the incurrence of such Parity Debt, the Borrower is in compliance with Section 7.11.

Section 7.11 Covenant Against Issuing Additional Indebtedness.

(a) The Borrower covenants that it shall not create any additional Indebtedness consisting of First Lien Parity Obligations, Second Lien Parity Obligations, Parity Debt or any other Indebtedness of the Borrower, unless Net Revenues for either the Borrower's most recently completed fiscal year or for any consecutive 12 out of the most recent 18 months preceding the creation of any such additional Indebtedness was at least 1.10 times the sum of Scheduled Debt Service for such period for all Indebtedness of the Borrower (including the Obligations hereunder) and the proposed additional Indebtedness. For purposes of calculating debt service coverage, "Scheduled Debt Service" for any period shall mean the sum of all scheduled payments of principal and interest for such period on all Indebtedness of the Borrower, including the proposed additional Indebtedness; *provided* that the Borrower may, at its option, adjust such sum for any year based on (i) expected long term amortization and interest rates for bonds anticipated to be issued to refinance currently outstanding short term financings; (ii) pro forma amortization of term bonds or other Indebtedness for which no annual or other periodic principal payments have been scheduled; (iii) any other factors that the Borrower believes are appropriate to apply in order to accurately reflect the Borrower's cash flows and long term capital plans; (iv) the exclusion of the principal amount of any Indebtedness of a revolving nature that is required to be paid during such period if Borrower reasonably believes that the maturity date of such Indebtedness will be extended beyond such period; and (v) any other factor to be considered for such purpose as provided in the Indentures.

(b) The Borrower shall make such computation of Net Revenues in the same manner as is required under the Second Lien Master Indenture. Prior to the incurrence of such additional Indebtedness consisting of First Lien Parity Obligations, Second Lien Parity Obligations, Parity Debt or any other Indebtedness of the Borrower, the Borrower shall deliver to Agent a certificate demonstrating the Borrower's compliance with this Section 7.11 on a pro forma basis after giving effect to such additional Indebtedness.

Section 7.12 Tax Status of Bonds. Take any action or omit to take any action, which, if taken or omitted, would adversely affect: (a) the excludability of the interest on the Notes from gross income for federal income tax purposes; or (b) the exclusion from net taxable income of interest on the Notes for State of Indiana income tax purposes.

ARTICLE VIIIARTICLE VIII - EVENTS OF DEFAULT AND REMEDIES

Section 8.01 Events of Default. Any of the following shall constitute an Event of Default:

(a) **Non-Payment.** Borrower fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan, any interest on any Loan or any fee due hereunder or (ii) within five days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. (i) Borrower fails to perform or observe any term, covenant or agreement contained in any of Section 6.05 or 6.13 or Article VII (other than those covenants set forth in Section 7.05 or 7.07); or (ii) Borrower fails to perform or observe any term, covenant or agreement contained in Section 6.03 and such failure continues for 10 days after the earlier of (A) the Administrative Agent giving the Borrower written notice thereof and (B) the date on which such failure shall first become known to the Borrower; or (iii) Borrower fails to perform or observe any term, covenant or agreement contained in Section 6.01 or 6.02 and such failure continues for 30 days after the earlier of (A) the Administrative Agent giving the Borrower written notice thereof and (B) the date on which such failure shall first become known to the Borrower; or

(c) Other Defaults. Borrower fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above or (1) below) contained in any Loan Document on its part to be performed or observed and such failure continues for 45 days after the earlier of (i) the Administrative Agent giving the Borrower written notice thereof and (ii) the date on which such failure shall first become known to the Borrower or any default or Event of Default, after giving of notice, passage of time and/or opportunity to cure, as applicable, occurs under any other Related Document; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of Borrower herein, in any Related Document or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or

(e) Cross-Default. Borrower (i) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guaranty (other than Indebtedness hereunder) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount or (ii) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guaranty or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, in each case solely to the extent that the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guaranty (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guaranty to become payable or cash collateral in respect thereof to be demanded; or

(f) Insolvency Proceedings, Etc. Borrower institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar

officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Borrower becomes unable or admits in writing its inability or fails generally to pay its debts as they become due or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 60 days after its issue or levy; or

(h) Judgments. There is entered against Borrower (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance, as to which the insurer does not dispute coverage), and such judgment or order shall continue unsatisfied and unstayed for a period of 60 days, or (ii) any one or more nonmonetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and, in either case (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 10 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) Invalidity of Related Documents. (i) Any Related Documents or any provision thereof, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or in satisfaction in full of all the Obligations, ceases to be in full force and effect; (ii) Borrower, any of its Affiliates or any Governmental Authority contests in any manner the validity or enforceability of the entirety of any Related Document or any material provision thereof; or (iii) Borrower denies that it has any or further liability or obligation under any Related Document or purports to revoke, terminate or rescind any Related Document or any provision thereof; or

Material Adverse Effect. There occurs any event or circumstance that has a Material Adverse Effect or the statutory powers of the Borrower shall be limited in any way, which materially and adversely affects the financial integrity of the Borrower, or any Master Indenture shall be modified or amended in any way which is materially adverse to the Lenders without the prior written consent of all of the Lenders; or

(k) Rating. The long-term unenhanced debt rating of the First Lien Parity Obligations shall be reduced below "BBB" (or its equivalent) or the Second Lien Parity Obligations shall be reduced below "BBB-" (or its equivalent) by Standard & Poor's or Fitch, or Standard & Poor's or Fitch shall suspend or withdraw its long-term unenhanced debt ratings on any First Lien Parity Obligation or Second Lien Parity Obligation (for credit related reasons only); or

(1) Moratorium. (i) Borrower shall impose a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any Indebtedness of Borrower secured by or payable from the Net Revenues or (ii) any Governmental Authority having appropriate jurisdiction over Borrower shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable restriction on the repayment when due and payable of the principal of or interest on the Loans, any First Lien Bonds, any Second Lien Bonds or any Indebtedness of Borrower secured by or payable from the Net Revenues; or

(m) Master Indenture Event of Default. Any "Event of Default" under a Master Indenture, which is not cured within any applicable cure period under such Master Indenture, shall occur.

Section 8.02 Remedies Upon Event of Default.

(a) If any Event of Default occurs and is continuing, Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(i) declare the Commitment of each Lender to make Loans to be terminated, whereupon such Commitments and obligation shall be terminated;

(ii) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents; or

(iii) exercise on behalf of itself and the Lenders any and all rights available to it at law or in equity.

(b) Anything herein to the contrary notwithstanding, but subject to the provisions of Section 6.16, upon the occurrence of an Event of Default, the outstanding principal amount of the Loans shall be repaid in quarterly installments on the first Business Day of the third calendar month immediately succeeding the date of the occurrence of such Event of Default and on the first Business Day of each third month occurring thereafter, with the final installment due and payable by the Borrower in an amount equal to the entire then outstanding principal amount of the Loans on the third anniversary of the date of such Event of Default, with each such quarterly principal installment to be in an amount which will result in equal (as nearly as possible) aggregate quarterly principal amounts payable over the applicable amortization period.

Section 8.03 Application of Funds. After the exercise of remedies provided for in Section 8.02, any amounts received on account of the Obligations shall be applied by the Agent in the following order:

FIRST, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to Agent (including fees and time charges for attorneys who may be employees of Agent) and amounts payable under Article III) payable to Agent in its capacity as such;

SECOND, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to Lenders (including fees, charges and disbursements of counsel to the respective Lenders (including fees and time charges for attorneys who may be employees of any Lender) and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

THIRD, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and other Obligations, ratably among Lenders in proportion to the respective amounts described in this clause Third payable to them;

FOURTH, to payment of that portion of the Obligations constituting unpaid principal of the Loans, ratably among Lenders in proportion to the respective amounts described in this clause Fourth held by them; and

LAST, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to Borrower or as otherwise required by Law.

ARTICLE IXARTICLE IX ADMINISTRATIVE AGENT

Section 9.01 Appointment and Authorization of Administrative Agent. Each of the Lenders hereby irrevocably appoints JPMorgan to act on its behalf as Administrative Agent hereunder and under the other Loan Documents and authorizes Agent to take such actions on its behalf and to exercise such powers as are delegated to Agent by the terms hereof and thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent and the Lenders, and the Borrower shall not have rights as a third party beneficiary of any of such provisions.

Section 9.02 Rights as a Lender. The Person serving as Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or other Affiliate thereof, as if such Person were not Agent hereunder and without any duty to account therefor to Lenders.

Section 9.03 Exculpatory Provisions. Agent shall not have any duties or obligations, except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Agent is required to exercise as directed in writing by the

Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Related Documents), provided that Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Agent to liability or that is contrary to any Loan Document or applicable Law;

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity; and

(d) Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.02 and 10.01) or (ii) in the absence of its own gross negligence or willful misconduct. Agent shall be deemed not to have knowledge of any Default or Event of Default, unless and until written notice describing such Default or Event of Default is given to Agent by Borrower or a Lender. Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Agent.

Section 9.04 Reliance by Administrative Agent. Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, Agent may presume that such condition is satisfactory to such Lender, unless Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. Agent may consult with legal counsel (who may be counsel for Borrower), independent accountants and other experts selected by it and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 9.05 Delegation of Duties. Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by Agent. Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of Agent and any such sub-agent and shall apply to their respective activities in

connection with the syndication of the credit facilities provided for herein, as well as activities as Agent.

Section 9.06 Resignation of Agent.

(a) (i) Agent may at any time give notice of its resignation to Lenders and Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with Borrower (and in the absence of an Event of Default, with the consent of the Borrower), to appoint a successor, which shall be a bank with an office in the United States or an Affiliate of any such bank with an office in the United States. Every such bank shall have a reported combined capital, surplus and undivided profits of not less than \$50,000,000 (unless otherwise approved by the Required Lenders (and in the absence of an Event of Default, with the consent of the Borrower)).

(ii) If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of Lenders, appoint a successor Agent meeting the qualifications set forth above; provided that if Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (A) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Related Documents (except that in the case of any collateral security held by Agent on behalf of the Lenders under any of the Related Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (B) all payments, communications and determinations provided to be made by, to or through Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this Section.

(b) Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Related Documents (if not already discharged therefrom as provided above in this Section). The fees payable by Borrower to a successor Agent shall be the same as those payable to its predecessor, unless otherwise agreed between Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Related Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Section 9.07 Non-Reliance on Agent and Other Lenders. Each Lender, acknowledges that it has, independently and without reliance upon Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or

based upon this Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

Section 9.08 No Other Duties, Etc. Anything herein to the contrary notwithstanding, no Lender holding a title listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Related Documents, except in its capacity, as applicable, as Agent or a Lender hereunder.

Section 9.09 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to Borrower, Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Agent shall have made any demand on Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of Lenders and Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Lenders and Agent and their respective agents and counsel and all other amounts due Lenders and Agent under Section 2.09, Article III and Section 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Agent and, in the event that Agent shall consent to the making of such payments directly to Lenders, to pay to Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Agent and its agents and counsel, and any other amounts due Agent under Sections 2.09 and 10.04. Nothing contained herein shall be deemed to authorize Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 9.10 Collateral Matters.

(a) Each Lender hereby irrevocably authorizes and directs Agent to enter into the Loan Documents for the benefit of such Lender. Each Lender hereby agrees, and each holder of any Note by the acceptance thereof will be deemed to agree, that, except as otherwise set forth in Section 10.01, any action taken by the Required Lenders, in accordance with the provisions of this Agreement or the Related Documents, and the exercise by the Required Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all Lenders. Agent is hereby authorized (but not obligated) on behalf of all Lenders, without the necessity of any notice to or further consent from

any Lender from time to time prior to an Event of Default, to take any action with respect to any Collateral or Loan Documents which may be necessary to perfect and maintain perfected the Liens upon the Collateral granted pursuant to the Loan Documents.

(b) Each Lender hereby irrevocably authorize Agent, at its option and in its discretion:

(i) to release any Lien on any property granted to or held by Agent under any Loan Document (A) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent indemnification obligations), (B) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Related Document, (C) subject to Section 10.01, if approved, authorized or ratified in writing by the Required Lenders or (D) in connection with any foreclosure sale or other Disposition of Collateral after the occurrence of an Event of Default; and

(ii) to subordinate any Lien on any property granted to or held by Agent under any Related Document to the holder of any Lien on such property that is permitted by this Agreement or any other Related Document.

(c) Upon request by Agent at any time, each Lender will confirm in writing Agent's authority to release or subordinate its interest in particular types or items of Collateral pursuant to this Section 9.10.

(d) Subject to subsection (b) above, Agent shall (and is hereby irrevocably authorized by each Lender) execute such documents as may be necessary to evidence the release or subordination of the Liens granted to Agent for the benefit of Agent and Lenders herein or pursuant hereto upon the applicable Collateral; provided that (i) Agent shall not be required to execute any such document on terms, which, in Agent's opinion, would expose Agent to or create any liability or entail any consequence, other than the release or subordination of such Liens without recourse or warranty, and (ii) such release or subordination shall not in any manner discharge, affect or impair the Obligations or any Liens upon (or obligations of Borrower in respect of) all interests retained by Borrower, including the proceeds of the sale of any property granted to or held by Agent under any Loan Document, all of which shall continue to constitute part of the Collateral. In the event of any sale or transfer of Collateral or any foreclosure with respect to any of the Collateral, Agent shall be authorized to deduct all expenses reasonably incurred by Agent from the proceeds of any such sale, transfer or foreclosure.

(e) Agent shall have no obligation whatsoever to any Lender or any other Person to assure that the Collateral exists or is owned by Borrower or is cared for, protected or insured or that the Liens granted to Agent herein or in any of the Related Documents or pursuant hereto or thereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to Agent in this Section 9.10 or in any of the Related Documents, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, Agent may act in any manner it may deem appropriate, in its sole discretion, given

Agent's own interest in the Collateral as one of Lenders and that Agent shall have no duty or liability whatsoever to Lenders.

(e) Each Lender hereby appoints each other Lender as agent for the purpose of perfecting Lenders' security interest in assets, which, in accordance with Article 9 of the UCC can be perfected only by possession. Should any Lender (other than Agent) obtain possession of any such Collateral, such Lender shall notify Agent thereof and, promptly upon Agent's request therefor, shall deliver such Collateral to Agent or in accordance with Agent's instructions.

ARTICLE XARTICLE X — MISCELLANEOUS

Section 10.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by Borrower therefrom, shall be effective, unless in writing signed by the Required Lenders and Borrower and acknowledged by Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;

(b) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan, or (subject to Section 10.06(b)(i)(D)) any fees or other amounts payable hereunder or under any other Loan Document, without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of Borrower to pay interest at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or to reduce any fee payable hereunder;

(d) change Section 2.13 or Section 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(e) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; or

(f) release the Liens on all or substantially all of the Collateral in any transaction or series of related transactions, except in accordance with the terms of any Loan Document, without the written consent of each Lender;

and, provided further, that no amendment, waiver or consent shall, unless in writing and signed by Agent in addition to the Lenders required above, affect the rights or duties of Agent under this Agreement or any other Loan Document. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

Section 10.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally.

(i) Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(A) if to Borrower or Agent, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(B) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified on Schedule 10.02 or in its Administrative Questionnaire, as applicable.

(ii) Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II, if such Lender has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. Agent or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet

website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address, Etc. Each of the Borrower and Agent may change its address; telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to Borrower and Agent. In addition, each Lender agrees to notify Agent from time to time to ensure that Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(d) Reliance by Agent and Lenders. Agent and Lenders shall be entitled to rely and act upon any notices purportedly given by or on behalf of Borrower, even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. Borrower shall indemnify Agent, each Lender and the Related Parties from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of Borrower. All telephonic notices to and other telephonic communications with Agent may be recorded by Agent, and each of the parties hereto hereby consents to such recording.

Section 10.03 No Waiver; Cumulative Remedies; Enforcement.

(a) Except as provided herein, no failure by any Lender, or Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

(b) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Borrower shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, Agent in accordance with Section 8.02 for the benefit of all Lenders; provided, however, that the foregoing shall not prohibit (i) Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents, (ii) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.11) or (iii) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to the Borrower under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Agent hereunder and under the other Loan Documents, then (A) the Required Lenders shall have the rights otherwise ascribed to Agent pursuant to Section 8.02 and (B) in addition to the matters set forth in clauses (ii) and (iii) of the preceding proviso and subject to

Section 2.11, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 10.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for Agent), in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and other Related Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by Agent or any Lender (including the reasonable fees, charges and disbursements of any counsel for Agent or any Lender), and all fees and time charges for attorneys who may be employees of Agent or any Lender, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Related Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such reasonable out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification. Borrower agrees to indemnify and hold harmless Agent, Lenders and their respective Affiliates, officers, directors, employees and agents (each an "Indemnitee") from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever which an Indemnitee may incur (or which may be claimed against an Indemnitee by any Person) by reason of or in connection with the execution and delivery of and consummation of the transactions contemplated under this Agreement and any other Related Document, including, without limitation: (i) the sale to one or more banks or other entities ("Participants") of all or any part of, or any interest (divided or undivided) in, a Lender's rights and benefits under and in accordance with this Agreement and under the other Loan Documents ("Participating Interests"); and (ii) the execution and delivery of, or payment or failure to pay by any Person (other than Agent or any Lender, as and when required by the terms and provisions hereof) under, this Agreement; provided, however, that Borrower shall not be required to indemnify any Indemnitee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such Indemnitee. Nothing in this Section is intended to limit the obligations of Borrower under the Notes or of Borrower to pay its obligations hereunder and under the other Related Documents.

(c) Reimbursement by Lenders. To the extent that Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) above to be paid by it to Agent (or any sub-agent thereof), or any Related Party of any of the foregoing, each Lender severally agrees to pay to Agent (or any such sub-agent), or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against Agent (or any such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for Agent (or any such sub-agent) in connection with such capacity.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, (i) Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof and (ii) neither Agent nor any Lender shall assert, and each hereby waives, any claim against the Borrower, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this or the transactions contemplated hereby or thereby. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of Agent, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

Section 10.05 Payments Set Aside. To the extent that any payment by or on behalf of Borrower is made to Agent or any Lender, or Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 10.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder, except (i)

to an assignee in accordance with the provisions of subsection (b) below, (ii) by way of participation in accordance with the provisions of subsection (d) below, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) below (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) below and, to the extent expressly contemplated hereby, the Related Parties of each of Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders.

(i) Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(A) Minimum Amounts.

(I) In the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender, no minimum amount need be assigned; and

(II) in any case not described in subsection (b)(i)(A)(I) above, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000, unless each of Agent and, so long as no Event of Default has occurred and is continuing, Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

(B) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned.

(C) Required Consents. No consent shall be required for any assignment, except to the extent required by subsection (b)(i)(A)(II) above and, in addition:

(I) the consent of Borrower (such consent not to be unreasonably withheld or delayed) shall be required, unless (1) an Event of Default has occurred

and is continuing at the time of such assignment or (2) such assignment is to a Lender or an Affiliate of a Lender; and

(II) the consent of Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Commitment, if such assignment is to a Person that is not a Lender or an Affiliate of such Lender.

(D) Assignment and Assumption. The parties to each assignment shall execute and deliver to Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to Agent an Administrative Questionnaire.

(E) No Assignment to Borrower. No such assignment shall be made to Borrower or any of Borrower's Affiliates or Subsidiaries.

(F) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

(G) Minimum Rating. No such assignment shall be made to a Person that does not maintain short-term unenhanced ratings of at least a "P-1" (or its equivalent) by Moody's, "F1" (or its equivalent) by Fitch and "A-1" (or its equivalent) by Standard & Poor's.

(ii) Subject to acceptance and recording thereof by Agent pursuant to subsection (c) below, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto), but shall continue to be entitled to the benefits of Sections 3.01, 3.02, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) below.

(c) Register. Agent, acting solely for this purpose as an agent of Borrower, shall maintain at Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and Borrower, Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by

Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations.

(i) Any Lender may at any time, without the consent of Borrower or Agent, sell participations to any Person (other than a natural person or Borrower or any of Borrower's Affiliates) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) Borrower, Agent, and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. In the event of any such sale by any Lender, such Lender shall provide notice of the sale to Borrower.

(ii) Subject to subsection (e) below, Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01 and 3.02 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) above. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.02 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with Borrower's prior written consent.

Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Deemed Consent of Borrower. If the consent of Borrower to an assignment to an assignee is required hereunder (including a consent to an assignment which does not meet the minimum assignment threshold specified in Section 10.06(b)(i)(A)), Borrower shall be deemed to have given its consent ten (10) Business Days after the date notice thereof has been delivered to Borrower by the assigning Lender (through Agent), unless such consent is expressly refused by Borrower prior to such tenth Business Day, provided, however, that the Agent shall make

reasonable attempts to confirm that the Borrower has received the notice of such assignment sent by the Lender (through Agent) prior to deeming the Borrower to have consented to such assignment.

Section 10.07 Treatment of Certain Information; Confidentiality.

(a) Each of Agent and Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent required by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iv) to any other party hereto, (v) in connection with the exercise of any remedies hereunder or under any other Related Document or any action or proceeding relating to this Agreement or any other Related Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (B) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Borrower and its obligations, (vii) with the consent of Borrower or (viii) to the extent such Information (X) becomes publicly available other than as a result of a breach of this Section or (Y) becomes available to Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than Borrower.

(b) For purposes of this Section, "Information" means all information received from Borrower relating to Borrower or any of its businesses, other than any such information that is available to Agent or any Lender on a nonconfidential basis prior to disclosure by Borrower, provided that, in the case of information received from Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. Each of Agent and the Lenders acknowledges that (i) the Information may include material nonpublic information concerning the Borrower, (ii) it has developed compliance procedures regarding the use of material nonpublic information and (iii) it will handle such material nonpublic information in accordance with applicable Law, including Federal and state securities Laws.

Section 10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of Agent, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or existing under this Agreement or any other Loan Document to such Lender or any such Affiliate,

irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of Borrower may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its Affiliates may have. Each Lender agrees to notify Borrower and Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application. Notwithstanding any provision of this Agreement to the contrary, the Agent and each Lender agree that no moneys recovered through the exercise of setoff, whether by reason of this Agreement or by reason of common or statutory law, shall operate to permit Agent or any Lender to recover funds in repayment of the Loans or otherwise due under this Agreement in conflict with the express subordination of the Lien of this Agreement to the Liens under the Master Indentures.

Section 10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of nonusurious interest permitted by applicable Law (the "Maximum Rate"). If the rate of interest payable hereunder shall exceed the Maximum Rate for any period for which interest is payable, then (a) interest at the Maximum Rate shall be due and payable with respect to such interest period and (b) interest at the rate equal to the difference between (i) the rate of interest calculated in accordance with the terms hereof and without regard to the limitations of this Section 10.09 and (ii) the Maximum Rate (the "Excess Interest"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time Borrower shall pay with respect to amounts then payable to the Lenders that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Agent, for the account of the respective Lenders. Upon the termination of this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, Borrower shall pay to the Agent, for the account of the respective Lenders, a fee equal to the amount of all unpaid deferred Excess Interest.

Section 10.10 Counterparts: Integration: Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by Agent and when Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.11 Survival of Representations and Warranties. Except as provided herein, all representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by Agent and each Lender, regardless of any investigation made by Agent or any Lender or on their behalf and notwithstanding that Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

Section 10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10.13 Governing Law; Jurisdiction; Service of Process; Waiver of Jury Trial.

(a) Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Indiana, but giving effect to federal laws applicable to national banks.

(b) Jurisdiction. Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any U.S. Federal or Indiana State court sitting in Indianapolis, Indiana, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each party hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such State court or, to the extent permitted by law, in such Federal court. Each party hereto agrees that a final, unappealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or any of its Affiliates or any of their properties in the courts of any jurisdiction.

(c) Venue. Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in subsection (b) above. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.02. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable Laws.

(e) WAIVER OF JURY TRIAL. EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ITS RIGHT TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS. IT IS HEREBY ACKNOWLEDGED THAT THE WAIVER OF A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE AGENT AND EACH LENDER TO ENTER INTO THIS AGREEMENT AND THAT THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY THE BORROWER AND THE AGENT IS MADE IN RELIANCE UPON SUCH WAIVER. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE FOLLOWING CONSULTATION WITH ITS RESPECTIVE LEGAL COUNSEL.

(f) Irrevocability of Covenants and Waivers in this Section. The covenants and waivers made pursuant to this Section 10.13 shall be irrevocable and unmodifiable, except to the extent agreed in writing by the Borrower and Agent, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement.

Section 10.14 USA PATRIOT Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and Agent (for itself and not on behalf of any Lender) hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow such Lender or Agent, as applicable, to identify Borrower in accordance with the Act.

Section 10.15 Time of the Essence. Time is of the essence of the Loan Documents.

Section 10.16 Electronic Execution of Assignments and Certain Other Documents. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 10.17 No Advisory or Fiduciary Responsibility.

(a) In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan

Document), Borrower acknowledges and agrees and acknowledges its Affiliates' understanding that:

(i) (A) the services regarding this Agreement provided by Agent are arm's-length commercial transactions between Borrower and its Affiliates, on the one hand, and Agent, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate, and (C) Borrower is capable of evaluating and understanding, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents;

(ii) (A) Agent is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not and will not be acting as an advisor, agent or fiduciary, including, without limitation, a "Municipal Advisor", as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the final rules related thereto (collectively, the "Municipal Advisor Rules"), for Borrower or any of their respective Affiliates or any other Person, (B) Agent is relying on the bank exemption in the Municipal Advisor Rules, (C) Agent has not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Borrower or any of its Affiliates with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not Agent or any Affiliate of Agent has provided other services or advised, or is currently providing other services or advising Borrower of any of its Affiliates on other matters), and (D) Agent does not have any obligation to Borrower or any of its Affiliates with respect to the transaction contemplated hereby, except those obligations expressly set forth herein and in the other Loan Documents; and

(iii) Agent and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of Borrower and its Affiliates, and Agent has no obligation to disclose any of such interests to Borrower or any of its Affiliates.

(b) To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against Agent with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officers as of the date and year first above written.

CWA AUTHORITY, INC.

By: Carey B. Lykiis
Carey B. Lykiis
President and Chief Executive Officer

Attest:

John e , Title President
an. of Financial Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Nancy A. Dorsa
Authorized Officer

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: _____
Nancy A. Dorsa
Authorized Officer

WELLS FARGO BANK,
NATIONAL ASSOCIATION, as a Lender

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officers as of the date and year first above written.

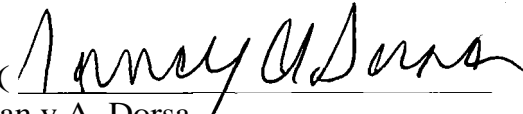
CWA AUTHORITY, INC.

By: _____
Carey B. Lykins
President and Chief Executive Officer

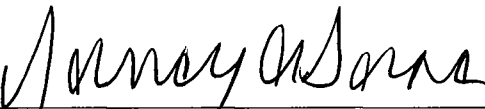
Attest:

John R. Brehm, Senior Vice President
and Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: 
Nancy A. Dorsa
Authorized Officer

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: 
Nancy A. Dorsa
Authorized Officer

WELLS FARGO BANK,
NATIONAL ASSOCIATION, as a Lender

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officers as of the date and year first above written.

CWA AUTHORITY, INC.

By: _____
Carey B. Lykins
President and Chief Executive Officer

Attest:

John R. Brehm, Senior Vice President
and Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Nancy A. Dorsa
Authorized Officer

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: _____
Nancy A. Dorsa
Authorized Officer

WELLS FARGO BANK,
NATIONAL ASSOCIATION, as a Lender

By: ^{Clitt 4:10.} _____ *Walters*

Name: **Plod i&tt L-• 1 7IL-1-0127**

Title: 9C 0; 0 q' V C4/ ?471 PE

SCHEDULE 2.01

COMMITMENTS AND APPLICABLE PERCENTAGES

<u>Lender</u>	<u>Commitment</u>	<u>Applicable Percentage</u>
JPMorgan Chase Bank, N.A.	\$ 72,500,000	50%
Wells Fargo Bank, National Association	\$ <u>72,500,000</u>	50%
Total	\$145,000,000	100%

SCHEDULE 10.02

ADMINISTRATIVE AGENT'S OFFICE
CERTAIN ADDRESSES FOR NOTICES

Borrower:

CWA Authority, Inc.
2020 N. Meridian St.
Indianapolis, IN 46202
Attention: President
Telephone: (317) 927-4528
Fax:

Borrower's Account (for loan proceeds)

JPMorgan Chase Bank, N.A.
For credit to: CWA Authority, Inc.
Account: 938134707
ABA: 021000021

Administrative Agent:

Administrative Agent's Office (for Requests for Borrowings)

JPMorgan Chase Bank, N.A.
10 South Dearborn Street, 36th Floor
MAC IL1 — 1225
Chicago, IL 60603-2300
Attention: Julie Davis
Telephone: (312) 732-6914
Fax: (312) 233-2290

Administrative Agent's Office (for payments)

JPMorgan Chase Bank, N.A.
ABA# 021000021
Acct# 9008109962C3082

For further credit to: CWA Authority, Inc.

Other Notices as Administrative Agent

JPMorgan Chase Bank, N.A.
10 South Dearborn Street, Floor L2
MAC IL1 - 0480
Chicago, IL 60603-2300
Attention: Glenda Timpton
Telephone: (312) 732-2014
Fax: (312) 385-7097

JPMorgan Chase Bank, N.A., as Lender

JPMorgan Chase Bank, N.A.
Government, Not-for-Profit & Healthcare Group
1 East Ohio Street, IN1-0045
Indianapolis, Indiana 46277-0045
Attn: Nancy A. Dorsa, Vice President
Telephone: (317) 767-8344
Facsimile: (317) 767-8008

Wells Fargo Bank, National Association, as Lender

Wells Fargo Bank, National Association
MAC N8032-034
1248 "O" Street
Lincoln, NE 68508
Attention: Monica L. Balters
Telephone: (402) 434-4241
Facsimile: (402) 434-4181

EXHIBIT A

FORM OF LOAN NOTICE

JPMorgan Chase Bank, N.A.
Government, Not-for-Profit & Healthcare Group
1 East Ohio Street, IN1-0045
Indianapolis, Indiana 46277-0045
Attn: Julie Davis
Telephone: (312) 732-6914
Facsimile: (312) 233-2290

Re: Credit Agreement, dated as of September 30, 2014 (the "Agreement"), among CWA Authority, Inc., JPMorgan Chase Bank, N.A., and the Other Lender Parties Thereto

The undersigned authorized representative of CWA Authority, Inc., requests a Borrowing of Loans under the Agreement. All terms used in this notice shall have the meanings assigned to them in the Agreement.

The terms of the Loan shall be as follows:

1. Amount of Loan \$ _____ 2. Wire funds to: _____
Wire transfer # _____
3. Type of Loan (Check One):

LIBOR Loan

1 month _____ 2-month _____ 3-month _____

The Borrowing, if any, requested herein complies with the provisos to the first sentence of Section 2.01 of the Agreement.

Date: _____ CWA AUTHORITY, INC.

By: _____
Authorized Officer

EXHIBIT B

FORM OF CERTIFICATES OF INDEBTEDNESS

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA
CERTIFICATE OF INDEBTEDNESS

September 30, 2014
Indianapolis, Indiana

FOR VALUE RECEIVED, the undersigned, CWA AUTHORITY, INC. (the "Borrower"), acting on behalf of the City of Indianapolis, Indiana, as necessary, pursuant to the provisions of the Authorizing Acts, HEREBY PROMISES TO PAY, from the sources and in the manner herein provided, to the order of _____ (the "Lender"), at the office of JPMorgan Chase Bank, N.A., as agent for the Lender (the "Agent") located at 1 East Ohio Street, IN1-0045, Indianapolis, Indiana 46277-0045, in lawful money of the United States of America and in immediately available funds, the aggregate principal amount of the Loans related to this Certificate of Indebtedness (this "Certificate of Indebtedness") not later than the Maturity Date, and to pay interest (computed as provided in Section 2.06 of the Credit Agreement, dated as of September 30, 2014 (the "Credit Agreement"), among the Borrower, the Lender, the other Lenders party thereto and JPMorgan Chase Bank, N.A.) from the applicable borrowing date on each Loan, in like manner, at such office, as applicable and as provided in the Credit Agreement, due and payable in arrears on each Interest Payment Date, as applicable. While an Event of Default under the Credit Agreement exists, the Authority shall pay interest on the principal amount of all outstanding Obligations under the Credit Agreement at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws. Terms used in this Certificate of Indebtedness that are defined in the Credit Agreement shall have their defined meanings in the Credit Agreement when used in this Certificate of Indebtedness.

This Certificate of Indebtedness is a subordinate and limited obligation of the Borrower as hereinafter provided and as provided in the Credit Agreement and is not indebtedness of the City of Indianapolis (the "City"), the City of Indianapolis Acting by and Through its Board of Directors for Utilities of its Department of Public Utilities d/b/a Citizens Energy Group, the State of Indiana (the "State"), or any other municipal corporation or political subdivision thereof. This Certificate of Indebtedness is secured by a Lien and security interest on Net Revenues of the Wastewater System, the General Fund and the Rate Stabilization Fund junior in priority to the Liens and security interests granted to the First Lien Parity Obligations and the Second Lien Parity Obligations (all as described in the Credit Agreement).

If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

This Certificate of Indebtedness is one of the Notes referred to in the Credit Agreement. The Credit Agreement, among other things, contains provisions also for prepayments on account of the principal of this Certificate of Indebtedness prior to the Maturity Date of this Certificate of Indebtedness upon the terms and conditions specified in the Credit Agreement. This Certificate of Indebtedness is secured by a pledge on a subordinate basis of the General Fund and the Rate Stabilization Fund under the Credit Agreement and on the Net Revenues of the Wastewater System. Reference is made to the First Lien Master Indenture and Second Lien Master Indenture for a description of the General Fund, the Rate Stabilization Fund and the Net Revenues of the Wastewater System and the limitations on such pledge, all as provided in the Credit Agreement, and the rights of the Borrower and the Agent with respect to such collateral.

This Certificate of Indebtedness shall be governed by the laws of the State.

All covenants, stipulations, obligations and agreements of the Borrower contained in the Credit Agreement are and shall be deemed to be covenants, obligations and agreements of the Borrower, to the full extent authorized by the Authorizing Acts, but only with respect to the Wastewater System. No covenant, stipulation, obligation or agreement of any present or future agent, director, employee, member, officer or official of the Borrower shall be enforceable against such agent, director, employee, member, officer or official of the Borrower in anything other than that person's official capacity. No official of the City or the Borrower executing this Certificate of Indebtedness, the Credit Agreement or any amendment or supplement hereto or thereto shall be liable personally on the Loans or this Certificate of Indebtedness or subject to any personal liability or accountability by reason of the execution hereof or thereof.

No recourse shall be had for the payment of the principal of or interest on the Loans or this Certificate of Indebtedness or for any claim based thereon or upon any obligation, covenant or agreement contained in the Credit Agreement against the Wastewater System (except as otherwise provided in the Credit Agreement) or against any past, present or future agent, director, employee, member, officer or official of the Borrower or the City either directly or indirectly under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such agent, director, employee, member, officer or official as such is hereby expressly waived and released as a condition of and consideration for the execution of the Credit Agreement and the issuance of this Certificate of Indebtedness.

This Certificate of Indebtedness is a certificate of indebtedness within the meaning of Indiana Code 8-1-11.1-8, as amended, its term not exceeding three years, except as the Maturity Date may be extended from time to time by agreement of the Borrower and the Lenders.

IN WITNESS WHEREOF, the City of Indianapolis, Indiana has caused this Certificate of Indebtedness to be executed in its corporate name by the manual or facsimile signature of the Mayor and the Mayor's signature to be attested and its corporate seal to be hereunto affixed or imprinted hereon and attested by the manual or facsimile signature of its City Controller, and the Borrower has caused this Certificate of Indebtedness to be executed in its name by the manual or facsimile signature of its President and Chief Executive Officer and the President and Chief

Executive Officer's signature to be attested by the manual or facsimile signature of its Senior Vice President and Chief Financial Officer, as of the date specified above.

CITY OF INDIANAPOLIS

By: _____
Mayor

(Seal)

Attest:

City Controller

CWA AUTHORITY, INC.

By: _____
President and Chief Executive Officer

Attest:

Senior Vice President and Chief Financial Officer

LOANS AND PAYMENTS WITH RESPECT THERETO

<u>DATE</u>	<u>LOAN MADE</u>	<u>THIS DATE</u>	<u>AMOUNT OF INTEREST PAID</u>	<u>AMOUNT OF PRINCIPAL OR OUTSTANDING</u>	<u>THIS DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>NOTATION</u>	<u>MADE BY</u>
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____

EXHIBIT C

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: _____

To: JPMorgan Chase Bank, N.A.

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of September 30, 2014 (as Amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "*Agreement*;" the terms defined therein being used herein as therein defined), among CWA Authority, Inc., a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Corporation Act of 1991, as amended ("Borrower"), the Lenders from time to time party thereto, and Wells Fargo Bank, National Association, as Administrative Agent.

The undersigned Responsible Officer hereby certifies as of the date hereof that he/she is the _____ of Borrower, and that, as such, he/she is authorized to execute and deliver this Certificate to Agent on the behalf of Borrower, and that:

[Use the following paragraph 1 for fiscal year-end financial statements.]

1. Attached hereto as Schedule 1 are the year-end audited combined financial statements of Citizens required by Section 6.01(a) of the Agreement for the fiscal year of Citizens ended as of the above date, together with the report and opinion of an independent certified public accountant required by such action.

[Use the following paragraph 1 for fiscal quarter-end financial statements.]

1. Attached hereto as Schedule 1 are the unaudited financial statements required by Section 6.01(b) of the Agreement for the fiscal quarter of Borrower ended as of the above date. Such financial statements fairly present in all material respects the financial condition, results of operations and cash flows of Borrower in accordance with GAAP as at such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

2. The undersigned has reviewed and is familiar with the terms of the Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of Borrower during the accounting period covered by the attached financial statements.

3. A review of the activities of Borrower during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period Borrower performed and observed all its Obligations under the Loan Documents, and

[Select one of the following:]

[to the best knowledge of the undersigned during such fiscal period, Borrower performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.]

or

[the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

4. The representations and warranties of Borrower contained in Article V of the Agreement, and/or any representations and warranties of Borrower that are contained in any document furnished at any time under or in connection with the Loan Documents, are true and correct on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Compliance Certificate, the representations and warranties contained in Section 5.05(a) and (b) of the Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Agreement, including the statements in connection with which this Compliance Certificate is delivered.

[Use the following paragraph only in connection with the Compliance Certificate filed in connection with the fiscal-year end financial statements.]

5. The financial covenant analyses and information set forth on Schedule 2 attached hereto are true and accurate on and as of the end of the fiscal year ending September 30, 20 .

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of _____, 20

[Quarterly, nonfiscal year-end Compliance Certificates may be signed by the Chief Financial Officer or the Director of Treasury. The fiscal year-end Compliance Certificate shall be signed by the Chief Financial Officer.]

CWA AUTHORITY, INC.

By: _____

Name: _____

Title: _____

SCHEDULE I

FINANCIAL STATEMENTS FOR THE QUARTER/YEAR ENDED _____, 20__
("STATEMENT DATE")

SCHEDULE 2

FINANCIAL COVENANT ANALYSES AND INFORMATION (\$ IN 000'S)

EXHIBIT D

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this "Assignment and Assumption ") is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the "Assignor") and [Insert name of Assignee] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by Agent as contemplated below (a) all of the Assignor's rights and obligations as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (b) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (a) above (the rights and obligations sold and assigned pursuant to clauses (a) and (b) above being referred to herein collectively as, the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor:
2. Assignee: [and is an Affiliate of [identify Lender]]
3. Borrower: CWA Authority, Inc.
4. Administrative Agent: JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement
5. Credit Agreement: Credit Agreement, dated as of September 30, 2014, among CWA Authority, Inc., the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent.
6. Assigned Interest:

FACILITY ASSIGNED	AGGREGATE AMOUNT OF COMMITMENT/ LOANS FOR ALL LENDERS*	AMOUNT OF COMMITMENT/ LOANS ASSIGNED*	PERCENTAGE ASSIGNED OF COMMITMENT/ LOANS	CUSIP NO.
_____	\$ _____	\$ _____	_____	_____
_____	\$ _____	\$ _____	_____	_____
_____	\$ _____	\$ _____	_____	_____

[7. Trade Date: _____]

Effective Date: _____, 201_ [to be inserted by Administrative Agent and which shall be the effective date of recordation of transfer in the register therefor.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR [NAME OF ASSIGNOR]

By: _____

Title: _____

ASSIGNEE [NAME OF ASSIGNEE]

By: _____

Title: _____

[Consented to and] Accepted:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: _____

Title: _____

[Consented to:

CWA AUTHORITY, INC. as
Borrower

By: _____

Title: _____]

ANNEX 1 TO ASSIGNMENT AND ASSUMPTION

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

Section 1. Representations and Warranties.

Section 1.1. Assignor. The Assignor: (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority and has taken all action necessary to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of Borrower, any of its Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by Borrower, any of its Affiliates or any other Person of any of their respective obligations under any Loan Document.

Section 1.2. Assignee. The Assignee: (a) represents and warrants that (i) it has full power and authority and has taken all action necessary to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, and (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section [thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, on the basis of which it has made such analysis and decision independently and without reliance on Agent or any other Lender; and (b) agrees that (i) it will, independently and without reliance on Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

Section 2. Payments. From and after the Effective Date, Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

Section 3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page

of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of Indiana.

EXHIBIT E

FORM OF NOTICE OF TERMINATION OR REDUCTION OF AGGREGATE
COMMITMENTS

JPMorgan Chase Bank, N.A.
Government, Not-for-Profit & Healthcare Group
1 East Ohio Street, IN1-0045
Indianapolis, Indiana 46277-0045
Attn: Julie Davis
Telephone: (312) 732-6914
Facsimile: (312) 233-2290

Re: Credit Agreement, dated as of September 30, 2014 (the "Agreement"), among
CWA Authority, Inc., JPMorgan Chase Bank, N.A., and the Other Lender Parties
Thereeto

The undersigned authorized representative of CWA Authority, Inc., is hereby providing notice of [the termination] [a reduction] of the Aggregate Commitments, effective as of _____, 20 , pursuant to Section 2.04 of the Agreement, and certifies that[: (1)] after giving effect thereto and to any concurrent prepayments under the Agreement, the Total Outstandings will not exceed the Aggregate Commitments[: (2) such reduction shall be in an amount that is an integral amount of \$100,000 and not less than \$10,000,000]. This notice shall be irrevocable, and any [termination] [reduction] of the Aggregate Commitments shall be permanent. All terms used in this notice shall have the meanings assigned to them in the Agreement.

Date: _____ CWA AUTHORITY, INC.

By: _____
Authorized Officer

FIRST SUPPLEMENTAL CREDIT AGREEMENT

Dated as of September 1, 2017

among

CWA AUTHORITY, INC. as Borrower,

JPMORGAN CHASE BANK, N.A., as Administrative Agent

and

THE OTHER LENDERS PARTY HERETO

(Closing Date: September 28, 2017)

Amending and Supplementing the Credit Agreement, dated as of September 30, 2014

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This FIRST SUPPLEMENTAL CREDIT AGREEMENT, dated as of September 1, 2017 (this "First Supplemental Agreement"), among CWA AUTHORITY, INC. ("Borrower"), a nonprofit public benefit corporation created pursuant to the Authorizing Acts (as defined in the Original Agreement), EACH LENDER FROM TIME TO TIME PARTY HERETO (collectively, "Lenders" and individually, a "Lender"), and JPMORGAN CHASE BANK, N.A., as Administrative Agent ("Administrative Agent"), is being entered into for the purpose of amending and supplementing the Credit Agreement, dated as of September 30, 2014 (the "Original Agreement"), among the Borrower, the Lenders and the Administrative Agent (except as otherwise provided in this First Supplemental Agreement, capitalized terms used in this First Supplemental Agreement are used with the respective meanings ascribed to such terms pursuant to Section 1.1 hereof).

RECITALS

WHEREAS, pursuant to Indiana Code 8-1-11.1, as amended, the Borrower, acting on behalf of the City of Indianapolis, Indiana (the "City"), is empowered and authorized to borrow moneys to finance capital improvements made to the Wastewater System; and

WHEREAS, the Borrower determined that it was necessary and desirable and in the best financial interests of the Borrower that the Borrower be authorized to obtain funds to make capital improvements to its Wastewater System by entering into the Original Agreement with the Lenders, pursuant to which the Lenders provided the Borrower a Commitment in the maximum amount of \$145,000,000; and

WHEREAS, the Borrower determined that it is necessary and desirable and in the best financial interests of the Borrower that the Borrower be authorized to obtain additional funds to make capital improvements to its Wastewater System by entering into this First Supplemental Agreement with the Lenders and the Administrative Agent, pursuant to which the Lenders will provide Borrower a Commitment in the maximum amount of \$100,000,000; and

WHEREAS, all action has been taken to make the Original Agreement, as amended and supplemented by this First Supplemental Agreement (collectively, the "Agreement"), when executed and delivered by the Borrower, the valid obligations of the Borrower in accordance with the Agreement, and to constitute the Agreement as a valid contract for the security of the Note, dated September 30, 2014, issued by the Borrower, acting on behalf of the City, to JPMorgan Chase Bank, N.A., and the Note, dated September 30, 2014, issued by the Borrower, acting on behalf of the City, to Wells Fargo Bank, National Association (collectively, the "Notes"), all in accordance with the respective terms of the Agreement and the Notes;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND FOR OTHER CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE BORROWER, THE LENDERS AND THE ADMINISTRATIVE AGENT AGREE THAT:

1. Definitions.

1.1 Definitions. Except where the context otherwise requires, the terms defined in this Section shall for all purposes of the Agreement have the meanings specified in this Section, and any terms not defined herein, but defined in the Original Agreement, shall for all purposes of the Agreement have the meanings specified in the Original Agreement. The following words and phrases shall have the following meanings, unless the context otherwise requires:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, is bearing interest at a rate determined by reference to the Alternate Base Rate.

“Adjusted LIBOR Rate” means, with respect to any Eurodollar Borrowing for any Interest Period or for any ABR Borrowing, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) LIBOR for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus $\frac{1}{2}$ of 1% and (c) the Adjusted LIBOR Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the purpose of this definition, the Adjusted LIBOR Rate for any day shall be based on the LIBOR Screen Rate (or if the LIBOR Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBOR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBOR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.15 hereof, then the Alternate Base Rate shall be the greater of clause (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Anti-Corruption Laws” means all laws, rules and regulations of any jurisdiction applicable to Borrower or its subsidiaries or affiliates from time to time concerning or relating to bribery or corruption.

“Board” means the Board of Governors of the Federal Reserve System of the U.S.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Adjusted LIBOR Rate.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depository institutions (as determined in such manner as the NYFRB shall set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate; provided

that, if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to zero for the purposes of this Agreement.

“First Supplemental Agreement” means this First Supplemental Credit Agreement, dated as of September 1, 2017, among the Borrower, the Lenders and the Administrative Agent.

“Interpolated Rate” means, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBOR Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBOR Screen Rate for the longest period (for which the LIBOR Screen Rate is available) that is shorter than the Impacted Interest Period; and (b) the LIBOR Screen Rate for the shortest period (for which the LIBOR Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time; provided that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“LIBOR Screen Rate” means, for any day and time, with respect to any Eurodollar Borrowing for any applicable Interest Period or for any ABR Borrowing, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for Dollars) for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion); provided that if the LIBOR Screen Rate shall be less than zero, such rate shall be deemed to zero for the purposes of this Agreement.

“Margin Rate Factor” shall mean, for any day, the greater of (a) 1.0 and (b) the product of (i) one minus the applicable Corporate Tax Rate multiplied by (ii) 1.53846, rounded upward to the second decimal place. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Corporate Tax Rate resulting in such change.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a Federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Original Agreement” means the Credit Agreement, dated as of September 30, 2014, among the Borrower, the Lenders and the Administrative Agent.

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate).

“Sanctioned Country” means, at any time, a country, region or territory, which is the subject or target of any Sanctions (at the time of signing this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any European Union member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person described in clause (a) or (b) above.

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by OFAC or the U.S. Department of State.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) established by the Board to which the Administrative Agent is subject with respect to the Adjusted LIBOR Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D of the Board. Eurodollar Loans hereunder shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D of the Board or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

(End of Article/Section 1)

2. Amendments.

2.1 Definitions. The following definitions set forth in Section 1.1 of the Original Agreement shall be, and hereby are, amended in their entireties to be as follows:

“Adjusted One Month LIBOR Rate” means, for any day, an interest rate per annum equal to the Adjusted LIBOR Rate for a one-month interest period on such day (or if such day is not a Business Day, the immediately preceding Business Day); provided that, for the avoidance of doubt, the Adjusted LIBOR Rate for any day shall be based on the LIBOR Screen Rate at approximately 11:00 a.m. London time on such day; provided further, that, if the LIBOR Screen Rate at such time shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Agreement” means the Original Agreement, as amended and supplemented by this First Supplemental Agreement, as the Agreement may hereafter be amended, restated or supplemented by another Supplemental Agreement.

"Commitment" means, as to each Lender, its obligation to make Loans to Borrower pursuant to Section 2.01, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. It is hereby acknowledged and agreed that on September 28, 2017, JPMorgan and Wells Fargo are the only Lenders hereunder and that the Commitments of JPMorgan and Wells Fargo are equal to \$50,000,000 and \$50,000,000, respectively.

“Corporate Tax Rate” means, for any day, the highest marginal statutory rate of federal income tax imposed on corporations and applicable to any Lender (expressed as a decimal of one and not a whole number).

“Interest Period” means with respect to each Borrowing, the period commencing on the Business Day such Borrowing is disbursed or on the Interest Period Payment Date that it is renewed pursuant to Section 2.02(a) or deemed renewed pursuant to Section 2.02(b) and ending on the date one, two, three or six months thereafter as selected by the Borrower pursuant to Section 2.02(a). Such Interest Period shall end on the day which corresponds numerically to such date one, two, three or six months thereafter; provided, however, that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day; provided, however, that if such next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day.

"Interest Period Payment Date" means: (a) the last day of each applicable Interest Period, with respect to a one month Interest Period; (b) each date one month after the commencement of an Interest Period, with respect to a two-, three- or six month Interest Period and the last day of such Interest Period; and (c) in any event, the Maturity Date.

“LIBOR” means, with respect to any Eurodollar Borrowing for any applicable Interest Period or for any ABR Borrowing, the LIBOR Screen Rate at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period; provided that, if the LIBOR Screen Rate shall not be available at such time for such Interest Period (an “Impacted Interest Period”), then LIBOR shall be the Interpolated Rate, subject to Section 2.15 hereof in the event that the Administrative Agent shall conclude that it shall not be possible to determine such Interpolated Rate (which conclusion shall be conclusive and binding absent manifest error). Notwithstanding the above, to the extent that “LIBOR” or “Adjusted LIBOR Rate” is used in connection with an ABR Borrowing, such rate shall be determined as modified by the definition of Alternate Base Rate.

“LIBOR Rate” means for each Interest Period in respect of a Borrowing, an interest rate per annum equal to the product of (a) the Margin Rate Factor multiplied by (b) the sum of (i) 72% of LIBOR, plus (ii) 84 basis points.

“Maturity Date” means September 30, 2020.

2.2 Prepayments. Section 2.03(a) of the Original Agreement shall be, and hereby is, amended in its entirety to be as follows:

The Borrower may prepay any Loan on any Interest Period Payment Date following at least one Business Day's notice to Agent, without premium or penalty, in a minimum principal amount of \$300,000 and multiples of \$10,000 in excess thereof or, if less, the entire principal amount thereof then outstanding. Borrower may prepay any Loan on any date other than an Interest Period Payment Date, following at least one Business Day's notice to Agent, in a minimum principal amount of \$300,000 and multiples of \$10,000 in excess thereof or, if less, the entire principal amount thereof then outstanding, but only if concurrently with such prepayment Borrower compensates the Lenders in full for any loss or cost incurred by them resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain such Loan. Each such notice shall specify the date and amount of such prepayment. Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by Borrower, Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of Loans shall be accompanied by the accrued interest on the amount prepaid. Each such prepayment shall be applied to the Loans of Lenders in accordance with their respective Applicable Percentages.

2.3 Repayment of Loans. Section 2.05 of the Original Agreement shall be, and hereby is, amended in its entirety to be as follows:

Borrower shall repay to Lenders on the Maturity Date the aggregate principal amount of Loans outstanding on such date; provided, however, upon the election of the Lenders after the occurrence of an Event of Default, the outstanding principal amount of the Loans shall be due and payable in equal quarterly installments (commencing on the first date occurring after such election) to and including the second anniversary after such election, at which time all outstanding principal and accrued interest shall be paid.

2.4 Payments. Section 2.10(a) of the Original Agreement shall be, and hereby is, amended in its entirety to be as follows:

General. All payments to be made by Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by Borrower hereunder shall be made to Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 12:00 noon on the date specified herein. Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by Agent after 12:00 noon shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be. Notwithstanding anything in this Agreement to the contrary and subject to Section 10.08 of this Agreement, Agent shall directly debit any moneys of Borrower in any account held by Agent for the payment of any amounts owed by Borrower to the Lenders under this Agreement, including, without limitation, principal of and interest on any Loan and any fees owed by Borrower to Lenders pursuant to this Agreement or the Fee Agreement.

2.5 Extension of Maturity Date. Section 2.12 of the Original Agreement shall be, and hereby is, amended in its entirety to be as follows:

At least one hundred twenty (120) days and no more than one year prior to the Maturity Date, the Borrower may make a request to the Agent and each Lender, upon written notice, to extend the Maturity Date for a period not to exceed three (3) years. Not more than thirty (30) days from the date on which the Agent and each Lender shall have received any such notice from the Borrower pursuant to the preceding sentence, the Agent and each Lender shall notify the Borrower of the initial consent or nonconsent of the Lenders to such extension request, which consent shall be given at the sole and absolute discretion of each respective Lender. If the Lenders shall have consented to such extension request, the Agent shall deliver to the Borrower written notice of the Lenders' election to extend Maturity Date. The Lenders' final consent shall be subject to the preparation, execution and delivery of any required legal documentation in form and substance reasonably satisfactory to the Agent and its counsel incorporating substantially the terms and conditions contained in the extension request. Failure of the Agent or any Lender to respond to a request for extension of the Maturity Date shall constitute denial of such extension.

2.6 Alternate Rate of Interest; Illegality. Section 2.15 shall be, and hereby is, added to the Original Agreement and shall read as follows:

Section 2.15. Alternate Rate of Interest; Illegality.

- (a) If prior to the commencement of any Interest Period for a Eurodollar Borrowing:
 - (i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that adequate and reasonable means do not exist

for ascertaining the Adjusted LIBOR Rate or LIBOR, as applicable (including, without limitation, by means of an Interpolated Rate or because the LIBOR Screen Rate is not available or published on a current basis) for such Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBOR Rate or LIBOR, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by means of electronic communications, notwithstanding Section 10.02 hereof, as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any such Eurodollar Borrowing shall be repaid or converted into an ABR Borrowing on the last day of the then current Interest Period applicable thereto, and (B) any future Request for Borrowing shall be made as an ABR Borrowing.

(b) If any Lender reasonably determines that any requirement of Law has made it unlawful, or if any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain, fund or continue any Eurodollar Borrowing, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligations of such Lender to make, maintain, fund or continue Eurodollar Loans will be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower will upon demand from such Lender (with a copy to the Administrative Agent), either convert all Eurodollar Borrowings of such Lender to ABR Borrowings, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Borrowings to such day, or immediately, if such Lender may not lawfully continue to maintain such Loans. Upon any such prepayment or conversion, the Borrower will also pay accrued interest on the amount so prepaid or converted.

(c) (i) If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) the circumstances set forth in subsection (a)(i) above have arisen and such circumstances are unlikely to be temporary or (B) the circumstances set forth in subsection (a)(i) above have not arisen but the supervisor for the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBOR Screen Rate shall no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to LIBOR that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable. Notwithstanding anything to the contrary in Section 10.01 hereof, such amendment shall become effective without any further action or consent of any

other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment.

(ii) Until an alternate rate of interest shall be determined in accordance with this subsection (but, in the case of the circumstances described in clause (B) of the first sentence of clause (i) above, only to the extent the LIBOR Screen Rate for such Interest Period is not available or published at such time on a current basis), any future Request for Borrowing shall be made as an ABR Borrowing; provided that, if such alternate rate of interest shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

2.7 Change in Corporate Tax Rate. Section 3.02(e) shall be, and hereby is, deleted from the Original Agreement.

2.8 Compliance with Anti-Corruption Laws, Sanctions Laws and Regulations. Section 5.27 shall be, and hereby is, added to the Original Agreement and shall read as follows:

Section 5.27 Compliance with Anti-Corruption Laws, Sanctions Laws and Regulations. Borrower is acting for itself and for no other Person or entity in requesting any Loan. Borrower, its subsidiaries and affiliates and their respective officers and employees are in compliance with the Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) Borrower, any subsidiary, affiliate or any of their respective directors, officers or employees, or (b) to the knowledge of Borrower, any agent of Borrower or any subsidiary or affiliate that will act in any capacity in connection with or benefit from any Loan, is a Sanctioned Person. To the best of the knowledge of Borrower, no Loan nor any other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions. The use of the proceeds of the Notes for direct payment to third party vendors of Borrower will not violate any Anti-Corruption Law or applicable Sanctions.

2.9 Financial Statements. The initial clause in Section 6.01 of the Original Agreement shall be, and hereby is, amended in its entirety to be as follows:

Deliver to Agent a sufficient number of copies for delivery by Agent to each Lender, in an electronic format and in form and detail satisfactory to Agent and the Required Lenders:

2.10 Certificates; Other Information. The initial clause in Section 6.02 of the Original Agreement shall be, and hereby is, amended in its entirety to be as follows:

Deliver to Agent a sufficient number of copies for delivery by Agent to each Lender, in an electronic format and in form and detail satisfactory to Agent and the Required Lenders:

2.11 Incorporation of Covenants by Reference. Section 6.17 shall be, and hereby is, added to the Original Agreement and shall read as follows:

Section 6.17 Incorporation of Covenants by Reference. Perform and comply with each and every covenant and agreement required to be performed or observed by it in the Master

Indentures, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety and are deemed to be for the benefit of Lenders. To the extent that: (a) any such incorporated provision permits any Person to waive compliance with or consent to such provisions or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person; and (b) any such waiver or consent or acceptance of a document, opinion or other instrument would adversely affect the interests of Lenders for purposes of this Agreement, such provision shall be complied with only if it is waived or consented to in writing by Agent, and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to Agent. Without the written consent of Agent, no amendment to such covenants and agreements or defined terms made pursuant to any Master Indenture shall be effective to amend such covenants and agreements and defined terms as incorporated by reference herein.

2.12 Remedies Upon Event of Default. Section 8.02(b) of the Original Agreement shall be, and hereby is, amended in its entirety to be as follows:

Anything herein to the contrary notwithstanding, but subject to the provisions of Section 6.16, upon the occurrence of an Event of Default, the outstanding principal amount of the Loans shall be repaid in quarterly installments on the first Business Day of the third calendar month immediately succeeding the date of the occurrence of such Event of Default and on the first Business Day of each third month occurring thereafter, with the final installment due and payable by the Borrower in an amount equal to the entire then outstanding principal amount of the Loans on the second anniversary of the date of such Event of Default, with each such quarterly principal installment to be in an amount which will result in equal (as nearly as possible) aggregate quarterly principal amounts payable over the applicable amortization period.

2.13 Treatment of Certain Information: Confidentiality. Subsection (c) shall be, and hereby is, added to Section 10.07 of the Original Agreement and shall read as follows:

(c) As a best practice to maintain transparency, this Agreement and any of the Notes may be posted by Borrower on a national public bond market repository, provided that certain information is redacted by Borrower as directed by Agent. Items that should be redacted include pricing, financial ratio covenants, signatures/names, account numbers, wire transfer and payment instructions and any other data that could be construed as sensitive information.

2.14 Exhibit A, Form of Loan Notice. Exhibit A of the Original Agreement shall be, and hereby is, amended in its entirety to be as follows:

FORM OF LOAN NOTICE

Lola Eneh
JP Morgan Chase Bank N.A
Wholesale Loan Operations, Middle Market Loan and Agency
10 S. Dearborn St. L2 floor Chicago, IL 60603
omolola.eneh@chase.com
T: 312-954-1007, F: 1-844-490-5663

Re: Credit Agreement, dated as of September 30, 2014, as amended and supplemented by the First Supplemental Credit Agreement, dated as of September 1, 2017 (collectively, the "Agreement"), both among CWA Authority, Inc., JPMorgan Chase Bank, N.A., and the Other Lender Parties Thereto

The undersigned authorized representative of CWA Authority, Inc., requests a Borrowing of Loans under the Agreement. All terms used in this notice shall have the meanings assigned to them in the Agreement.

The terms of the Loan shall be as follows:

1. Amount of Loan \$
2. Wire funds to:
Wire transfer # _____
3. Type of Loan (Check One):
LIBOR Loan
1 month _____ 2-month _____ 3-month _____ 6-month _____

The Borrowing, if any, requested herein complies with the provisos to the first sentence of Section 2.01 of the Agreement.

Date: _____ CWA AUTHORITY, INC.

By:
Authorized Officer

(End of Article/Section 2)

3. Miscellaneous.

3.1 Expenses. Borrower shall pay Lenders' reasonable out-of-pocket expenses (including reasonable attorney fees and expenses) arising in connection with the negotiation and execution of this First Supplemental Agreement; provided, however, Borrower shall not be obligated to pay any amount in excess of \$20,000.

3.2 Condition to Execution of this First Supplemental Agreement. As a condition precedent to the execution of this First Supplemental Agreement, Borrower hereby represents that the long-term unenhanced debt rating assigned to the Second Lien Parity Obligations by Standard & Poor's is "A+" or higher.

3.3 Application of Agreement. All the provisions of the Original Agreement, to the extent not inconsistent herewith, are hereby incorporated into and made a part of this First Supplemental Agreement. Notwithstanding any provision of this First Supplemental Agreement, all the provisions of the Original Agreement, to the extent not inconsistent herewith, shall remain in effect and enforceable by the Borrower, the Lenders and the Administrative Agent, as provided by the terms thereof.

3.4 Ratification of Original Agreement. The Original Agreement, as amended and supplemented by this First Supplemental Agreement, is in all such respects hereby ratified and confirmed, and this First Supplemental Agreement and all provisions contained herein shall be deemed a part of the Agreement in the manner and to the extent provided herein and therein.

3.5 Successors and Assigns. This First Supplemental Agreement shall bind and inure to the benefit of the parties and their respective permitted successors and assigns; provided, however, that Borrower shall not assign the Agreement or any of its rights thereunder without the prior written consent of the Agent.

3.6 Section Headings. Section headings are for reference only and shall not affect the interpretation or meanings of any provision of this First Supplemental Agreement.

3.7 Severability. The illegality or unenforceability of any provision of this First Supplemental Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this First Supplemental Agreement, the Agreement or any instrument or agreement required hereunder.

3.8 Execution and Counterparts. This First Supplemental Agreement may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall together constitute one and the same instrument.

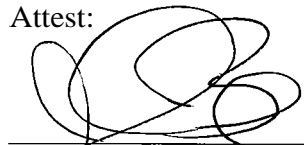
(End of Article/Section 3)

IN WITNESS WHEREOF, the parties have executed this First Supplemental Agreement by their duly authorized officers as of the date and year first above written.

- _ CWA AUTHORITY, INC.

By: 
Jeffrey A. Harrison
President and Chief Executive Officer

Attest:



John R. Brehm, Senior Vice President
and Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Justin R. Erkfritz-Gay
Senior Underwriter

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: _____
Justin R. Erkfritz-Gay
Senior Underwriter

WELLS FARGO BANK,
NATIONAL ASSOCIATION, as a Lender

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the parties have executed this First Supplemental Agreement by their duly authorized officers as of the date and year first above written.

CWA AUTHORITY, INC.

By: _____
Jeffrey A. Harrison
President and Chief Executive Officer

Attest:

John R. Brehm, Senior Vice President
and Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Justin R. Erkfri
Senior Underwriter

JPMORGAN CHASE BANK, NA.,
as a Lender

By: _____
ust **Erkfritz- y**
Senior Underwriter

WELLS FARGO BANK,
NATIONAL ASSOCIATION, as a Lender

By: _____

Name: _____

Title: _____

First Supplemental Credit Agreement Signature Page

IN WITNESS WHEREOF, the parties have executed this First Supplemental Agreement by their duly authorized officers as of the date and year first above written.

CWA AUTHORITY, INC.

By: _____
Jeffrey A. Harrison
President and Chief Executive Officer

Attest:

John R. Brehm, Senior Vice President
and Chief Financial Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Justin R. Erkfritz-Gay
Senior Underwriter

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: _____
Justin R. Erkfritz-Gay
Senior Underwriter

WELLS FARGO BANK,
NATIONAL ASSOCIATION, as a Lender

By: Monile O, ti,
Ai

Name: Mod C³ h

Title: 17 C² Of¹ UI Ce ?re`• PC707