
THIRD SUPPLEMENTAL TRUST AGREEMENT

between the

MASSACHUSETTS CLEAN WATER TRUST

and

**U.S. Bank National Association,
as Master Trustee**

Dated as of April 1, 2017

Relating to

\$207,350,000

**Massachusetts Clean Water Trust
State Revolving Fund Bonds, Series 20 (Green Bonds)**

and

\$96,280,000

**Massachusetts Clean Water Trust
State Revolving Fund Refunding Bonds, Series 2017**

THIRD SUPPLEMENTAL TRUST AGREEMENT

This **THIRD SUPPLEMENTAL TRUST AGREEMENT** dated as of April 1, 2017 (the “Supplemental Trust Agreement”) is entered into by the **MASSACHUSETTS CLEAN WATER TRUST** (the “Trust”), and **U.S. BANK NATIONAL ASSOCIATION**, as Master Trustee (the “Master Trustee”), pursuant to the authority of the Master Trust Agreement, as hereinafter defined.

RECITALS

The Trust and the Master Trustee entered into a Master Trust Agreement dated as of January 1, 2015 (the “Original Master Trust Agreement”) providing for the issuance from time to time of bonds of the Trust upon the terms and conditions provided therein.

The Trust desires to issue under the Original Master Trust Agreement its \$207,350,000 State Revolving Fund Bonds, Series 20 (Green Bonds) as Additional Bonds and its \$96,280,000 State Revolving Fund Refunding Bonds, Series 2017 as Refunding Bonds, each for the purposes provided herein and therein and the terms and conditions provided herein.

Pursuant to Section 9.1 of the Original Master Trust Agreement, the Trust and Master Trustee may enter into a Supplemental Trust Agreement for certain purposes, including without limitation, upon receipt of a Rating Confirmation and the Trust desires to amend certain provisions of the Original Master Trust Agreement, as provided herein (the Original Master Trust Agreement, as so amended and supplemented hereinafter referred to as the “Master Trust Agreement”).

NOW, THEREFORE, the Trust and the Master Trustee have entered into this Supplemental Trust Agreement pursuant to the provisions of Sections 2.4, 2.6, 2.7 and 9.1 of the Master Trust Agreement and agree as follows for the benefit of the other and for the benefit of the Owners of the bonds issued pursuant to this Supplemental Trust Agreement and the Master Trust Agreement.

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION

Section 1.1. Definitions of Words and Terms.

Except as otherwise provided herein, capitalized words and terms herein shall have the same meanings as defined in the Master Trust Agreement. In addition to the words and terms defined elsewhere in this Supplemental Trust Agreement, except as otherwise provided or unless the context otherwise requires, the following words and terms used in this Supplemental Trust Agreement have the following meanings:

“Authorized Denomination” means \$5,000 and integral multiples thereof.

“Bond Depository” means The Depository Trust Company, New York, New York.

“Bonds” means collectively, the Series 20 Bonds and the Series 2017 Bonds.

“Book-Entry-Only System” shall have the meaning given such term in Section 2.4 hereof.

“Debt Service Payment Date” shall have the meaning given such term in Section 2.2 hereof.

“Master Trust Agreement” shall have the meaning provided in the Recitals to this Supplemental Trust Agreement.

“Participant” shall have the meaning given such term in Section 2.4 hereof.

“Purchase Contract” means the Contract of Purchase dated April 5, 2017 between the Trust and the Underwriters.

“Record Date” means the fifteenth day of the month preceding each Debt Service Payment Date, or, if such day is not a Business Day, the next preceding Business Day, provided that, with respect to overdue interest or interest payable on a redemption date that is not a Debt Service Payment Date or interest on any overdue amount, the Master Trustee may establish a special record date not more than 20 days before the date set for payment.

“Refunded Bonds” means the portion of each series of the Prior Bonds that are being refunded with the proceeds of the Series 2017 Bonds, together with other funds of the Trust, as set forth in Schedule 1 hereto.

“Refunding Trust Agreement” means that certain Refunding Trust Agreement dated April 13, 2017 between the Trust and the Refunding Trustee providing for the defeasance of the Refunded Bonds.

“Refunding Trustee” means U.S. Bank National Association, as trustee with respect to the Refunded Bonds.

“Series 20 Bonds” means the Bonds authorized pursuant to the provisions of Section 2.1(a) hereof.

“Series 2017 Bonds” means the Bonds authorized pursuant to the provisions of Section 2.1(b) hereof.

“Series 20 Debt Service Account” means the account within the Senior Debt Service Fund established by Section 3.1(a)(1) hereof.

“Series 2017 Debt Service Account” means the account within the Senior Debt Service Fund established by Section 3.1(a)(2) hereof.

“Series 20 Redemption Account” means the account within the Senior Redemption Fund established by Section 3.1(b)(1) hereof.

“Series 2017 Redemption Account” means the account within the Senior Redemption Fund established by Section 3.1(b)(2) hereof.

“Underwriters” shall mean the underwriters referred to in the Purchase Contract for which Merrill Lynch, Pierce, Fenner & Smith Incorporated is the representative.

Section 1.2. Rules of Construction.

For all purposes of this Supplemental Trust Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Supplemental Trust Agreement:

- (a) The terms defined in this Article include the plural as well as the singular.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

(c) All references herein to “generally accepted accounting principles” refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.

(d) The words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Supplemental Trust Agreement as a whole and not to any particular Article, Section or other subdivision.

(e) The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

(f) Whenever an item or items are listed after the word “including”, such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF THE BONDS

Section 2.1. Authorization of the Bonds; Purpose. (a) A Series of Bonds of the Trust is hereby authorized as Additional Bonds to be issued pursuant to Section 2.6 of the Master Trust Agreement to be designated as “State Revolving Fund Bonds, Series 20 (Green Bonds) (the “Series 20 Bonds”). The Series 20 Bonds are further designated as Additional Senior Bonds under the Master Trust Agreement. The aggregate principal amount of Series 20 Bonds that may be issued under this Supplemental Trust Agreement is limited to \$207,350,000, except for Series 20 Bonds issued in lieu of or in substitution for other Series 20 Bonds authenticated and delivered pursuant to the Master Trust Agreement.

(b) A Series of Bonds of the Trust is hereby authorized as Refunding Bonds to be issued pursuant to Section 2.7 of the Master Trust Agreement to be designated as “State Revolving Fund Refunding Bonds, Series 2017 (the “Series 2017 Bonds”). The Series 2017 Bonds are further designated as Additional Senior Bonds under the Master Trust Agreement. The aggregate principal amount of Series 2017 Bonds that may be issued under this Supplemental Trust Agreement is limited to \$96,280,000, except for Series 2017 Bonds issued in lieu of or in substitution for other Series 2017 Bonds authenticated and delivered pursuant to the Master Trust Agreement.

(c) The Bonds shall not be general obligations of the Trust or a pledge of its full faith and credit, but shall be special obligations of the Trust secured solely as provided herein and in the Master Trust Agreement and payable solely from the funds, accounts and other rights and property available and pledged to such payments pursuant to this Supplemental Trust Agreement and Section 5.1 of the Master Trust Agreement. Neither the Commonwealth nor any political subdivision thereof shall be obligated to pay the Bonds and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of the principal, Redemption Price or interest on the Bonds.

(c) The Bonds shall be sold to the Underwriters pursuant to the Purchase Contract. The purposes for which the Series 20 Bonds are being issued are (1) to fund or purchase Loans by depositing amounts in the Project Fund to be applied to finance or refinance Costs of the Projects in the amounts and subject to the limitations and provisions provided in Section 3.3 hereof, (2) to provide funds for deposit in the Clean Water

Equity Fund and the Drinking Water Equity Fund to repay the principal amount of Interim Loans made to certain Borrowers and (3) pay for Costs of Issuance of the Series 20 Bonds. The purposes for which the Series 2017 Bonds are being issued (1) to advance refund the Refunded Bonds and (2) pay for Costs of Issuance of the Series 2017 Bonds.

Section 2.2. Description of the Bonds.

(a) The Bonds consist of fully registered bonds without coupons in Authorized Denominations, shall be dated their date of delivery, shall bear interest from their date and for each Series shall be numbered consecutively with the letter “R” prefixed to the number commencing with R-1.

(b) The Bonds shall mature in the respective principal amounts on the dates in the respective years, and shall bear interest at the respective rates, payable on February 1 and August 1 of each year, commencing August 1, 2017 (each a “Debt Service Payment Date”) as follows:

Series 20 Bonds

Maturity Date (February 1)	Principal Amount	Interest Rate
2018	\$7,040,000	4.00%
2019	6,970,000	3.00
2020	7,075,000	5.00
2021	7,205,000	5.00
2022	7,460,000	5.00
2023	7,670,000	5.00
2024	7,950,000	5.00
2025	8,235,000	5.00
2026	8,535,000	5.00
2027	8,855,000	5.00
2028	9,100,000	5.00
2029	9,445,000	5.00
2030	9,795,000	5.00
2031	10,160,000	5.00
2032	10,550,000	5.00
2033	10,950,000	5.00
2034	11,380,000	5.00
2035	11,820,000	5.00
2036	12,280,000	5.00
2037	12,765,000	5.00
2042	10,085,000	5.00
2047	12,025,000	5.00

Series 2017 Bonds

Maturity (August 1)	Principal Amount	Interest Rate
2021	\$25,750,000	5.00%
2022	10,820,000	5.00
2023	10,120,000	5.00
2024	14,665,000	5.00
2025	11,845,000	5.00
2026	5,595,000	5.00
2027	5,715,000	5.00
2028	5,855,000	5.00
2029	5,915,000	5.00

(c) Subject to the provisions of Section 2.4 hereof, the principal of the Bonds shall be payable solely at the designated corporate trust office or corporate trust agency of the Master Trustee upon presentation and surrender of the Bond to be paid and interest on the Bonds shall be paid by check or draft mailed by the Master Trustee to each Registered Owner determined as of the Record Date at or to the address of such Registered Owner appearing on the registration books for the Bonds maintained by the Master Trustee.

(d) *Bond Forms.* The form of the Series 20 Bonds and the Master Trustee's certificate of authentication, shall be substantially in the forms set forth in **Exhibit A-1** hereto, with such variations, omissions and insertions as are required or permitted by the Master Trust Agreement or the Master Trustee. The form of the Series 2017 Bonds and the Master Trustee's certificate of authentication, shall be substantially in the forms set forth in **Exhibit A-2** hereto, with such variations, omissions and insertions as are required or permitted by the Master Trust Agreement or the Master Trustee.

Section 2.3. Redemption Provisions (a) The Series 20 Bonds maturing on or prior to February 1, 2025 will not be redeemable prior to maturity. The Series 20 Bonds maturing after February 1, 2025 shall be subject to redemption prior to maturity at the option of the Trust, on or after February 1, 2025, as a whole or in part at any time, from maturities or Sinking Fund Payments selected by the Trust (and if less than all of the Series 20 Bonds of like maturity are to be redeemed, by lot within a maturity in such manner as the Master Trustee in its discretion shall deem appropriate and fair, provided that so long as CEDE & CO., as nominee of DTC, is the Registered Owner of the Series 20 Bonds, the particular Bonds of a maturity to be redeemed shall be selected by DTC in such manner as DTC may determine) at a Redemption Price equal to the principal amount of each Series 20 Bond or portion thereof to be redeemed, plus accrued interest to the redemption date.

(b) The Series 2017 Bonds will not be redeemable prior to maturity.

(c) The Series 20 Bonds maturing on February 1, 2042 shall be subject to redemption prior to maturity in part on February 1 in the years and in the amounts set forth below through the application of Sinking Fund Payments at a Redemption Price equal to the principal amount of each Series 20 Bond or portion thereof to be redeemed, plus accrued interest to the redemption date (the particular Series 20 Bonds to be redeemed to be selected by lot in such manner as the Master Trustee in its discretion shall deem appropriate and fair, provided that so long as CEDE & CO., as nominee of DTC, is the Registered Owner of the Series 20 Bonds, the particular Series 20 Bonds to be redeemed shall be selected by DTC in such manner

as DTC may determine). Unless none of such Series 20 Bonds shall then be Outstanding, there shall be due and the Trust shall in all events pay, as and for Sinking Fund Payments for the retirement of such Series 20 Bonds, the following amounts on February 1 of each of the following years for each such maturity of the Series 20 Bonds:

\$10,085,000 Term Bonds maturing on February 1, 2042

<u>Year</u>	<u>Sinking Fund Payment</u>
2038	\$1,880,000
2039	1,945,000
2040	2,015,000
2041	2,085,000
2042 [†]	2,160,000

[†]Stated maturity.

(d) The Series 20 Bonds maturing on February 1, 2047 shall be subject to redemption prior to maturity in part on February 1 in the years and in the amounts set forth below through the application of Sinking Fund Payments at a Redemption Price equal to the principal amount of each Series 20 Bond or portion thereof to be redeemed, plus accrued interest to the redemption date (the particular Series 20 Bonds to be redeemed to be selected by lot in such manner as the Master Trustee in its discretion shall deem appropriate and fair, provided that so long as CEDE & CO., as nominee of DTC, is the Registered Owner of the Series 20 Bonds, the particular Series 20 Bonds to be redeemed shall be selected by DTC in such manner as DTC may determine). Unless none of such Series 20 Bonds shall then be Outstanding, there shall be due and the Trust shall in all events pay, as and for Sinking Fund Payments for the retirement of such Series 20 Bonds, the following amounts on February 1 of each of the following years for each such maturity of the Series 20 Bonds:

\$12,025,000 Term Bonds maturing on February 1, 2047

<u>Year</u>	<u>Sinking Fund Payment</u>
2043	\$2,235,000
2044	2,315,000
2045	2,405,000
2046	2,485,000
2047 [†]	2,585,000

[†]Stated maturity.

(e) As provided in Section 4.6 of the Master Trust Agreement, the Trust shall be entitled to reduce its mandatory sinking fund redemption obligation in any year with respect to the aforesaid Bonds by the principal amount of any such Series of Bonds of the appropriate maturity theretofore purchased or optionally redeemed.

(f) Any redemption of the Bonds shall be subject to the provisions of Article IV of the Master Trust Agreement unless otherwise provided herein.

Section 2.4. Book Entry Only. Notwithstanding the foregoing provisions of Article II hereof to the contrary:

(a) Each Series of Bonds shall be initially issued in the form of a single separate fully registered bond for each maturity of such Series of Bonds with a different interest rate in the amount of such maturity. Upon initial issuance, the ownership of the Bonds shall be registered in the registry books of the Trust kept by the Master Trustee in the name of Cede & Co., as nominee of the Bond Depository. With respect to the Bonds registered in the registry books kept by the Master Trustee in the name of Cede & Co., as nominee of the Bond Depository, the Trust and the Master Trustee shall have no responsibility or obligation to any Participant or to any Beneficial Owner of the Bonds. Without limiting the immediately preceding sentence, the Trust and the Master Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Bond Depository, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant, any Beneficial Owner or any other person, other than the Bond Depository, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant, any Beneficial Owner or any other person, other than the Bond Depository, of any amount with respect to the principal amount or Redemption Price of, or interest on, the Bonds. The Master Trustee shall pay the principal amount or Redemption Price of, and interest on, the Bonds only to or upon the order of the Bond Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Trust's obligations with respect to the principal amount or Redemption Price of, and interest on, the Bonds to the extent of the sum or sums so paid. No person other than the Bond Depository shall receive an authenticated Bond evidencing the obligation of the Trust to make payments of principal or Redemption Price of, and interest pursuant to the Trust Agreement. Upon delivery by the Bond Depository to the Master Trustee of written notice to the effect that the Bond Depository has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." in the Trust Agreement shall refer to such new nominee of the Bond Depository.

(b) Upon receipt by the Trust and the Master Trustee of written notice from the Bond Depository to the effect that the Bond Depository is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the Bond Depository hereunder can be found which is able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the registry books of the Trust kept by the Master Trustee in the name of Cede & Co., as nominee of the Bond Depository, but may be registered in whatever name or names the Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of the Master Trust Agreement.

(c) In the event the Trust determines that Beneficial Owners should be able to obtain Bond certificates, the Trust shall notify the Bond Depository and the Master Trustee of the availability of Bond certificates. In such event, the Master Trustee shall issue, transfer and exchange Bond certificates as requested by the Bond Depository (or, pursuant to this Section 2.4, any other Bondholder) in appropriate amounts, and, whenever the Bond Depository requests the Trust and the Master Trustee to do so, the Master Trustee and the Trust will cooperate with the Bond Depository in taking appropriate action after reasonable notice (i) to transfer the Bonds to any Participant having Bonds credited to its Bond Depository account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of the Master Trust Agreement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Bond Depository, all payments with respect to the principal or Redemption Price of, and interest on, such Bond and all notices with respect to such Bond shall be made and given, respectively, to or on the order of the Bond Depository as provided in the Representation Letter.

ARTICLE III

FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS

Section 3.1. Creation of Subaccounts. (a) The following accounts in the Senior Debt Service Fund are hereby established and created:

- (1) Series 20 Debt Service Account, to be held by the Master Trustee; and
 - (2) Series 2017 Debt Service Account, to be held by the Master Trustee.
- (b) The following accounts in the Senior Redemption Fund are hereby established and created:
- (1) Series 20 Redemption Account, to be held by the Master Trustee; and
 - (2) Series 2017 Redemption Account, to be held by the Master Trustee.

Section 3.2. Bond Proceeds; and Other Moneys.

(a) The proceeds of the Series 20 Bonds in the aggregate amount of \$239,534,642.90 (reflecting the par amount of \$207,350,000 plus original issue premium in the amount of \$32,184,642.90) shall be deposited or allocated into the following Funds and Accounts simultaneously with the issuance and delivery of the Series 20 Bonds, as follows:

- (1) \$8,009.90 shall be deposited in the Cost of Issuance Account;
- (2) \$121,580,408.39 shall be deposited into the Clean Water Equity Fund in repayment of the principal amount of the Interim Loans previously made by the Trust to certain Borrowers for Clean Water Projects listed in Section 3.3 hereof;
- (3) \$41,236,070.87 shall be deposited into the Drinking Water Equity Fund in repayment of the principal amount of the Interim Loans previously made by the Trust to certain Borrowers for Drinking Water Projects listed in Section 3.3 hereof;
- (4) \$45,874,433.61 shall be deposited into the Project Fund to be distributed to the Borrowers and projects set forth in Section 3.3 hereof for application to Costs of the Clean Water Projects listed therein; and
- (5) \$30,835,720.13 shall be deposited into the Project Fund to be distributed to the Borrowers and projects set forth in Section 3.3 hereof for application to Costs of the Drinking Water Projects listed therein.

(b) The proceeds of the Series 2017 Bonds in the aggregate amount of \$114,794,371.92 (reflecting the par amount of \$96,280,000 plus original issue premium in the amount of \$18,762,280.40, less underwriter's discount in the amount of \$247,908.48) shall be deposited simultaneously with the issuance and delivery of the Series 2017 Bonds, as follows:

- (1) \$7,482.60 shall be deposited in the Cost of Issuance Account; and

(2) \$114,786,889.32 shall be transferred to the Refunding Trustee for deposit under the Refunding Trust Agreement.

(c) The Trust hereby directs the Master Trustee to transfer \$593,933.36 from the Administrative Expense Fund to the Underwriters as payment of Underwriters' compensation with respect to the Series 20 Bonds. In lieu of receiving from the Underwriters proceeds of the Bonds in the aggregate amount of \$354,329,014.82 as set forth in (a) above and transferring \$593,933.36 to the Underwriters, the Master Trustee is directed to accept a net amount of \$353,735,081.46 from the Underwriters and to transfer \$593,933.36 from the Administrative Expense Fund to the Project Fund as further set forth herein.

(d) The Trust hereby directs the Master Trustee to transfer \$779,450.00 from the Administrative Expense Fund to the Cost of Issuance Account to pay costs of issuance for the Bonds.

(e) The Trust hereby directs the Master Trustee to transfer \$876,450 from the Clean Water Equity Fund and \$146,200 from the Drinking Water Equity Fund to the Refunding Trustee for deposit in the Refunding Trust Agreement.

Notwithstanding anything in this Supplemental Trust Agreement to the contrary, all Origination Fees and Administrative Fees upon receipt thereof by the Master Trustee shall be paid to the Trust for deposit in the Administrative Expense Fund.

Section 3.3. Application of Project Accounts.

(a) Upon the issuance, sale and delivery of the Series 20 Bonds, the Master Trustee shall make a separate deposit to the Project Fund for each Project (each such deposit, a "Project Account") the Costs of which are to be financed or refinanced from the Loans made or Local Governmental Obligations purchased upon the issuance of the Series 20 Bonds as set forth in this Section 3.3.

Amounts in a Project Account shall be used solely for the payment or reimbursement of Costs of the applicable Project to which such Account relates or the refinancing of such Costs as provided in this Section 3.3 in accordance with the Act, the Clean Water Act or the Drinking Water Act, as applicable, the DEP Regulations and the applicable Financing Agreement and Regulatory Agreement. To the extent provided in the applicable Financing Agreement, Costs of a Project may be paid in part from moneys in one Project Account and in part from moneys in another Project Account. Amounts on deposit from time to time in any Project Account shall be disbursed by the Master Trustee to or for the account of the applicable Borrower for the payment or reimbursement of Costs of the applicable Project or the refinancing of such Costs upon receipt by the Master Trustee of one or more written requests therefor (upon which the Master Trustee may conclusively rely) signed by an Authorized Officer of the Borrower and approved by the Department and an Authorized Officer of the Trust.

Amounts deposited in the Project Accounts in accordance with Section 3.2 hereof and pursuant to this Section 3.3 shall be applied to the payment or refinancing of or reimbursement for Costs of the Projects as provided above. Subject to the provisions of paragraph (a) of this Section 3.3, Loans to be financed upon the issuance of the Series 20 Bonds shall consist of the Loans to or purchased from the Borrowers, numbered, and in the original principal amounts as follows:

Clean Water Projects

<u>Borrower</u>	<u>Loan No.</u>	<u>Original Principal Amount</u>	<u>Interim Loan Refinanced</u>	<u>Project Account Deposit</u>
Barnstable	CW-04-31-R	\$ 255,941.00	\$ 255,941.00	\$ -
Billerica	CW-14-20	4,568,100.00	4,455,211.00	112,889.00
Billerica	CW-14-21	9,724,962.00	7,228,569.00	2,496,393.00
Brockton	CWP-15-22	1,356,694.00	1,068,888.00	287,806.00
Charles River Pollution Control District	CW-13-09-B	1,858,065.00	1,564,701.14	293,363.86
Chicopee	CW-13-22	1,000,000.00	996,457.37	3,542.63
Chicopee	CW-14-05	25,478,178.00	20,628,763.48	4,849,414.52
Dracut	CW-13-24-A	181,873.00	181,873.00	-
Easthampton	CW-14-13	1,100,000.00	874,367.00	225,633.00
Everett	CW-08-14-A	61,076.00	53,514.43	7,561.57
Everett	CW-14-24	500,000.00	500,000.00	-
Falmouth	CWP-14-23-A	20,869,482.00	13,061,221.00	7,808,261.00
Fitchburg	CWP-13-01-A	1,231,951.00		1,231,951.00
Gardner	CWP-15-21	4,433,242.00	2,103,082.00	2,330,160.00
Grafton	CW-15-14	14,613,300.00	14,613,300.00	
Great Barrington	CWP-15-24	4,579,305.00	3,155,465.00	1,423,840.00
Haverhill	CWP-14-15	8,366,419.00	6,295,477.00	2,070,942.00
Lawrence	CW-13-13	3,840,000.00	3,744,804.00	95,196.00
Lawrence	CW-14-16	8,978,897.00	3,312,685.00	5,666,212.00
Manchester-by-the-Sea	CW-14-31	234,450.00	234,450.00	
Mashpee	CW-00-50-C	79,966.00	78,034.97	1,931.03
Massachusetts Water Resources Authority	CW-15-27	3,038,178.00	-	3,038,178.00
Massachusetts Water Resources Authority	CW-15-30	2,031,614.00	-	2,031,614.00
Massachusetts Water Resources Authority	CW-15-32	2,496,267.00	-	2,496,267.00
Middleborough	CWP-14-32	24,346,341.00	19,478,779.00	4,867,562.00
Norwood	CWP-15-08	2,212,267.00	2,101,395.00	110,872.00
Revere	CW-13-14	300,000.00	300,000.00	-
Revere	CW-14-11	1,200,000.00	1,200,000.00	-
Revere	CW-14-25	700,000.00	700,000.00	-
Revere	CW-15-18	1,700,000.00	1,253,750.00	446,250.00
Revere	CW-15-19	800,000.00	800,000.00	-
Revere	CWP-15-29	10,902,107.00	8,206,927.00	2,695,180.00
Taunton	CW-14-26-A	4,320,918.00	3,037,504.00	1,283,414.00
Taunton	CWP-13-18-A	95,249.00	95,249.00	-
TOTAL		\$167,454,842.00	\$121,580,408.39	\$45,874,433.61

Drinking Water Projects

<u>Borrower</u>	<u>Loan No.</u>	<u>Original Principal Amount</u>	<u>Interim Loan Refinanced</u>	<u>Project Account Deposit</u>
Eastham	DWP-15-01-A	\$ 2,304,545.00	\$ 1,825,419.00	\$ 479,126.00
Eastham	DWP-16-02	10,402,720.00	8,251,307.00	2,151,413.00
Falmouth	DWP-15-02	15,320,673.00	15,320,673.00	-
Lynn Water & Sewer Commission	DW-13-19	1,297,810.00	1,297,810.00	-
Massachusetts Water Resources Authority	DW-15-04	12,404,988.00	-	12,404,988.00
Massachusetts Water Resources Authority	DW-15-12	516,897.00	-	516,897.00
Massachusetts Water Resources Authority	DW-15-13	7,474,691.00	-	7,474,691.00
Massachusetts Water Resources Authority	DW-15-14	4,419,689.00	-	4,419,689.00
Manchester-by-the-Sea	DW-14-03	1,440,000.00	1,440,000.00	-
New Bedford	DWP-14-05	4,466,812.00	4,466,812.00	-
Plainville	DWP-15-09	\$666,593.00	635,983.00	30,610.00
Revere	DWP-13-09	6,370,373.00	4,899,655.87	1,470,717.13
Stockbridge	DW-15-08	1,800,000.00	771,355.00	1,028,645.00
Uxbridge	DW-14-12	3,186,000.00	2,327,056.00	858,944.00
TOTAL		\$72,071,791.00	\$41,236,070.87	\$30,835,720.13

(b) When all Costs of a Project to be paid from a particular Project Account have been so paid, as evidenced by a certificate of an Authorized Officer of the Trust delivered to the Master Trustee, or when otherwise directed herein, any amount remaining unexpended in the Project Account shall be applied to the prepayment of the applicable Loan and transferred by the Master Trustee to one or more other Project Accounts to be applied to Costs of other Projects and to the extent permitted under the Clean Water Act or the Drinking Water Act, as applicable, and the DEP Regulations (upon delivery to the Master Trustee of an original executed counterpart of an amendment or supplement to the applicable Financing Agreement and Regulatory Agreement).

(c) For so long as there are monies on deposit in the Project Accounts, at least monthly (or more frequently as requested by the Trust) the Master Trustee shall furnish the Trust with a written statement as to the amount remaining in each Project Account and a schedule of investments in each such Account. The Master Trustee shall retain copies of all written requests and of all such statements while the Bonds applicable to the applicable Project Account remain Outstanding.

ARTICLE IV

GENERAL COVENANTS AND PROVISIONS

Section 4.1. Power to Execute Supplemental Trust Agreement and Issue Bonds.

The Trust covenants that it is duly authorized under all applicable laws, including the constitution and laws of the Commonwealth, and pursuant to the Master Trust Agreement, to execute this Supplemental Trust Agreement, to issue the Bonds under this Supplemental Trust Agreement and to pledge and assign the Trust Estate in the manner and to the extent herein set forth and in the Master Trust Agreement; that all action on its part for the execution and delivery of this Supplemental Trust Agreement has been duly and effectively taken; and that the Bonds in the hands of the Bondowners thereof will be valid and enforceable obligations of the Trust according to the import thereof, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Section 4.2. Payment of the Bonds.

The Trust shall duly and punctually pay or cause to be paid, but solely from the sources specified in the Master Trust Agreement and this Supplemental Trust Agreement, the principal or Redemption Price of and interest on the Bonds in accordance with the terms of the Bonds and the Master Trust Agreement and this Supplemental Trust Agreement with respect to the Bonds.

ARTICLE V

AMENDMENT OF THE MASTER TRUST AGREEMENT

Section 5.1. Definitions. The Section 1.1(A) of the Master Trust Agreement is amended by as follows:

(a) The definition of "Borrower Payments" is amended to include the following proviso at the end of the first sentence thereof: "; provided that Borrower Payments related to Prior Loans shall only include amounts actually transferred to the Master Trustee pursuant to Section 6.9 hereof. "

(b) The definition of "Loan" is amended to include the following at the end thereof: "or (iv) Prior Loans."

(c) The definition of "Program Revenues" is amended to include the following at the end thereof: "and (4) to the extent not already included in (1), (2) or (3), Prior Bond Revenues."

(d) The following definitions shall be added to Section 1.1(A) of the Master Trust Agreement, in alphabetic order:

"Prior Bond Revenues" means, except as otherwise provided in the applicable Prior Bond Resolution, (1) all Borrower Payments and all other receipts, fees, revenues and other payments, other than Administrative Fees, received or to be received by the Trust on account of the Prior Loans and the exercise of the Trust's rights and remedies under or pursuant to the Financing Agreements applicable thereto, (2) all Contract Assistance Payments related to Prior Loans, (3) all Net Earnings (as defined in the Prior Bond Resolutions) received on investment or deposit of moneys held pursuant to the Prior Bond Resolutions, and paid or to be paid into the revenue funds held or created under the applicable Prior Bond Resolution, (4) any other receipts, fees, grants,

appropriations, revenues and other payments received or to be received by the Trust and required by the terms of the Program Resolution or the Prior Bond Resolutions, as applicable, to be deposited in one or more of the Funds and Accounts maintained under or pursuant to the applicable Prior Bond Resolution; specifically excluding from the definition of Prior Bond Revenues, any amounts that are required to be transferred under the Prior Bond Resolutions to the Program Trustee for deposit in any account of the Pool Program Reserve Fund, Deficiency Fund or the Leveraged Bond Fund held under the Program Resolution.

“Prior Loans” means Loans which are held under, and subject to the lien of, the Prior Bond Resolutions or the Program Resolution, which relate to, or secure, Refunded Prior Bonds.

“Refunded Prior Bonds” means all or any portion of Prior Bonds that have been refunded with proceeds of Bonds issued under the Master Trust Agreement.

“Refunding Prior Bonds” means all or any portion of Prior Bonds that refunded or will refund other Prior Bonds.

“Refunding Prior Resolution” means collectively or individually as the context requires, any of the Prior Bond Resolutions pursuant to which Refunding Prior Bonds were or are issued.

“Transfer Requisition” shall have the meaning given such term in the Commonwealth Assistance Contract.

Section 5.2. Amendment to Section 5.1 of the Master Trust Agreement. Section 5.1 of the Master Trust Agreement is hereby amended by adding the following paragraph to the end thereof:

“Notwithstanding anything to the contrary in this Section 5.1, the pledge of any Revenues and right, title and interest in Loans and Financial Agreements related to Prior Loans is expressly subject and subordinate to the prior pledge and lien granted by the Trust for the benefit of the Owners of the applicable Prior Bonds under the applicable Prior Bond Resolutions, including without limitation the Owners of applicable Refunding Prior Bonds.”

Section 5.3. Creation of Contract Assistance Fund. The last line of Section 5.2(A): “Funds in (1) – (10) above are subject to the pledge created hereby.” is deleted in its entirety and the following four lines are inserted in place thereof:

- (13) Contract Assistance Fund.
 - (a) Clean Water Account, and
 - (b) Drinking Water Account

Funds in (1) – (10) and (13) above are subject to the pledge created hereby.”

Section 5.4. Amendment to Article V of the Master Trust Agreement. Article V of the Master Trust Agreement is hereby amended by adding the following Section 5.8 to the end thereof:

“Section 5.18 Contract Assistance Fund.

- (a) Upon the written direction of an Authorized Officer of the Trust, the Master Trustee shall deposit the following amounts in the Contract Assistance Fund upon receipt thereof by the Master Trustee (1) to the Clean Water Account or the Drinking Water Account, as applicable (as directed by the Trust), all amounts received from the Commonwealth pursuant to a Transfer

Requisition and (2) any other amounts paid to the Master Trustee and directed by the trust to be deposited in the Contract Assistance Fund.

(b) Upon the written direction of an Authorized Officer of the Trust, the Master Trustee shall apply available moneys in the Contract Assistance Fund (1) pursuant to the Act, to provide subsidies or other financial assistance for specified Loans or Interim Loans and (2) as otherwise authorized or permitted by the Act.

(c) Unless otherwise specified in a Supplemental Trust Agreement or other resolution of the Trust, the Trust shall not be required to maintain any minimum balance in the Contract Assistance Fund.”

Section 5.5. Amendment to Section 6.5 of the Master Trust Agreement. Section 6.5 of the Master Trust Agreement is hereby amended deleting paragraph (B) thereof and inserting the following in lieu thereof:

“(B) Without limiting the generality of the foregoing provisions of this Section 6.5, subsequent to the issuance of any Refunding Bonds under the Trust Agreement for the purpose of refunding Prior Bonds, the Trust, with prior written notice to the Master Trustee and the applicable prior bond trustee, if any, may amend or otherwise modify the schedule of Borrower Payments, Contract Assistance Payments and Equity Earnings (as defined in the applicable Prior Bond Resolution) allocable to any Prior Loans funded by the proceeds of, or securing, the Refunded Prior Bonds to reflect the final allocation of debt service savings resulting from the issuance of the Refunding Bonds and the refunding of the Refunded Prior Bonds, provided that (i) such Borrower Payments, Contract Assistance Payments and Equity Earnings relating to Prior Loans, as so modified, shall be at least sufficient in aggregate amount and in time of receipt, together with all other amounts expected to be available therefor under the Prior Bond Resolutions, to pay in the current and each subsequent Fiscal Year the sum of all principal and premium of or interest when due on the Outstanding Prior Bonds and any applicable Outstanding Refunding Prior Bonds; (ii) the amounts anticipated to be transferred to the Master Trustee pursuant to Section 6.9 hereof after such modifications, together with all other anticipated Program Revenues (excluding the portion of any Borrower Payments representing the repayment of principal on the Loans not funded from Bond proceeds), in the current and each subsequent Fiscal Year will not be less than the Aggregate Debt Service payable by the Trust in the current and each subsequent Fiscal Year with respect to all Outstanding Bonds; (iii) such amendment or other modification will not adversely affect the ratings then assigned to any Prior Bonds or the Bonds by any Rating Agency; and (iv) such amendment or other modification will not adversely affect the exclusion of interest on any Prior Bonds or the Bonds from gross income for federal income tax purposes, all as evidenced by a certificate of an Authorized Officer of the Trust to such effect delivered to the Master Trustee and upon which the Master Trustee may conclusively rely.

(C) Except as provided in paragraph (A) or (B) of this **Error! Reference source not found.**, the Trust shall not execute and deliver any amendment to or supplement of a Financing Agreement pertaining to any Loan, unless such amendment or supplement shall have been consented to by or on behalf of the Bondowners to the same extent and in the same manner as if such amendment or supplement were a Supplemental Trust Agreement to which the provisions of **Error! Reference source not found.** hereof apply.”

Section 5.6 Amendment to Article VI of the Master Trust Agreement. Article VI of the Master Trust Agreement is hereby amended by adding the following Section 6.9 to the end thereof:

“Section 6.9 Prior Bond Revenues. On or prior to each interest payment date for each series of Refunded Prior Bonds, the Trust shall deliver a certificate of instructions to the applicable prior bond trustee

directing such prior bond trustee to transfer all Prior Bond Revenues after (1) the application of such amounts to the payment of Principal Installments (as defined in the applicable Prior Bond Resolution) and interest due and unpaid or to become due on such date on the applicable Outstanding Prior Bonds, and satisfaction of all other applicable requirements of the applicable Prior Bond Resolution (including without limitation, transfers to the Program Resolution), and (2) any transfers to other prior bond trustees on such dates as required by any applicable Refunding Prior Resolution (including without limitation, transfers to the Program Resolution), to the Master Trustee for deposit in the Revenue Fund held hereunder.”

Section 5.7. Amendment to Article XII of the Master Trust Agreement. Article XII of the Master Trust Agreement is hereby amended by adding the following Section 12.8 to the end thereof:

“Section 12.8 Subordination to Prior Bonds and Prior Bond Resolutions. All obligations, rights and remedies of the Trust or the Master Trustee under the Master Trust Agreement or any Supplemental Trust Agreement as it relates to Prior Loans or agreements related to Prior Loans, including receipt of Revenues after an Event of Default or exercise of remedies, is expressly subject and subordinate to the obligations, rights and remedies of the Trust and the prior bond trustees under the Prior Bond Resolutions, and the Program Trustee under the Program Resolution.”

ARTICLE VI

ACCEPTANCE OF TRUST

Section 6.1. Acceptance of Trusts; Certain Duties and Responsibilities.

The Master Trustee, by execution hereof, accepts and agrees to execute the trusts imposed upon it, and to serve as Trustee, Paying Agent and Bond Registrar for the Bonds, in accordance with the provisions of the Master Trust Agreement and this Supplemental Trust Agreement.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.1. Severability.

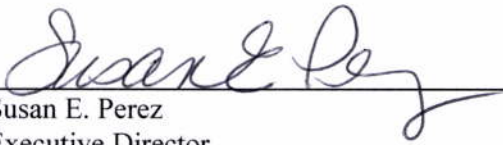
If any provision in this Supplemental Trust Agreement or in the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 7.2. Execution in Counterparts.

This Supplemental Trust Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Trust and the Master Trustee have caused this Supplemental Trust Agreement to be duly executed in counterpart by their duly authorized representatives, as of the day and year first above written.

MASSACHUSETTS CLEAN WATER TRUST

By: 
Susan E. Perez
Executive Director

**U.S. BANK NATIONAL ASSOCIATION,
As Master Trustee**

By: 
Authorized Officer

SCHEDULE 1
TABLE OF REFUNDED BONDS

\$444,520,000 State Revolving Fund Bonds, Series 15:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Refunded Amount</u>	<u>Call Date</u>	<u>Call Price</u>	<u>Remaining Unrefunded Amount</u>
8/1/2021	5.00%	\$18,320,000	8/1/2020	100%	N/A

\$240,850,000 State Revolving Fund Bonds, Series 16:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Refunded Amount</u>	<u>Call Date</u>	<u>Call Price</u>	<u>Remaining Unrefunded Amount</u>
8/1/2021	5.00%	\$10,680,000	8/1/2020	100%	\$ 565,000
8/1/2022	5.00	11,105,000	8/1/2020	100	585,000
8/1/2023	5.00	10,420,000	8/1/2020	100	550,000
8/1/2024	5.00	10,845,000	8/1/2020	100	575,000
8/1/2025	5.00	<u>11,235,000</u>	8/1/2020	100	<u>595,000</u>
		\$54,285,000			\$2,870,000

\$130,835,000 State Revolving Fund Refunding Bonds, Series 2012:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Refunded Amount</u>	<u>Call Date</u>	<u>Call Price</u>	<u>Remaining Unrefunded Amount</u>
8/1/2024	5.00%	\$ 4,135,000	8/1/2022	100%	\$ 220,000
8/1/2025	5.00	940,000	8/1/2022	100	50,000
8/1/2026	5.00	5,945,000	8/1/2022	100	315,000
8/1/2027	5.00	6,080,000	8/1/2022	100	320,000
8/1/2028	5.00	6,240,000	8/1/2022	100	330,000
8/1/2029	5.00	<u>6,320,000</u>	8/1/2022	100	<u>335,000</u>
		\$29,660,000			\$1,570,000