



## Illinois State Toll Highway Authority

\$224,100,000\*

Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding)

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### *Investor Presentation*

October 29, 2019

\*Preliminary, subject to change, when, as, if issued.

# Disclaimer

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<b>Bond Trustee</b>		The Bank of New York Mellon Trust Company, N.A.	
<b>Traffic Engineer</b>		CDM Smith Inc.	
<b>Consulting Engineer</b>		WSP USA Inc.	

Investors should read the entire Preliminary Official Statement carefully before making an investment decision.

## Summary of 2019 Series B, Toll Highway Senior Revenue Bonds

<b>Illinois State Toll Highway Authority Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding)</b>	
<b>Issuer</b>	The Illinois State Toll Highway Authority (the “Authority”)
<b>Issue</b>	Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding) (the “2019B Bonds”)
<b>Par Amount*</b>	\$224,100,000
<b>Ratings</b>	Moody’s: A1 S&P: AA- Fitch: AA-
<b>POS Link</b>	<a href="https://www.munios.com/munios-notice.aspx?i=G3VV9JBxNnI5">https://www.munios.com/munios-notice.aspx?i=G3VV9JBxNnI5</a>
<b>Structure*</b>	Fixed-rate bonds with serial maturities from January 1, 2025 through January 1, 2031
<b>Tax Status</b>	Federally tax-exempt; State taxable
<b>Pricing Date*</b>	November 5, 2019
<b>Closing Date*</b>	November 14, 2019
<b>Call Provisions</b>	TBD
<b>Use of Proceeds</b>	The 2019B Bonds are being issued under the Indenture to provide funds that will be used, together with other available funds, to: (a) Purchase defeasance securities which will refund the Authority’s Series 2010A-1 Bonds, and (b) Pay costs of issuance
<b>Security</b>	Payable solely from and secured solely by a pledge of and lien on the Net Revenues and certain other funds as provided in the Indenture

\*Preliminary, subject to change. *Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*

# Authority Overview and Strengths

## Mission Statement:

*The Illinois Tollway is dedicated to providing and promoting a safe and efficient system of toll-supported highways while ensuring the highest possible level of service to our customers*

## Market Position & Senior Management

- Essential road system with a strong economic and financial history serving metropolitan Chicago, one of the largest and most diverse regional economies in the United States
- Experienced and proactive Board and management team, providing strong governance and oversight

## Traffic Performance

- Mature, growing traffic base with limited viable competing roads, with approximately 2.7% year over year growth in transactions since 2010
- Strong revenue growth and stable toll transactions despite construction impacts and toll increases
- Demonstrated willingness to increase tolls
- Even after recent increases, toll rates remain affordable and compare favorably to peers

## Financials and Debt Service Coverage

- Conservative debt profile with relatively level debt service and final maturities limited to 25 years
- 2018 unrestricted cash/cash equivalents exceeds 1,100<sup>1</sup> days cash on hand
- The Authority's Debt Management Guidelines target annual debt service coverage at or near 2x; debt service coverage in years 2014-2018 ranged from 2.4x to 2.6x
- Strong legal protections and covenants for bondholders

## Capital Improvement Program Management

- \$14.2 billion *Move Illinois Program* (2012-2026) addresses long-term system needs: approximately 70% to be expended on state of good repair and 30% expansion
- Multiple projects and 15-year timeframe of *Move Illinois Program* allow for flexibility with respect to scheduling and management. 46% of total cost, or \$6.5 billion, is expected to have been spent by 2019
- The prior capital program, the \$5.7 billion *Congestion-Relief Program*, is complete



Source: Preliminary Official Statement ("POS"), Consulting Engineer's Report, October 28, 2019, and Traffic Engineer's Report, October 28, 2019. *Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*

1) Days cash on hand calculated as: (Unrestricted Cash and Cash Equivalents + Investments) / (Operating Expenses / 365).



# Overview of the Illinois Tollway System

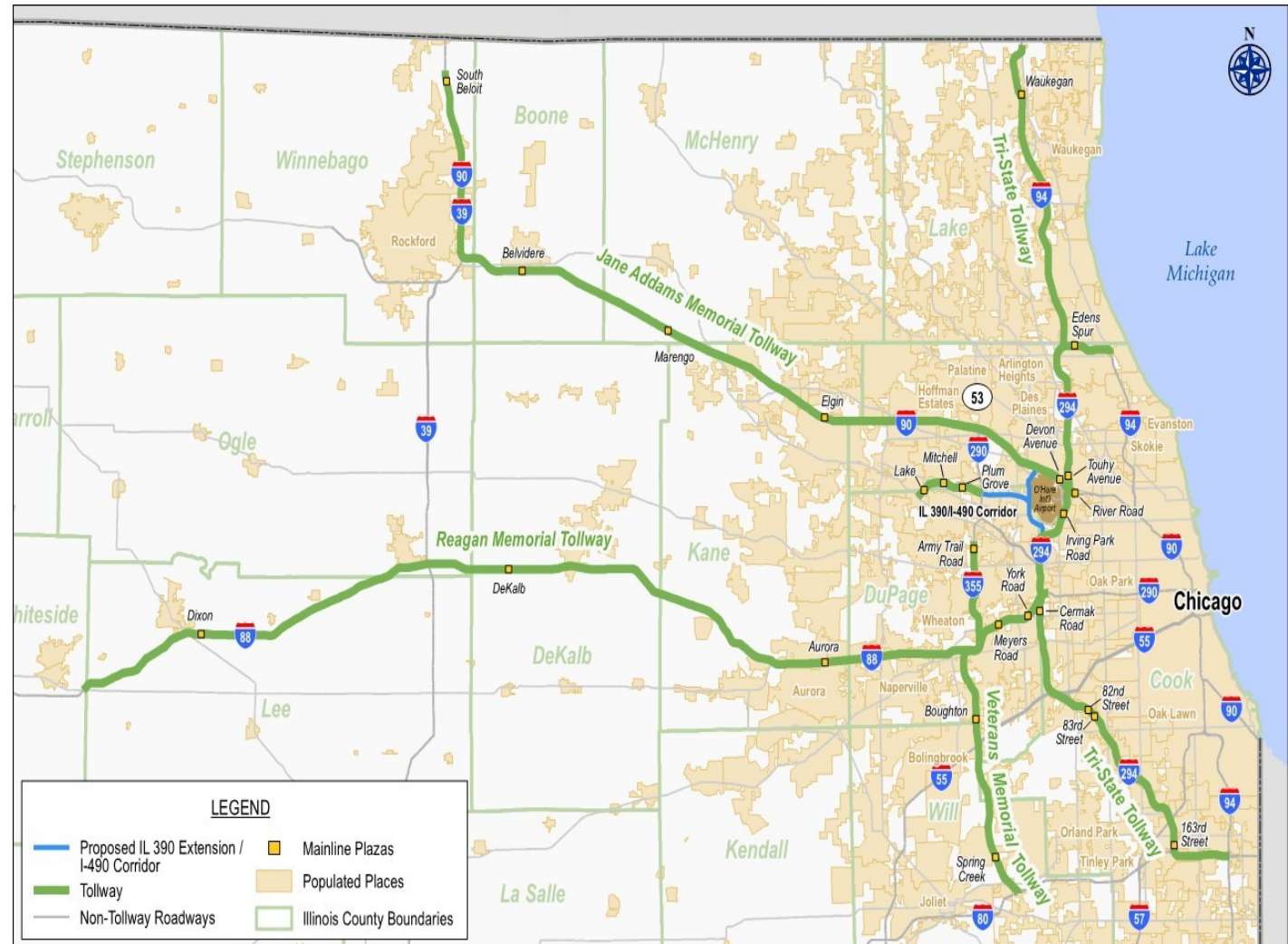
## Overview

- The Tollway System is a multi-asset system of 294 centerline miles of interstate tollways throughout 12 counties in the greater Metropolitan Chicago Area including the:
  - Jane Addams Memorial Tollway
  - Tri-State Tollway
  - Ronald Reagan Memorial Tollway
  - Veterans Memorial Tollway
  - Illinois Route 390
- The Authority collects tolls at 28 mainline plazas and 59 ramp plazas
- Authority has exclusive right to fix, adjust, revise, and collect tolls

## Strategic Priorities

- Execute the *Move Illinois Program* (15-year capital plan scheduled from 2012 - 2026)
- Improve regional mobility and link economies across northern Illinois
- Relieve congestion
- Reduce pollution

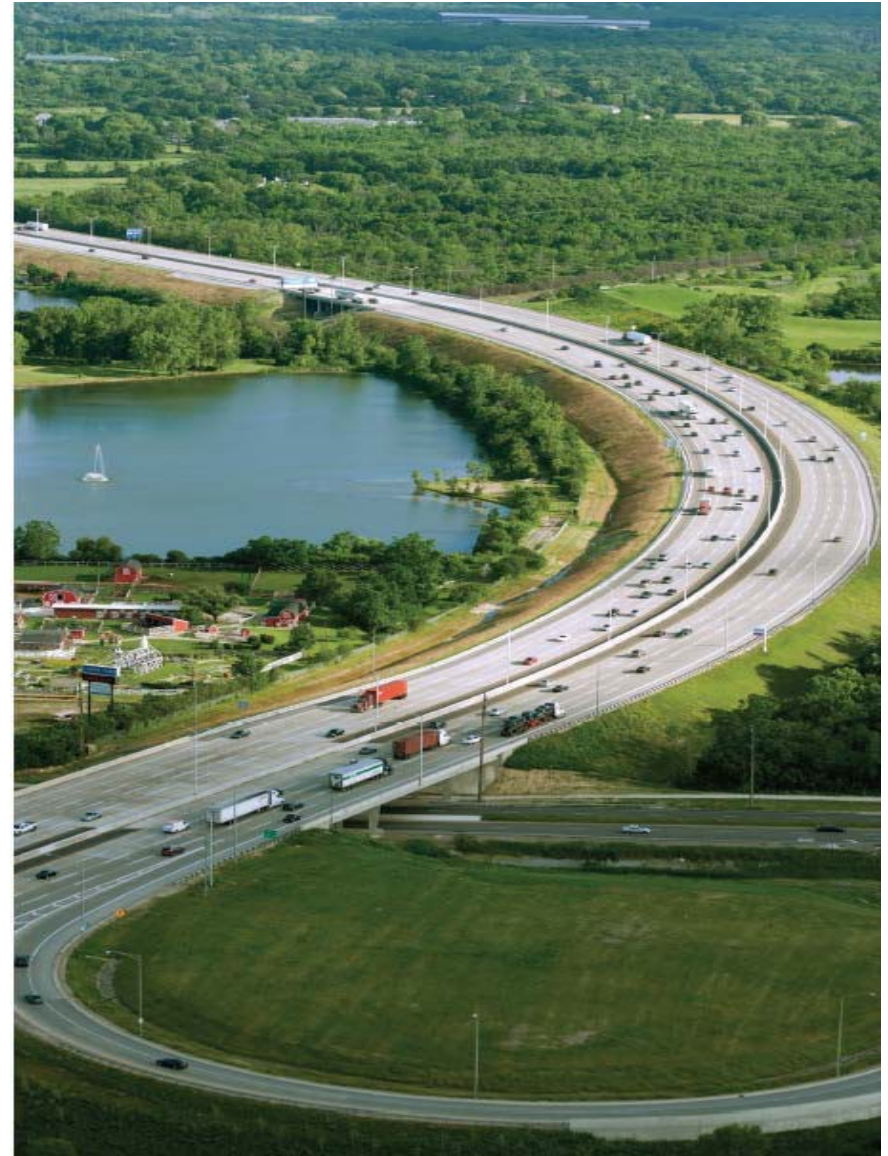
## Tollway System Map



Source: Preliminary Official Statement ("POS") and Consulting Engineer's Report, October 28, 2019. *Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*

## Current State of the Tollway System

- Since the Tollway System was first designed and constructed 60 years ago, the 12-county service area economy, population, and traffic travel patterns have dramatically changed
- The prior capital program, the \$5.7 billion Congestion-Relief Program, is complete. Major projects included:
  - Conversion to open road tolling
  - Construction of a 12.5 mile south extension of the Veterans Memorial Tollway (I-355)
  - Reconstructed, and for significant portions widened, about 115 miles on the South and North portions of the Tri-State Tollway (I-94, I-294, I-80) and parts of the Ronald Reagan Memorial Tollway (I-88)
  - Resurfaced and rehabilitated portions of roadway across all major routes (*not including IL-390*)
- As part of the Authority's *Move Illinois Program*, large sections of the Tollway System are being rebuilt and modernized to preserve a state of good repair and accommodate the growing economy of the region

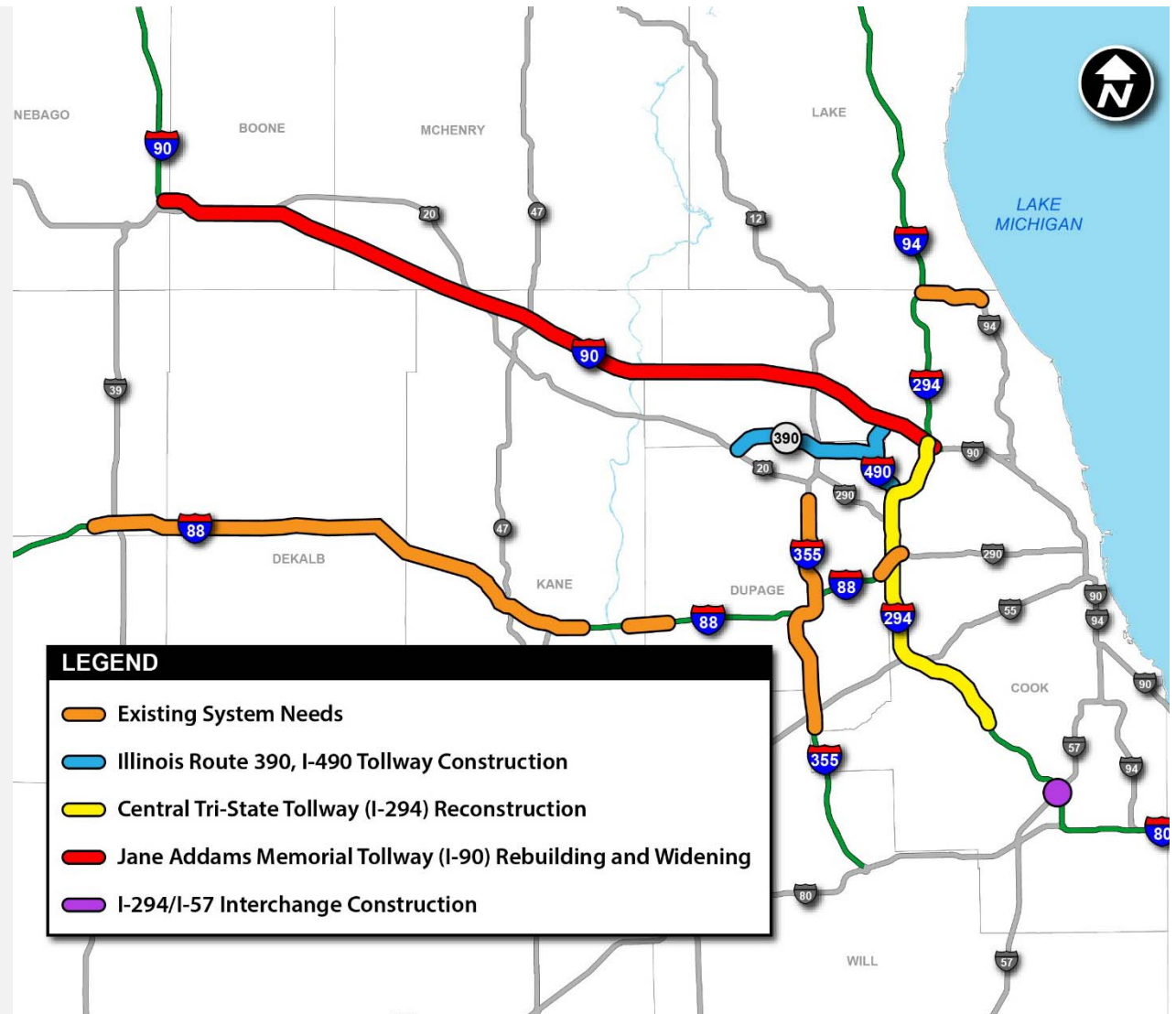


Source: Preliminary Official Statement ("POS") and Consulting Engineer's Report, October 28, 2019. *Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*



## Move Illinois: The Illinois Tollway Driving the Future

- After completion of the **15-year, \$14 billion capital program, *Move Illinois: The Illinois Tollway Driving the Future***, customers will have a largely rebuilt, state-of-the-art system and critical new regional projects that will improve mobility, relieve congestion, reduce pollution, create jobs and stimulate the economy
- The Program's current budget is estimated to cost approximately \$14 billion, financed with \$5.6 billion of bond proceeds and the remainder with pay-as-you-go revenues
  - Existing System Needs: \$10 billion
  - New Projects: \$4 billion
- Authority has a history of executing large capital improvement projects on schedule and within budget
  - Allowed for revenue growth and stable transactions despite construction impacts and toll increases
- Approximately \$2.4 billion additional revenue bonds are projected to be issued for *Move Illinois*. Revenue growth is projected to be sufficient to fund the pay-as-you-go portion of the *Move Illinois Program*



Source: Preliminary Official Statement ("POS") and Consulting Engineer's Report, October 28, 2019. *Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*



## Move Illinois: Addressing Existing System and Expansion Needs

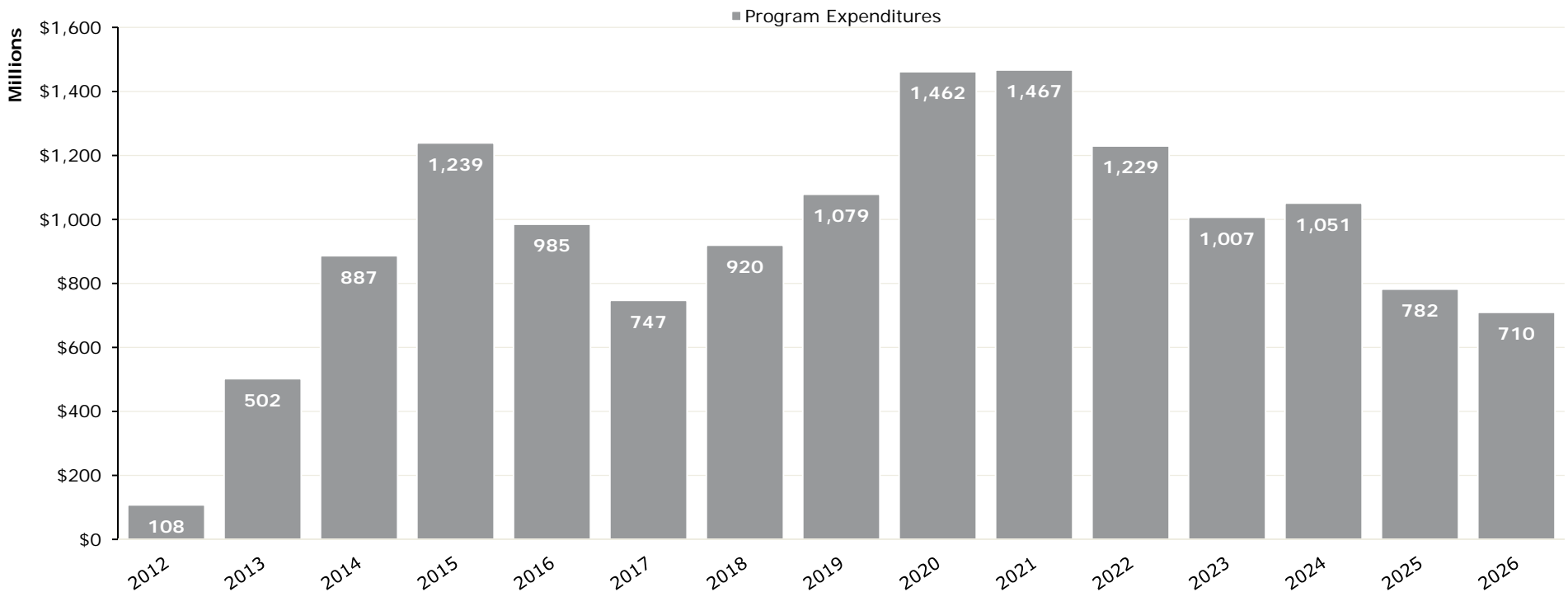
<p><b>Take Care of Existing System</b> (Approximately \$10 billion)</p>	<p><b>Existing Projects</b></p> <ul style="list-style-type: none"> <li>Projects totaling \$10 billion to maintain the existing System: <ul style="list-style-type: none"> <li>Reconstructing the Jane Addams Memorial Tollway (I-90) from the Tri-State Tollway (I-294) near O'Hare to the I-39 Interchange in Rockford <ul style="list-style-type: none"> <li>Substantially complete</li> </ul> </li> <li>Reconstructing all, and widening significant portions of, the central Tri-State Tollway from 95th St to Balmoral Ave; reconstruct the Edens Spur (I-94)</li> <li>Preserving the Ronald Reagan Memorial Tollway (I-88)</li> <li>Preserving the Veterans Memorial Tollway (I-355)</li> <li>Repairing roads, bridges and maintenance facilities</li> </ul> </li> </ul>
<p><b>System Expansion</b> (Approximately \$4 billion)</p>	<p><b>Elgin-O'Hare Western Access Project</b></p> <ul style="list-style-type: none"> <li>Significant time savings versus alternatives</li> <li>Congestion relief on local roads</li> <li>Better link between O'Hare and surrounding communities / businesses to facilitate economic growth</li> <li>Project timing contingent on land acquisition</li> <li>Rehabilitation and widening of existing portion of Illinois Route 390 Tollway (formerly Elgin O'Hare Expressway) completed (tolling began July 5, 2016); eastern extension completed (tolling began November 1, 2017)</li> </ul>
	<p><b>New I-294/I-57 Interchange</b></p> <ul style="list-style-type: none"> <li>One of few places in the nation where two interstates crossed but did not connect; direct connection provides significant time savings</li> <li>Significant reduction in traffic on local roads</li> <li>Increases economic development opportunities in surrounding area</li> <li>Direct freight access to south suburbs</li> <li>First phase completed in October 2014, allowing movements from northbound I-57 to I-294 and from I-294 to southbound I-57</li> <li>Second phase currently scheduled for 2019 - 2022</li> </ul>

Source: Preliminary Official Statement ("POS") and Consulting Engineer's Report, October 28, 2019. *Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*

# Move Illinois Capital Spending

- Construction schedule demonstrates a measured approach to capital spending
- Multiple projects allow for flexibility in scheduling and management

## Annual Move Illinois Program Historical (2012 – 2018) and Projected (2019-2026) Expenditures



Source: Consulting Engineer's Report, October 28, 2019. *Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*

- 1) From time to time, the Illinois Tollway may receive reimbursements under various intergovernmental agreements. Estimated program expenditures do not assume credit for such reimbursements with the following exceptions: for completed years (2012-2018), the totals are net of reimbursements received under various intergovernmental agreements, totaling \$80.4 million; a credit of \$300 million is assumed for the Elgin O'Hare Western Access project (EOWA). The program anticipates contributions from local, federal and other sources valued at approximately \$300 million in years 2017-2023 for interchange and access improvements, of which agreements totaling \$171.7 million have been received.

## Toll Rates by Vehicle Class

- Authority maintains flexibility to raise toll rates and has demonstrated willingness to do so to fund essential capital projects
- Commercial vehicle toll rates adjust annually at rate of inflation; first three increases of 1.839%, 2.254%, and 2.072% effective January 1, 2018, January 1, 2019, and January 1, 2020, respectively
- No further Board or legislative actions are necessary to impose the tolls necessary to complete the program

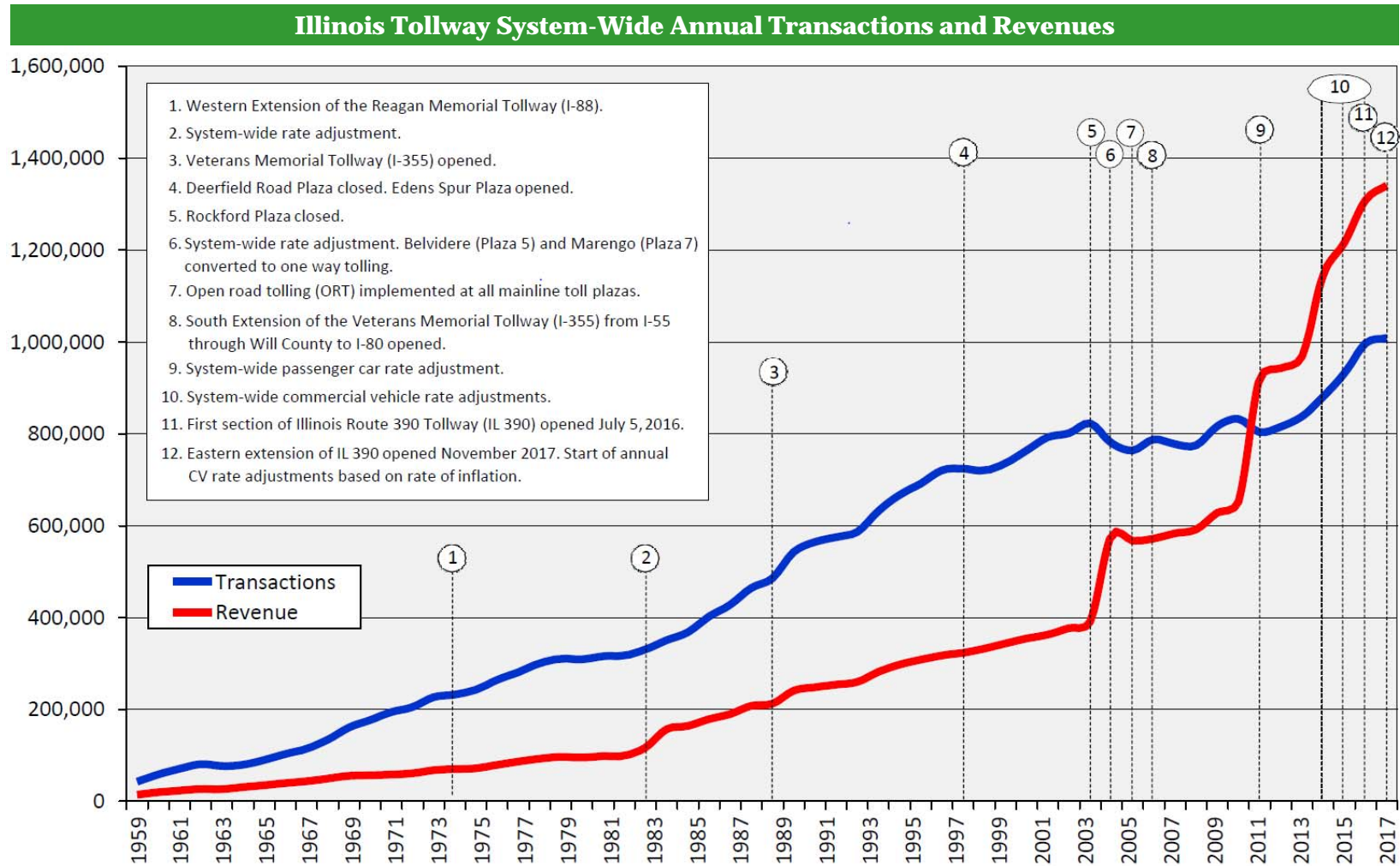
Toll Rates by Vehicle Class (1959 – Present)																		
		1959 - 2004	2005 - 2011 <sup>(1)(3)</sup>		2012 - 2014 <sup>(1)(3)</sup>		2015 <sup>(1)(2)(3)</sup>		2016 <sup>(1)(2)(3)</sup>		2017 <sup>(1)(2)(3)</sup>		2018 <sup>(1)(2)(3)(4)</sup>		2019 <sup>(1)(2)(3)(4)</sup>		2020 <sup>(1)(2)(3)(4)</sup>	
Class	Description	Toll Range	No Discount	Discount	No Discount	Discount	No Discount	Discount	No Discount	Discount	No Discount	Discount	No Discount	Discount	No Discount	Discount	No Discount	Discount
1	Automobile/SUV, motorcycle, taxi, single unit truck or tractor, two axles, four or less tires	\$0.30 - \$0.40	\$0.80	\$0.40	\$1.50	\$0.75	\$1.50	\$0.75	\$1.50	\$0.75	\$1.50	\$0.75	\$1.50	\$0.75	\$1.50	\$0.75	\$1.50	\$0.75
2	Single unit truck or tractor, bus, two axles, six tires	\$0.30 - \$0.50	\$1.50	\$1.00	\$1.50	\$1.00	\$2.10	\$1.40	\$2.25	\$1.50	\$2.40	\$1.60	\$2.45	\$1.65	\$2.50	\$1.65	\$2.55	\$1.70
3	Three and four axle trucks, three axle buses, and Class 1 vehicles with one and two axle trailers	\$0.45 - \$1.00	\$2.25	\$1.75	\$2.25	\$1.75	\$3.15	\$2.45	\$3.40	\$2.65	\$3.60	\$2.80	\$3.65	\$2.85	\$3.75	\$2.90	\$3.85	\$3.00
4	Five and six axle trucks and miscellaneous, special, or unusual vehicles not classified above	\$0.50 - \$1.75	\$4.00	\$3.00	\$4.00	\$3.00	\$5.60	\$4.20	\$6.00	\$4.50	\$6.40	\$4.80	\$6.50	\$4.90	\$6.65	\$5.00	\$6.80	\$5.10

Source: Preliminary Official Statement ("POS"). *Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*

- The toll rates listed above are rates for 11 of the 28 mainline plazas on the Tollway System. Toll rates at the other 17 mainline plazas differ by various amounts. Toll rates on IL Route 390 (began tolling in 2016 / 2017) and the South Extension of I-355 (where tolling began in 2007) are significantly higher on a per-mile basis than toll rates on the rest of the Tollway System. A complete listing of toll rates at each plaza may be found on the Authority's website. No other information from the Authority's website is incorporated by reference into this Official Statement.
- Class 1 vehicles making payment via transponders (I-PASS, E-Z Pass, etc.) are tolled at a discounted rate, and a non-discounted rate applies to cash forms of payment.
- Commercial vehicles (Classes 2-4) are tolled at a discounted rate during the overnight period of 10 p.m. – 6 a.m. whether paying by I-PASS or cash (the "Overnight Discount Rate"). Prior to January 1, 2009, commercial vehicles paying by I-PASS were tolled at the discounted rate for certain off-peak time periods (the "I-PASS Off-Peak Discount Rate"). This I-PASS Off-Peak Discount Rate expired on 12/31/2008. The Overnight Discount Rate continues.
- Beginning January 1, 2018, and each January 1 thereafter, commercial vehicle toll rates adjust at approximately the rate of change of the CPI-U. The adjustments effective 1/1/2018, 1/1/2019, and 1/1/2020 are based on CPI-U increases of 1.839%, 2.254%, and 2.072%, respectively.

## Revenue Growth

- The Authority has experienced continued revenue growth and stable transactions despite construction impacts and toll increases
- The continued transaction growth, subsequent to toll increases, implies low elasticity between toll rates and transaction growth and speaks to the continuity of the system



Note: Revenues shown are collected Toll Revenues Source: Traffic Engineer's Report, October 28, 2019. Investors should read the entire Preliminary Official Statement carefully before making an investment decision.



# Low Toll Elasticity Demonstrates Essentiality of Roadways

Despite toll increases, the relationship between toll rates and revenues/transactions has been relatively inelastic

## Transaction Changes

- In January 2015, commercial vehicle toll rates increased by 40%
  - The number of commercial vehicle transactions increased by 2.8% from 2014 to 2015, which was better than forecasted
  - Commercial vehicle toll revenue increased 43.0% from 2014 to 2015

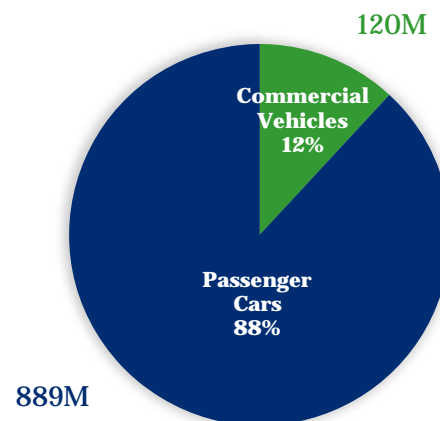
	Traffic Engineer 2015 Forecast	2015 Actual
Passenger Cars	1.6% Increase	5.5% Increase
Commercial Vehicles	1.1% Decline	2.8% Increase

- In January 2012, passenger car toll rates increased by 87%
  - The number of passenger car transactions decreased by only 4.2% from 2011 to 2012, which was better than forecasted
  - Passenger car toll revenue increased 73.9% from 2011 to 2012

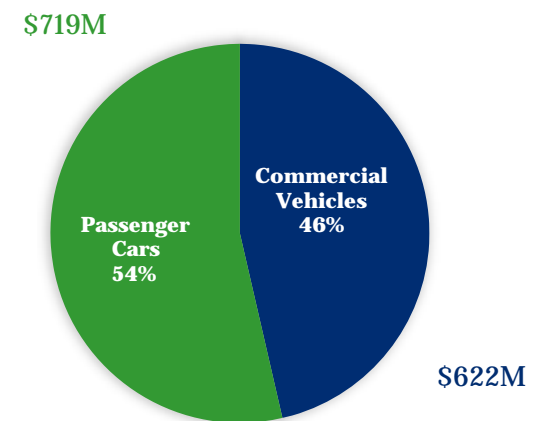
	Traffic Engineer 2012 Forecast	2012 Actual
Passenger Cars	5.9% Decline	4.2% Decline
Commercial Vehicles	2.2% Increase	2.8% Increase

- Low toll elasticity has continued through 2015 – 2018 commercial vehicle rate increases
- Low elasticity for both passenger and commercial traffic on the Tollway System demonstrates the essentiality of its roadways
- A breakdown of 2018 toll transactions and toll revenue by passenger cars and commercial vehicles follows to the right

## Toll Transaction Breakdown (2018)



## Toll Revenue Breakdown (2018)

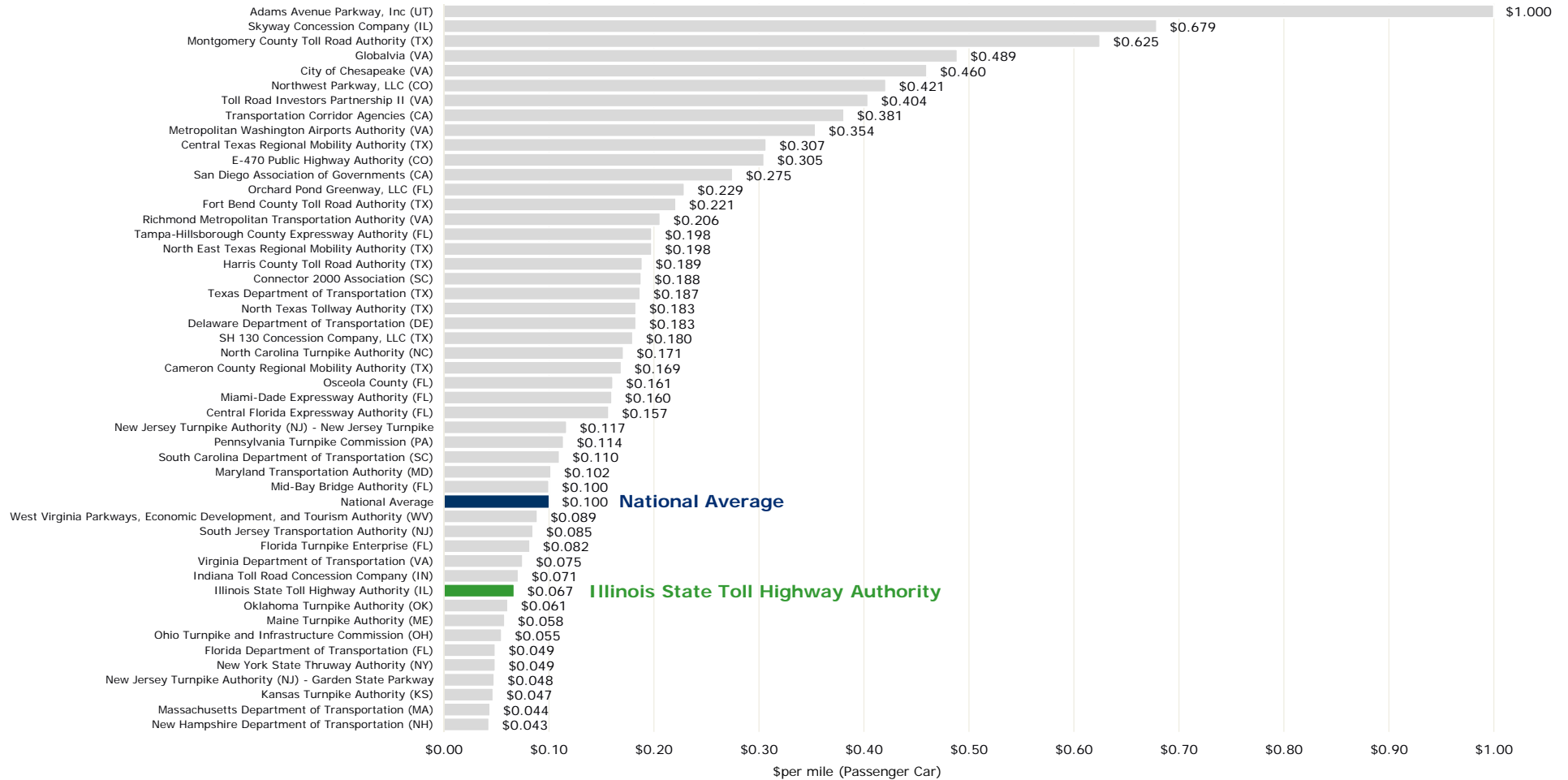


Source: Traffic Engineer's Report, October 28, 2019. Investors should read the entire Preliminary Official Statement carefully before making an investment decision.

# Toll Rate Peer Comparison

The Tollway System maintains one of the lowest per-mile passenger car toll rates among U.S. facilities

## Comparison of \$Per-Mile Passenger Car Toll Rates Among Other U.S. Facilities



Note: Toll rates are for electronic payments at peak hour rates, if applicable. Toll rates are current as of January 2019. Source: Traffic Engineer's Report, October 28 2019. *Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*

## Use of Electronic Tolling

- High rate of electronic tolling – 90.2% in 2018
- Evaded tolls averaged a manageable 6.5% of expected revenues over 2014-2018
- Evaded tolls net of evasion recovery averaged 1.5% over 2014-2018

2018 ETC Usage Rates Comparison			
ETC Usage Rank	ETC Usage Rates	Toll Agency Name	Name of ETC System
1	94.4%	Metropolitan Transportation Authority (NY)	E-ZPass
2	90.2%	Illinois Tollway	I-PASS
3	86.8%	Port Authority of New York and New Jersey	E-ZPass
4	86.0%	Massachusetts Department of Transportation	E-ZPass
5	85.9%	New Jersey Turnpike Authority	E-ZPass
6	83.4%	Indiana Toll Road Concession Company	E-ZPass
7	82.8%	Florida's Turnpike	SunPass
8	82.2%	North Texas Tollway Authority	TollTag
9	80.0%	Maryland Transportation Authority	E-ZPass
10	79.7%	Pennsylvania Turnpike Commission	E-ZPass
11	77.1%	New York State Thruway Authority	E-ZPass
12	77.0%	Oklahoma Turnpike Authority	PIKEPASS
13	74.3%	Harris County Toll Road Authority (Houston)	E-Z Tag
14	70.2%	Bay Area Toll Authority	FasTrak
15	62.2%	Ohio Turnpike Commission	E-ZPass

Source: Traffic Engineer's Report, October 28, 2019. *Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*

## History of Financial Performance and Liquidity

- As of FY 2018, unrestricted cash/cash equivalents/investments totaled \$1.1 billion, equating to over 1,100 days cash on hand
- Financial performance and manageable debt issuance has allowed for sound budgeting

### Financial Performance

	2014	2015	2016	2017	2018
Operating Revenues <sup>(1)(2)</sup> :					
Toll Revenue	\$968,972	\$1,146,629	\$1,216,298	\$1,309,190	\$1,341,051
Toll Evasion Recovery <sup>(3)</sup>	53,769	64,323	64,491	65,640	70,469
Concession/Miscellaneous	12,373	7,664	11,481	13,041	12,232
Investment Income	1,041	1,846	6,530	13,947	34,389
Total Operating Revenue	\$1,036,156	\$1,220,463	\$1,298,800	\$1,401,818	\$1,458,141
Maintenance and Operating Expenses <sup>(1)(2)</sup> :					
General Administration	\$24,192	\$23,851	\$25,732	\$32,077	\$47,341
Engineering & Maintenance	47,614	55,477	53,650	74,055	78,404
Toll Services	107,326	101,415	109,854	140,217	141,981
Police, Safety and Communication	27,606	24,958	27,256	37,908	40,762
Insurance and Employee Benefits <sup>(4)</sup>	91,082	92,778	92,748	35,282	27,873
Total Expenses	\$297,821	\$298,479	\$309,239	\$319,538	\$336,361
<b>Net Operating Revenues</b>	<b>\$738,335</b>	<b>\$921,984</b>	<b>\$989,561</b>	<b>\$1,082,279</b>	<b>\$1,121,780</b>

Source: Comprehensive Annual Financial Report for the Year Ended December 31, 2018. *Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*

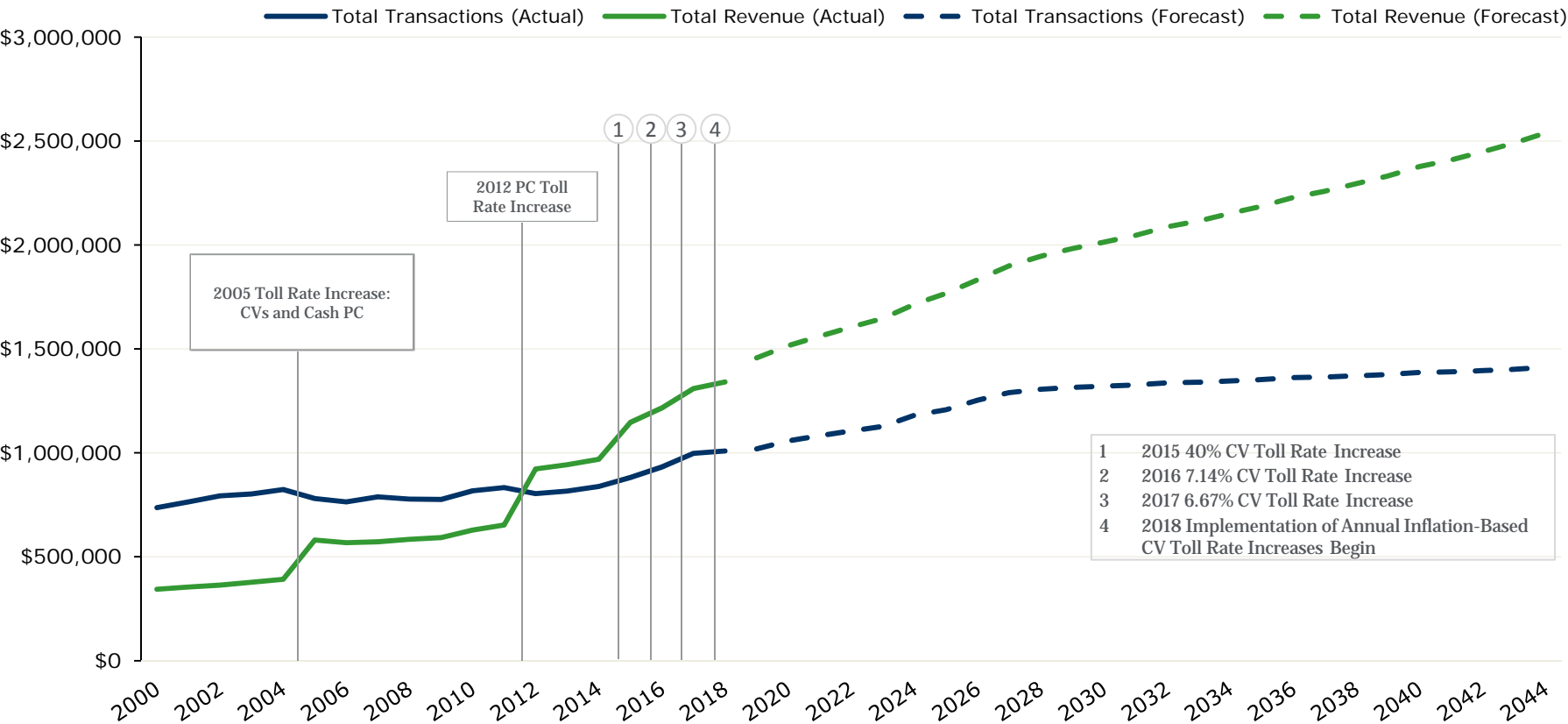
- (1) Determined in accordance with accounting principles set forth in the Indenture and may differ from financial statements prepared in accordance with generally accepted accounting principles. Maintenance and Operating Expenses exclude depreciation and amortization. See "FINANCIAL INFORMATION - Financial Information Discussion - GAAP Basis and Trust Indenture Basis."
- (2) Totals may not add due to rounding.
- (3) The Authority recognizes fines as revenues when collected.
- (4) In years 2014 – 2016, the line-item "Insurance and Employee Benefits" includes expenses for the employer portions of retirement and FICA, workers compensation and medical insurance, whereas in years 2017 – 2018 that line-item includes expenses only for workers compensation and medical insurance. In years 2017 – 2018, the expenses for the employer portions of retirement and FICA were allocated among the four department-based groupings listed in the chart above under Maintenance and Operating Expenses.



# Historical and Projected Traffic and Revenues

Forecasted average annual transaction growth is 1.3% from 2019-2044

## Illinois Tollway System-Wide Annual Transaction & Revenue Forecast



Source: Traffic Engineer's Report, October 28 2019. Investors should read the entire Preliminary Official Statement carefully before making an investment decision.

Note: Expected revenue is the sum of all toll revenues that would be realized if 100 percent of transactions were recorded at the proper rate and resulted in full payment.

## Projected Debt Service Coverage

Per its Debt Management Guidelines, the Authority will strive to maintain average senior lien debt service coverage above 2.0x

### Forecasted (\$ in millions)

Projected Revenues	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Expected Toll Revenues <sup>(1)</sup>	\$1,457	\$1,516	\$1,561	\$1,606	\$1,646	\$1,715	\$1,767	\$1,833	\$1,900	\$1,945	\$1,983	\$2,014	\$2,046
Evaded Tolls <sup>(2)</sup>	(90)	(96)	(96)	(96)	(99)	(103)	(106)	(110)	(114)	(117)	(119)	(121)	(123)
Evasion Recovery <sup>(3)</sup>	83	75	77	77	79	82	85	88	91	93	95	97	98
Concessions and Miscellaneous	10	10	10	10	10	10	10	10	10	10	10	10	10
Investment Income	35	30	25	20	20	20	25	25	25	20	20	20	20
Total Revenues	1,495	1,535	1,577	1,616	1,656	1,724	1,781	1,846	1,912	1,952	1,989	2,019	2,052
Projected Operating Expenses <sup>(4)</sup>	\$365	\$380	\$395	\$410	\$426	\$443	\$460	\$484	\$502	\$520	\$539	\$552	\$572
Projected Net Revenues	\$1,130	\$1,155	\$1,182	\$1,206	\$1,230	\$1,281	\$1,322	\$1,362	\$1,410	\$1,432	\$1,450	\$1,467	\$1,480
Projected Debt Service <sup>(5)</sup>	\$429	\$436	\$435	\$435	\$435	\$432	\$456	\$493	\$491	\$492	\$493	\$492	\$500
<b>Pro Forma Debt Service Coverage</b>	<b>2.6 x</b>	<b>2.6 x</b>	<b>2.7 x</b>	<b>2.8 x</b>	<b>2.8 x</b>	<b>3.0 x</b>	<b>2.9 x</b>	<b>2.8 x</b>	<b>2.9 x</b>	<b>2.9 x</b>	<b>2.9 x</b>	<b>3.0 x</b>	<b>3.0 x</b>
Projected Net Cash Flow <sup>(6)</sup>	\$701	\$718	\$747	\$771	\$800	\$855	\$870	\$880	\$928	\$939	\$957	\$975	\$980

Source: Preliminary Official Statement ("POS"). *Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*

<sup>(1)</sup> Projected Expected Toll Revenues, the toll revenues that would be collected if applicable toll payments were received from all vehicles, are based upon the Traffic Engineers' Report.

<sup>(2)</sup> Projected Evaded Tolls (aka Toll Revenue Leakage) averages approximately 6.2% of Expected Toll Revenues in 2019 – 2021 and is projected at 6.0% of Expected Toll Revenues thereafter.

<sup>(3)</sup> Projected Evasion Recovery averages approximately 85% in 2019 – 2020 and thereafter is projected at 80% of Evaded Tolls, which equates to net leakage of 1.2%.

<sup>(4)</sup> Projected Operating Expenses are based upon the Consulting Engineers' Report.

<sup>(5)</sup> See "FINANCIAL INFORMATION – Annual Debt Service Requirements" for certain assumptions relating to debt service on the outstanding Senior Bonds. This table assumes the issuance of the 2019B Bonds and refunding of the Refunded Bonds but does not take into account any bond issuance thereafter. The Authority's current estimate of projected debt service coverage assuming the issuance of all additional bonds for the *Move Illinois Program*, such assumed issuance as described in "PLAN OF FINANCE" herein, is approximately 2x for each of the years of 2019 through 2031. This table does not take into account, either as revenue or as a credit against debt service, any Subsidy Payments expected in connection with the issuance of the 2009A Bonds and 2009B Bonds as Build America Bonds. Debt Service due January 1 of each year is deemed payable in the preceding year. See the definition of "Debt Service" in APPENDIX D.

<sup>(6)</sup> In each year, the projected net cash flow exceeds the projected Renewal and Replacement Deposit for such year set forth in the Consulting Engineers' Report.

## Bondholder Security

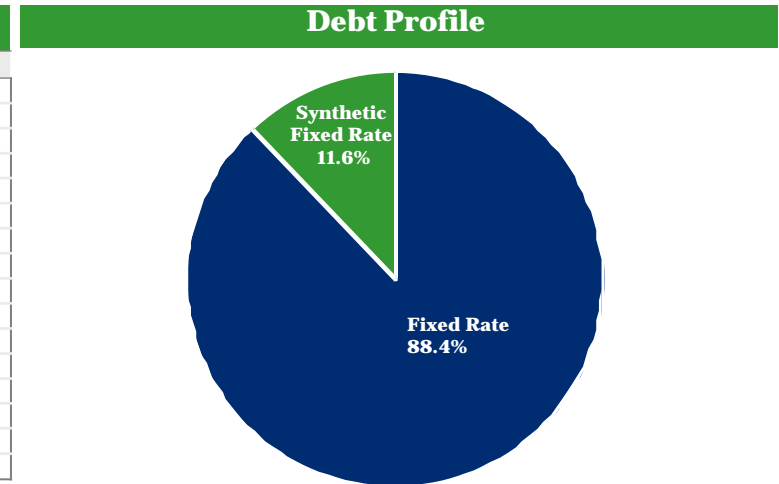
<b>Pledge of Revenues and Funds</b>	Bonds issued under the Indenture are payable solely from and secured solely by a pledge of and lien on Net Revenues (defined below) of the Tollway System and certain other funds as provided in the Indenture
<b>Net Revenues</b>	For any Fiscal Year, the Revenues, excluding the amounts transferred (i) to the Revenue Fund from the Construction Fund and (ii) to the Trustee by the Authority from the System Reserve Account, the Improvement Account or the Renewal and Replacement Account, less the Operating Expenses for such Fiscal Year or period
<b>Toll Covenant</b>	<p>The Tollway Authority, which by statute has the exclusive right to set tolls, covenants to set tolls at levels that produce sufficient Net Revenues to meet or exceed the Net Revenue Requirement</p> <ul style="list-style-type: none"> <li>▪ Amount necessary to cure deficiencies, if any, in the Debt Service Account, the Debt Reserve Account, any Junior Bond Debt Service and/or Junior Reserve Account, <i>plus</i></li> <li>▪ The greater of (i) the sum of Aggregate Debt Service on Senior Bonds, the Junior Bonds Revenue Requirement and the Renewal and Replacement Deposit or (ii) 1.30x Aggregate Debt Service on Senior Bonds</li> </ul>
<b>Net Revenue Requirement</b>	<p>The amount necessary to cure any deficiencies in the Debt Service and Debt Reserve Accounts (Senior and Junior), <i>plus</i> the greater of:</p> <ul style="list-style-type: none"> <li>▪ The sum of: Debt Service and reserve fund requirements on Senior and Junior Bonds and the Renewal and Replacement Deposit</li> <li>▪ 1.30x Aggregate Debt Service on the Senior Bonds</li> </ul>
<b>Additional Bonds Test</b>	<ul style="list-style-type: none"> <li>▪ <b>Look-Back (Test #1)</b> - Net Revenues for a period of 12 consecutive months out of the 18 months preceding the issuance of additional senior bonds must exceed the Net Revenue Requirement; and</li> <li>▪ <b>Forward-Looking (Test #2)</b> - For the current and each Fiscal Year through the fifth full Fiscal Year after the date of issuance, Net Revenues shall be at least equal to the estimated Net Revenue Requirement for such Fiscal Year</li> </ul>
<b>Debt Reserve Requirement</b>	The maximum annual Aggregate Debt Service for any Fiscal Year for all outstanding Senior Bonds

Investors should read the entire Preliminary Official Statement carefully before making an investment decision.

# Authority's Debt Profile

The Authority currently has approximately \$6.3 billion in par amount of bonds outstanding

Fixed Rate Debt			
Series	Type	Issued Amount (\$000s)	Outstanding Amount (\$000s)
2009A	Fixed	500,000	400,000
2009B	Fixed	280,000	280,000
2010A-1 <sup>(1)</sup>	Fixed	279,300	276,560
2013A	Fixed	500,000	500,000
2014A	Fixed	378,720	378,720
2014B	Fixed	500,000	500,000
2014C	Fixed	400,000	400,000
2014D	Fixed	264,555	243,345
2015A	Fixed	400,000	400,000
2015B	Fixed	400,000	400,000
2016A	Fixed	333,060	333,060
2016B	Fixed	300,000	300,000
2017A	Fixed	300,000	300,000
2018A	Fixed	515,250	515,250
2019A	Fixed	300,000	300,000
<b>Total</b>	<b>-</b>	<b>5,650,885</b>	<b>5,526,935</b>



Variable Rate Debt Portfolio							
Type	Par Amount of Bonds (\$000s)	Type	Liquidity Provider / Expiration Date of Liquidity and/or Facility	Insurer	Swap Counterparty(ies)	Swap Notional / Outstanding Amount (\$000s)	Estimated Valuation as of 9/30/19 (\$000s)
2007A-1	350,000	VRDB	Landesbank Hessen-Thuringen Girozentrale (1/30/2022) Bank of America, N.A. (3/1/2021)	None	Citibank Goldman Sachs Bank USA	350,000	(76,576)
2007A-2	87,500	VRDB	Bank of America, N.A. (3/1/2021)	None	Wells Fargo Bank, N.A.	87,500	(19,238)
2008A-1	189,600	VRDB	RBC Municipal Products, LLC (2/3/2020)	AGMC	The Bank of New York	189,600	(37,435)
2008A-2	94,825	VRDB	JPMorgan Chase Bank (1/30/2020)	AGMC	Bank of America	94,800	(18,647)
<b>Total</b>	<b>721,925</b>					<b>721,900</b>	<b>(151,941)</b>

Future new money debt issuances are projected to be fixed rate, which will decrease variable-rate exposure as a percentage of total debt over time.

The majority of the Authority's variable rate debt amortizes in Authority fiscal years 2024 – 2030.

The Authority's swaps are SIFMA based.

\$400 million in Additional Senior Bonds was approved by a resolution but have not yet been issued.

*Investors should read the entire Preliminary Official Statement carefully before making an investment decision.*

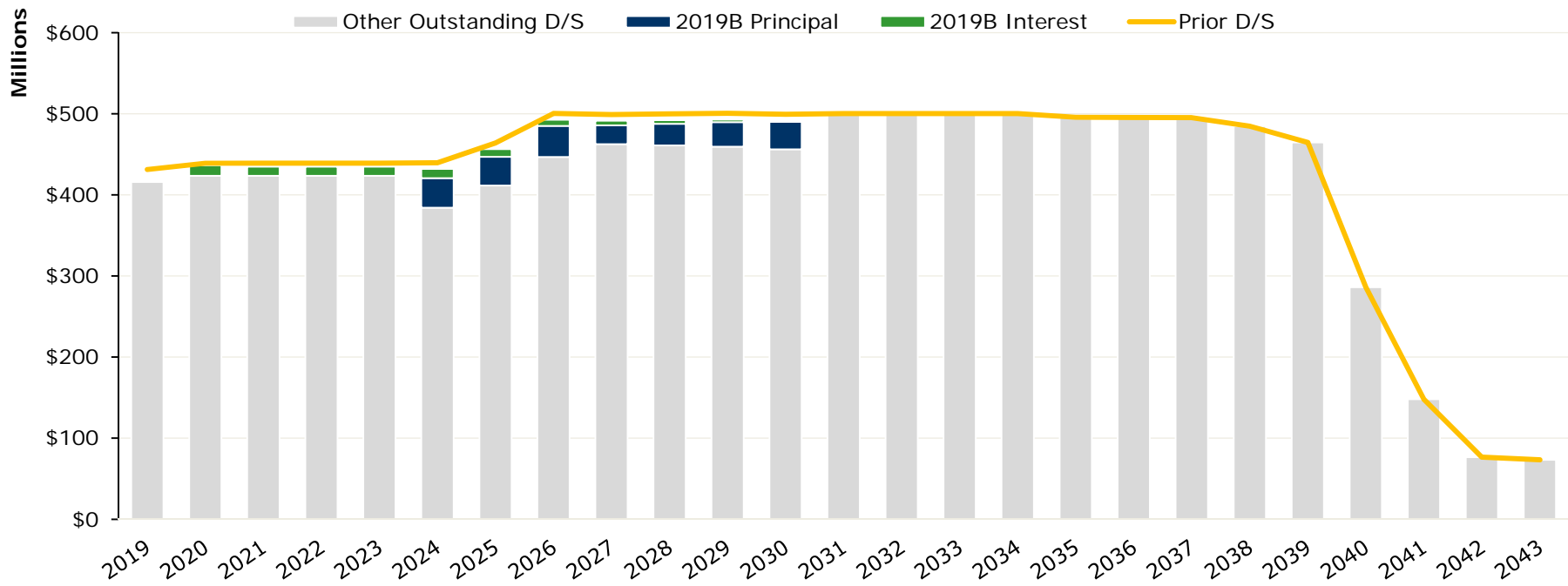
<sup>(1)</sup> Will be refunded with the proceeds of the 2019B Bonds.



# Toll Highway Senior Revenue Bonds, 2019 Series B (Refunding) Plan of Finance

- The 2019B Bond proceeds are expected to redeem \$276.6 million of the 2010 Series A-1 Bonds
- The Bonds are expected to amortize January 1 of 2025 through 2031

## Annual Debt Service Requirements by Fiscal Year\*



\*Preliminary, subject to change. Note: debt Service due January 1 of each year is deemed payable in the preceding year. Investors should read the entire Preliminary Official Statement carefully before making an investment decision.

## Transaction Timeline\* and Contact Information

### Financing Schedule

October 2019						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Action Item	Date*
Electronically Post POS	October 28
Pricing of Bonds	November 5
Closing	November 14

### Contacts

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### Morgan Stanley

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\*Preliminary, Subject to Change. Investors should read the entire Preliminary Official Statement carefully before making an investment decision.